

**CENTRAL BANK OF NIGERIA**

**(RESEARCH DEPARTMENT OCCASIONAL PAPER NO. 27)**

**HIGHWAY MAINTENANCE IN NIGERIA:  
LESSONS FROM OTHER COUNTRIES**

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## **HIGHWAY MAINTENANCE IN NIGERIA:** **LESSONS FROM OTHER COUNTRIES**

### **I. INTRODUCTION**

Infrastructure is a generic term for basic structures and facilities that are essential to the generation of economic growth and development in modern economies. It covers many facilities generally referred to as economic and social overhead capital which include education, water supply, sewage systems, energy, postal and telecommunication services, transport systems, hospitals and roads (World Bank, 1994).

Efficient provision of infrastructure is usually characterized by heavy capital outlay, indivisibility of benefits and high externalities. In view of these properties, government is usually called upon to provide such facilities, especially in the developing economies. In countries where the development of these infrastructures have followed a rational, coordinated and harmonized path, growth has received a big boost (Beesley, 1973). This is because infrastructure provision and development serve as input into private sector production, thus facilitating output growth and productivity. Examples are Japan and Korea. On the other hand, where the growth of infrastructure has not followed such a harmonized path, development is usually stunted as exemplified by most African countries and other LDCs. Infrastructure provision can be through public ownership with private sector management and operations, public ownership and operation through public enterprises or government departments, private ownership/operation and community provisioning. The provision of infrastructure in Nigeria is characterized by the predominance of public enterprises.

The extent to which a nation's land mass is covered by road network is an index

of the degree of mobility of people, goods and services within the country, and the quality of the network measures the ease and cost of that mobility. In addition, it is evident that transportation plays a crucial role in shaping the destiny of many nations because modern industry and commercial activities rest on proper, well-developed and efficient transport system.

Huge sums of money have been sunk into road development in Nigeria. The road network is currently estimated at about 194,000 kilometres, with the Federal Government being responsible for about 17 percent, State Governments 16 percent and local Governments 67 percent (FMW&H). However, these roads have been plagued by a number of problems, with the major ones being faulty designs, inadequate drainage system and poor maintenance culture, which have significantly reduced the utility of the roads. There are potholes, washing away of pavements, fallen bridges, etc, along most Nigerian roads. These problems have made it difficult, expensive and more arduous to move products and services from producers to consumers, farm produce from rural to urban centers, which often lead to loss of man-hours and high cost of goods and services. The annual loss due to bad roads is valued at ₦80 billion, while additional vehicle operating cost resulting from bad roads is valued at ₦53.8 billion, bringing the total loss per annum to ₦133.8 billion (Federal Ministry of Work & Housing). This figure does not take into account the man-hour losses in traffic due to bad roads and other emotional and physical trauma people go through plying the roads and the consequent loss in productivity.

Overall, the poor state of roads in Nigeria impacts negatively on cost of production, and represents a major trigger of cost-push inflation. The primary mandate of the CBN is to maintain price stability. It is evident that this mandate

will not be achieved if the problem of bad roads in the country is not addressed.

The objective of this paper is to examine the extent of highway maintenance in Nigeria, vis-a-vis the practice in other countries. For ease of exposition, the paper has been divided into six sections. Following this introduction, section two focuses on the current status of highway infrastructure in Nigeria. An overview of the regulatory framework for infrastructure maintenance, with emphasis on highways, is analyzed in section three, while section four focuses on lessons to be learnt from other countries. Policy recommendations are proffered in section five, while section six summarizes and concludes the paper.

## **2.0 STRUCTURE, FUNDING AND STATUS OF HIGHWAY MAINTENANCE IN NIGERIA**

### **2.1 Structure of Roads**

Integrated road development in Nigeria dates back to 1925, when the Road Board was established by the then colonial administration. The Board had the responsibility to evolve blueprints for trunk road network, connecting major administrative centres in the colonial time. As at 1951, 1,782km out of the total of 44,414km of road built in Nigeria was surfaced. The roads were however lacking in standard designs and were in single lane, with sharp bends and poor drainage system. The growth of economic activities prompted the need, for improvement in roads. Consequent upon this, the quality of road construction was improved as the length and network continued to increase such that by 1952, 15,785km of bituminous surface and 75,200km of earth/gravel surface roads were already in place in Nigeria (FMW&H). The estimated current total road

network is about 194,000 kilometres.

The Nigerian road system is classified into four broad categories:

***The Federal Trunk ‘A’ Roads:*** These are under Federal Government ownership and they are developed and maintained by the Federal Government.

***The Federal Trunk ‘F’ Roads:*** These were formerly under state ownership, but were taken over by the Federal Government, with a view to upgrading them to Federal highway standards.

***The State Trunk ‘B’ Roads.*** These are under the ownership and management of the component states.

***The Local Government Trunk ‘C’ Roads:*** These are under Local Government ownership and management.

Each tier of government has the responsibility for planning, construction and maintenance of the network of roads under its jurisdiction.

The current road network of roads, estimated at 200,000 kilometres, is shared among the three tiers of government as shown below:

Table 1: **Structure of road ownership**

	<b>Federal</b>	<b>State roads</b>	<b>L. G. Roads</b>	<b>Total</b>	<b>Percent</b>
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<b>Paved main roads</b>	<b>26,500</b>	<b>10,400</b>		<b>36,900</b>	<b>19%</b>
<b>Unpaved main roads</b>	<b>5,600</b>	<b>20,100</b>		<b>25,700</b>	<b>13%</b>
<b>Urban roads</b>			<b>21,900</b>	<b>21,900</b>	<b>11%</b>
<b>Main rural roads</b>			<b>72,800</b>	<b>72,800</b>	<b>38%</b>
<b>Village Access Roads</b>			<b>35,900</b>	<b>35,900</b>	<b>19%</b>
<b>Total</b>	<b>32,100</b>	<b>30,500</b>	<b>130,600</b>	<b>193,200</b>	<b>100%</b>
<b>Percent</b>	<b>17%</b>	<b>16%</b>	<b>67%</b>	<b>100%</b>	

Source: Federal Ministry of Works and Housing

## 2.2 Funding Arrangements

Funds for road maintenance in Nigeria had been from Federal Government allocation to the Federal Ministry of Works and Housing, as well as state and local government allocations for maintenance purposes. Some States, especially those in the eastern part of the country have been engaged in local road construction and maintenance over the years. During the years of the Petroleum Trust Fund (PTF), the Fund had, as part of its mandate, the responsibility to maintain roads, especially the federal roads. These arrangements did not adequately tackle the problem of road maintenance in the country and therefore, a Presidential Policy Advisory Committee (PPAC) was set up in 1999 to look into the state of the national infrastructure. The Committee recommended, among other things, that the funding of highways should be improved by establishing a *Road Fund* which will derive its funds from the following sources: Highway Tolls, Vehicle Taxes, Truck Weigh-Bridges, Parking Fees and Petroleum Tax (formerly collected by the defunct PTF). Presently, all these funds are paid into the Federation Account and the budget for road maintenance is from budgetary

provisions.

In addition, an executive Bill proposing the establishment of a road maintenance agency has recently been passed by the National Assembly and assented to by the President. The responsibility of the Agency is to administer and manage the National Road Maintenance Fund in such a manner as to ensure the efficient and effective maintenance of all the existing Federal trunk roads and such other roads as may be declared from time to time as Federal trunk roads.

### **2.3 Status of Highway Maintenance in Nigeria**

Highway maintenance means the preserving and keeping of **road structures** as near as possible in their original state. It consists of correcting deficiencies that have developed as a result of age, use and the effects of the elements, and taking steps to prevent or delay the development of other deficiencies (FMW&H). Road maintenance is vital in order to prolong its life. Also well-maintained roads reduce the cost of operating vehicles by providing good running surface. Proper maintenance also keeps the roads open and ensures greater regularity, punctuality and safety of transport services.

Road maintenance is classified into the following categories:

- ***Routine Maintenance:*** Routine maintenance is required to be carried out continually on every road, irrespective of its engineering features or volume of vehicular traffic. Routine maintenance expenses are treated as fixed-cost items in the maintenance budget. They include lane marking, drainage clearing, bridges and culvert maintenance, grass cutting and so on.

- ***Recurrent Maintenance:*** This is required at intervals during the year. The frequency of this maintenance depends on the topographic and climatic characteristics of the area and the volume of traffic on the road. It involves maintenance of pavements for paved roads, repairing of potholes and grading for unpaved roads.
- ***Periodic Maintenance:*** This involves major repairs or rehabilitation of those parts of the highway that have deteriorated over the years. The frequency involves intervals of some years. The activities include surface dressing or resealing and re-gravelling of shoulders for paved roads and re-gravelling for unpaved roads.
- ***Emergency/Special Repair:*** This maintenance is carried out beyond routine, recurrent and periodic maintenance. It is caused mainly by unexpected substantial landslide, when a road is abruptly cut or a bridge washout occurs or it could be due to some seismic factors.

### **Report on Survey of Highways in Nigeria**

A survey on the state of highways in the country was conducted from the 11<sup>th</sup> to 13<sup>th</sup> December 2002. The purpose of the survey was to gather pertinent information on road construction/maintenance in Nigeria and also to do an on-the-spot assessment of the state of roads nationwide.

The survey was conducted along the six geo-political zones of the country, for convenience of coverage. The zones are South-South, South-East, South-West,

North-East, North-West and North-Central.

An eight-item questionnaire was designed for the survey and six (6) staff were assigned to administer and retrieve the questionnaires, as well as inspect the roads in the respective zones.

### **State of Roads**

The survey indicated that most of the roads especially in the Southern areas were in very poor condition, and require complete rehabilitation. The story is relatively the same with the roads in the Northern Zones. Some roads constructed over 30 years ago have not been rehabilitated for once, resulting in major cracks (longitudinal and transverse), depressions, broken down bridges and numerous potholes that make road transport slow and unsafe. On many roads, the shoulder, a major component of the road had eroded off, putting the roads in near impassable condition. Some of the roads require total rehabilitation and asphalt overlay, reinstatement of the shoulders, filling of potholes and building of collapsed bridges.

The Chief Highway Engineers in the States undertake an assessment tour of roads in their respective areas at the end of each rainy season to determine the state of roads. A detailed report of the state of roads and their maintenance needs, as well as the Bills of Quantities is prepared and sent to the headquarters for further action.

The state of Nigerian roads has remained poor for number of reasons. The number one problem is poor quality roads, resulting from faulty designs, lack of

gutters and very thin coatings that are easily washed away by floods and hardly withstand heavy traffic. Second, funding of road maintenance has been grossly inadequate. Table 2 shows that from 1999 to 2002, less than 10 per cent of the funding request made by the FMW&H for road maintenance was appropriated. Even at this, only about 53.5 per cent of the appropriation was released. Annex 1 shows collections from tollgates across the country – ₦569.29 million, ₦742.72 million and ₦779.84 million in 2000, 2001 and 2002 respectively. For each year, tollgates collections alone were much higher than the total funds released for road maintenance (see Table 2). Third is the excessive use of the road network, given the undeveloped state of waterways and the poor state of the railways, which are alternative transport modes. In particular, the railways serve the purpose of transporting bulky goods, which are not good for road haulage. Fourth, information from the Chief Highway Engineers showed that there is no articulated programme for road maintenance. Road maintenance decisions are taken at the headquarters and are in most cases influenced by politics and not necessarily on the actual maintenance needs. For this reason most of the roads have been neglected.

The introduction of the Petroleum (Special) Trust Fund (PTF) led to the rehabilitation of some roads, though some of the rehabilitation works were not completed because the contractors were not fully paid.

The survey also revealed that from February 1997 to December 2001 (no data for 2002), a total of 96 road contracts, mainly rehabilitation, reconstruction and expansion, were awarded by the Federal Ministry of Works, at a total contract sum of ₦186.999 billion (Annex II). Of the total, 20 contracts worth N40.24 billion were for the South-South Zone, 19 contracts worth N35.346 billion in the

South-West, 18 contracts valued at ₦45.122billion in the North Central, 14 contracts worth ₦26.774 billion in the North- East, 13 contracts valued ₦21.603 billion in the South- East and 12 with the contract sum of ₦17.915 billion in the North-West (Table 3).

As at end 2002, 23 of the projects have been completed: 9 in the South-West, 8 in the South- South, 2 each in the North-Central and North-West, as well as 1 each in the South-East and North-East (Annex II).

### **Assessment of the State of Roads in the Zones**

A zone-by-zone assessment of the state of roads is as follows:

#### **South-South Zone**

The zone is made up of Akwa Ibom, Cross River, Delta, Bayelsa and Rivers States. It has a total Federal highway network of 4,150.89Km. The roads in this zone are in fairly good condition as it benefited immensely from the current road rehabilitation/expansion programme. However, the states in the zone were not evenly favoured as the bulk of the projects that have been completed/substantially completed are in Bayelsa, Edo, Delta and Rivers. Akwa Ibom and Cross River were not that favoured.

#### **South-East Zone**

The states within the South-East geo-political zone are: Anambra, Enugu, Imo, Ebonyi and Abia. The total road network in the area is 3,121.7 kilometres of Federal highways. Most of the roads are in very poor condition with potholes, gullies and erosion affecting them. This is due mainly to lack of maintenance, as many of them have not been rehabilitated for over 30 years.

The survey revealed that:

- Owerri-Onitsha highway is in a very bad condition with gullies and ditches adorning the whole stretch of the road. As a result, traffic flow on the highway is very slow and unsafe. A ride through the 90.5 kilometres of roads takes about 5 to 6 hours on a very bad day. Though contract was recently awarded for the rehabilitation of the road, work had not yet started.
- Abakaliki-Enugu road is in fairly good condition, though there is need for some maintenance work to be carried out in some parts of it.
- Enugu-Onitsha road is badly in need of rehabilitation as a recent one has peeled off, indicating poor quality work.
- Owerri-Umuahia road is in bad condition. There are potholes and peel-offs that need to be refilled to make traffic flow better.
- Umuahia-Bende road is presently under rehabilitation. However, a portion of the road collapsed due to erosion. The workers on site claimed that it had always been like that.

### **South-West Zone**

The zone consists of Lagos, Oyo, Osun, Ondo, Ekiti, and Ogun states. The total road network in the area is 4,161.06 km of Federal highways. The roads are in fairly good condition, as the bulk of the budgeted funds for repairs and rehabilitation from 1997 to 2001 were released. Below is the State of some

highways in the zone:

- Lagos-Ibadan road is dual carriage highway and it is in fair condition, Notwithstanding, there are some potholes and peel-offs that need to be refilled to make traffic flow better.
- Ibadan-Ife road is in good condition and it is currently being dualised.
- Benin-Lagos road is a dual carriage highway. It is not in good condition and traffic on the highway is very high and unsafe, because of potholes and ditches that litter the road. Also, rehabilitation works that were carried out on it recently had deteriorated.
- Lagos-Badagry Expressway is in good condition.
- Ibadan-Ilorin road is a narrow single lane with heavy traffic. Also, the road is poorly maintained, and there are a lot of potholes and ditches on it. It is hoped that the present dualization work going on would ease traffic congestion and reduce accident thus minimizing the resultant death on the road.

### **North-West Zone**

The zone consists of Kaduna, Jigawa, Kano, Katsina, Kebbi, Sokoto and Zamfara States. The total road network is 6,363.4Km. The roads in this zone are generally in bad condition and require complete rehabilitation work. The state of the highway is as follows:

- Kano-Katsina road is a single lane road of 156 km, it has many potholes and large stretches were damaged by erosion owing to lack of gutters. For instance, the Kusada and the Tsanyawa areas of Katsina and Kano respectively had potholes of about 1 km each. Other roads in need of maintenance are those located around Rimi and Shanono Local government Areas of Katsina and Kano States, respectively. Also observed were the presence of casual labourers filling some potholes with sand and wheat grass.
- Katsina-Funtua road is characterized by minor potholes and the stretch, Funtua-Yankara-Tsafe-Gusau-Zamfara \_ can be regarded as a death trap as the road is in a very deplorable state. There was also the presence of casual labourers along the roads trying to make the road motorable.
- Zamfara-Sokoto road is in fair condition with some potholes observed.
- The Sokoto-Argungu-Kebbi road is in very good condition.
- Kano-Wudil road is in very good condition. However, the Wudil-Kwanahukuma stretch was characterized by potholes.
- A construction work was being carried out at the Lamba-Kuchni-Kazaure road. There were also two rehabilitation works going on at the Kankia-Dutsinma-Safana-Batsari-Katsina road and the Malunfashi-Dabai-Dayi-Bakori road, while special maintenance work was being carried out on the Kano-Kaduna road.

### **North-East Zone**

The states in the zone are Adamawa, Bauchi, Borno, Gombe, Taraba and Yobe. The total road network is 6,787.9Km. Though most of the roads in this zone were contracted out for repairs by the PTF, the jobs were not properly done. Rehabilitation work was abandoned halfway and the Federal Ministry of Works and Housing are now handling them. The bad roads in the zone, which require urgent maintenance work, include Bauchi-Gombe Yola; Bauchi-Tafa-Balewa-Langtang and Bauchi-Ningi.

### **North Central Zone**

There are six states in the North Central zone namely: Niger, Kwara, Plateau, Benue, Nasarawa, and Kogi. The Federal Capital Territory, Abuja is also within the zone. The total Federal road network is 9,756Km. The following information was gathered for the various roads.

- Abuja-Minna road, the state of the road is fair with minor potholes. There are major construction works being carried out along the Niger State stretch. Branching off from Suleja to Mokwa the road can be referred to as a death trap for motorists, as it is adorned by potholes.
- Abuja-Keffi is an old road with minor potholes, which appear to be poorly maintained. Presently, dualisation work is being carried out along the route with a record of about 40% completion.
- Keffi-Gubi-Akwanga road can be said to be good. The road was recently

rehabilitated.

- Keffi-Nasarawa roads, the 20-kilometre Keffi-Laminga road is littered with many potholes, while Shamege to Nasarawa can be said to be fair.
- Akwanga-Makurdi roads, the Akwanga to Lafia route is a dangerous road with very sharp bends. The worst of the routes is from Lafia to Makurdi, which is about 90km, it has so many gully-like potholes.
- Abuja-Jos roads, the Akwanga-forest is a narrow single lane with potholes. Getting to jos is a very bad bridge that needs urgent attention.
- Abuja-Ilorin roads, the road network between Abuja and Ilorin can be described as being fair. Abuja to airport junction is dualised and well maintained. However, from Airport to Lokoja is a single lane road littered with potholes. On this route is the Murtala Mohammed Bridge, which is becoming infested with potholes. The Lokoja-Ilorin highway which was constructed few years ago, has gone very bad, potholes are encountered almost every kilometer thus making traveling on this road unsafe.

### **3. REVIEW OF THE REGULATORY FRAMEWORK FOR HIGHWAYS DEVELOPMENT AND MAINTENANCE IN NIGERIA**

In the past, the Government had concentrated much on road construction, but much has not been done in the areas of establishing a regulatory framework and introducing measures that would promote effective road maintenance and development. Some Commissions have, however been established to tackle the problem of road maintenance. Some of these commissions include:

The Wey Commission of 1971, which examined the organizational structure of highway development and management in five selected countries and thereafter recommended the formation of a Federal Highway Authority for the administration of all Federal Roads in the country;

The 1979 Panel, which recommended the setting-up of a parastatal (The Federal Highway Authority) under the Federal Commissioner of Works and Housing. Its functions would include the planning, designing, construction, maintenance and surveillance of Federal highways.

The 1996 Workshop which launched the Road Vision 2000 and recommended the establishment of an autonomous road agency that will be responsible for road maintenance; and The 1999 Presidential Policy Advisory Committee (PPAC), which recommended the establishment of a central body to ensure high standards in highways development and maintenance. Also, the committee recommended that funding of highways maintenance should be improved by establishing a Road Fund (RF), which will derive its funds from the following sources:

- (i) Highway tolls;
- (ii) Vehicle taxes;
- (iii) Trucks, weigh/bridges and parking fees;
- (iv) Petroleum taxes.

The general poor state of the Nigerian roads and the failure of past efforts at establishing a road maintenance machinery led to the current initiative of

establishing a Task Force on maintenance of Federal Roads, to be the forerunner of the proposed National Road Maintenance Agency. The assignments of the Task Force are to be executed in three phases.

The first phase consists mainly of repairs, routine maintenance, road furniture provision and road markings. This phase has already taken off with the commencement of identification of all primary federal roads in the country that needed maintenance. It also involves compilation of the list of maintenance requirements and preparation of appropriate Bill of Engineering Measurement and Evaluation (BEME) on standard format. The members of the Task Force started a two-week field tour from September 2, 2002 to collate first hand information on the extent of the work to be done.

The second phase consists of long-term solution to road maintenance. In this phase, major contractors would be commissioned to maintain primary trunk roads on continuous basis while indigenous contractors are to execute special/emergency repairs on secondary roads as the need arises. Old maintenance districts are also to be resuscitated while new ones will be established where necessary. In the last phase, which involves direct labour, mechanized maintenance units would be established in each of the six geopolitical zones of the federation, while a district unit would be set up in each state of the geopolitical zones.

The Task Force was created to hold brief for the proposed National Road Maintenance Agency given the long period its Bill has awaited in the National Assembly for passage.

## **National Road Maintenance Agency**

The National Road Maintenance Agency, recently established by law, is a body corporate, which “shall not be subject to the direction, control or supervision of any other authority in the performance of its functions under this Act other than the Minister or President of the Federal Republic of Nigeria” (see Annex III). The Agency shall have a Governing Board made up of ten members, including the Chairman, Managing Director, four Permanent Secretaries, three members representing the private sector and another person representing the public interest.

The Agency is saddled with the responsibility of administering and managing the “National Roads Maintenance Fund” in such a manner as to ensure the efficient and effective maintenance of all existing roads, and as may be declared, from time to time, as Federal trunk roads”. The functions and powers of the Agency are in sections 8 and 9, respectively, of Annex III. The sources of funding the Agency will include: grants from the Federal, State and Local Governments; grants from the organized private sector (OPS) and international donor organizations; toll gate collections; all fees on services rendered by the Agency; monies accruing from road concessions; and all other sum which may, from time to time, accrue to the Agency. Petroleum taxes are excluded. Parts III, IV and V of the Bill contain matters relating to staffing, financing and legal proceeding, respectively. The Federal Government has approved the sum of N10 billion for the take-off of the Agency. The expectation is that the Agency will take over the functions currently being handled by the Task Force on road maintenance.

### **4.0 HIGHWAY MAINTENANCE: LESSONS FROM OTHER**

## **COUNTRIES**

### **4.1 REVIEW OF INSTITUTIONAL ARRANGEMENTS IN OTHER COUNTRIES**

A review of other countries experiences regarding institutional arrangements for road maintenance will provide valuable insights from which useful lessons can be learned in the effort to provide an efficient and sustainable road maintenance system in Nigeria. In this regard, the Africa Road Network Initiative (RNI) launched by the United Nations Economic Commission for Africa and the World Bank (Under the auspices of the Sub-Saharan Africa Transport Program) in 1997 (FMW&H) provides a veritable springboard. The initiative was to identify the underlying causes of poor road maintenance policies in some African countries, including Nigeria, and to develop an agenda for reform. The programme revealed three valuable insights.

- (i) Public financing does not hold the key for the reform of the road sector; the need to involve the road users and business community is vital;
- (ii) The real causes of problems associated with poor road maintenance policies were weak or unsuitable institutional arrangements for managing and financing roads; and
- (iii) Poor road maintenance policies are a subset of the underlying issues of managing and financing the road network as a whole.

The above-mentioned insights point to the fact that a distinct body, which is

relatively independent of Government and affiliated to the private sector, is indeed a vital tool in the efficient and sustainable management of road networks. Consequently, many countries are finding it useful to establish such a separate body, which will be responsible for the management of road maintenance. This usually takes the form of a broad based Authority, which helps in insulating the relevant road management authority from political interference, while enabling it to draw upon the skills and expertise of its board members. The various arrangements in this respect for some selected countries are discussed below. The selection of countries has been based on the availability of information. Countries covered are Ghana, Honduras, Guatemala, Costa Rica, Nicaragua, Armenia, Lesotho, Tanzania and Namibia.

## **GHANA**

The **Ghana** Highway Authority (GHA) was established under the National Redemption Council (NRC) decree 298 of December 1974 and charged with the responsibility for planning, development, maintenance and administration of all trunk roads and related facilities in Ghana (Bahl, 1991). Ghana's total network is 38,757km. GHA controls 14,982 (or 38.6%) of which paved roads are 5,913km while 9,069km are graded. The GHA hopes to achieve a trunk road condition mix of 67% good, 20% fair and not more than 13% poor and to close up missing links in the existing network under a Trunk Road Network Stabilization Program (TRNSP). Under the TRNSP, it will use both National and International competitive bidding to execute 90% of periodic maintenance works by private road contractors, with the Mobile Maintenance Unit (MMU) and Bridge Maintenance Unit (BMU) of the GHA executing the remaining 10%. The MMU carries out periodic and emergency maintenance of trunk roads while the BMU

maintains bridges across the country.

GHA's funding comes chiefly from the consolidated fund and foreign donor agencies. For instance, its total approval funding for 1996 was 238.42 billion cedis (Afemia Road Network Initiative). In addition, the Ghana Road Fund was established in 1996 to finance routine periodic maintenance and rehabilitation of public roads; to provide for the management of the Fund and provide for related matters (Bahl, 1991). The fund is used to assist the Metropolitan, Municipal and District Assemblies in the exercise of their functions relevant to public roads. Monies for the Fund are derived from:

- a) Proportion of government levy on petrol, diesel, kerosene and refined fuel oil as may be determined by the cabinet with the approval of parliament.
- b) Bridge, ferry and road tolls collected by the authority
- c) Vehicle license and inspection fees
- d) International transit fees, collected from foreign vehicles entering the country
- e) Such monies as the Minister of Finance in consultation with the Minister of Works may determine with the approval of Parliament.

The GHA functioned fairly effectively in its role of managing the country's trunk road network. Available data showed that by the end of 1995, the Authority was able to achieve a network condition mix of 40% good, 27% fair

and not more than 33% poor with a total funding support of 71.81 billion cedis. Its 1996 target was 51% good, 22% fair and 27% poor but was only able to achieve 38 % good, 28% fair and not more than 34% poor.

## **HONDURAS**

In Honduras, the Road Maintenance Fund was created in 1993. The fund is supervised by a Board, which consists of 4 representatives from the central government, one representative from the municipalities and 3 representatives from the direct road users. The principal financial source of the fund is a levy on fuel in the form of a dedicated tax. The Board is responsible for the routine and periodic maintenance of the official road network, excluding urban and municipal roads. Up to 10% of the funds can be disbursed for road rehabilitation works. All works as well as services have to be contracted out to the private sector. In addition, to avoid creating another bureaucracy, the administrative cost of the fund has been restricted to 2.5% of its annual budget. Recently, a law was passed, stipulating that a specific portion of the fuel tax be dedicated to the fund (Zietow and Bull, 2002).

## **GUATEMALA**

In 1996, Guatemala increased the taxes on motor fuel and dedicated the increase and part of the existing fuel taxes to a special fund disbursed exclusively for road maintenance and improvement. A board made up of three government officials and three members from the private sector were saddled with the responsibility of managing the funds. The administrative cost of the Fund has been limited to 2% of its annual turnover. All works and services are contracted out to the private

sector. This fund is believed to have worked very effectively, creating a very favorable Perception in the general public (Zietlow and Bull, 2002).

## **COSTA RICA**

Costa Rica created its Road Fund, which is funded mainly by a levy on fuel in 1998. The fund takes care of the maintenance, rehabilitation and improvement of the national road network but with priority given to routine and periodic maintenance. The Board has three members from the central government (all from the Ministry of Public Works and Transport), one representative each nominated by their respective organizations. The board is obliged to contract out all works and services to the private sector and has to abide by the government rules concerning wages and contracts (Zietlow and Bull, 2002).

## **NICARAGUA**

The government of Nicaragua has just submitted a proposal to parliament for the creation of a Road Maintenance Fund. The fund is expected to take care of the entire road network including urban and municipal roads in line with a gradual increase of the levy on fuel, which is its main Source of funding. The composition of the Board is slightly in favor of the private sector, as two members will be representing the government, one will come from the local government and three will be from the private sector, representing direct and indirect road users. All works and services will be restricted to 5% of its annual

budget, while it is planned to regularly inform the road users about the performance of the fund. In order to gain public support, the government has undertaken an extensive public awareness campaign and has decided not to increase the fuel price at the initial stage of the fund, but will transform part of the existing fuel taxes into a dedicated fuel levy.

## **ARMENIA**

The Roads Fund Legislation in Armenia was passed in 1998. An Advisory Board consisting of the chairman, four ex-officio members, representing the Ministries of Finance, Works, Transport and Communications and Local Government, administers the Fund. Four non-governmental members are also on the Board. The Fund is responsible for the maintenance of all Republican roads in Large cities and also to undertake road safety projects. Sources of the Fund include: -

- (a) Road Maintenance levy, set at 10% of the wholesale prices of gasoline and diesel.
- (b) License fees on motor vehicles.
- (c) International transit fees.
- (d) Fines on overloaded vehicles.
- (e) Any other road user charges or donor funding that may from time to time be allocated to the fund.
- (f) Any sums allocated by parliament.

Since items a-c represent payments made for use of the road network, no road user is exempted from paying except with special written instruction from the Minister. Non-users of diesel fuel, particularly fuels used for power

generation and by agricultural purposes, are reimbursed for any road maintenance levy paid by them based on the estimated amount of diesel used as soon as possible after the close of the financial year, but not later than three months thereafter. The Board is mandated to submit to the Minister an annual report and audited accounts of the fund not later than three months after close of the financial year.

## **LESOTHO**

In Lesotho, the Road Fund was set up in 1995 under the name Roads Relief Fund with the basic objective of routine and periodic maintenance of all roads in Lesotho, including those under jurisdiction of the Ministries of Works and Local Government; financing on a cost share basis, urban council roads and the unclassified roads under the jurisdiction of Development councils; and financing road upgrading, maintenance, rehabilitation, new works and road safety projects.

### **The sources of finance for the fund are:**

- Road toll-gate fees, border fees/short-term Southern African Customs Union
- Permits, license fees on motor vehicles, road maintenance levy on petrol and diesel; fines on over loaded vehicles, any other road user charges or donor funding from donors that may from time to time be allocated to the fund, and any sums appropriated to the fund.

The fund is supervised by a Board composed of a chairman, six ex-officio members each representing the Finance, Works, transport and

Communication, Local Government, Natural Resources and planning, five non-governmental members, each representing such organizations as the Chamber of Commerce and Industry, Bus and mini-bus transport operators Association, Association of Architects, Engineers, Surveyors and Lawyers. The Minister appoints the Chairman and the Board serves for two years from the date of appointment.

### **TANZANIA**

In Tanzania, the Road Fund was set up with the objectives of financing of rehabilitation and maintenance of major and core roads. The revenues of the fund would come from road tolls charged from diesel and petrol, as well as various levies and duties from motor vehicles such as licenses, registration and transferring of vehicles. The Ministry of Works is responsible for monitoring the Fund. The Fund, furthermore, requires authority from the Planning Commission and Ministry of Finance before embarking on any project (Bahl, 1991).

### **NAMIBIA**

The Namibia road sector underwent fundamental change on April 2000 as three new road sector organizations, the Road Fund Administration (RFA), the Roads Authority (RA) and the Roads Contractor Company (RCC) were created and about 2,500 persons who were previously employed in the Namibian civil service were transferred to the road sector.

Some of the notable aspects of the reform are that:

- (1) The road sector is fully self-financed by way of road user charges. The self-financing system, which comprises the Road User Charging System and the Road Fund, is administered by the RFA, an autonomous state agency under the Ministry of Finance.
  
- (2) The national road network is managed by the RA, a state agency with considerable autonomy under the Ministry of Works, Transport and Communication.

All road works are to be executed subject to competitive bidding procedures, but during a three-year period the state-owned RCC will have almost exclusive rights to do maintenance work on the national road network (Ministry of Works, Transport and Communication, 2000).

## **4.2 LESSONS OF EXPERIENCE**

The general experience in the developing world tends to show that adequate resources for highway maintenance cannot be sourced from the treasury alone. In addition, the rules and regulations of the public administrative system do not allow for an effective and efficient management of road maintenance. Most countries have, therefore, resorted to the creation of autonomous authorities, which are given the responsibility for road maintenance. Generally, both the public and private sectors are represented on the boards, with the private sector dominating in many countries. In almost all the countries, the sources for revenue for the road maintenance

authority are levy on gasoline, toll gates fees, license fees on motor vehicles, international transit fees, fees on over loaded vehicles and allocations by parliament. The proportion of the authorized budget that goes to general administration is specified, while works and services are contracted out to the private sector. Thus, road maintenance agencies are said to have improved the conditions of roads in these countries. In Nigeria, the proposed National Road Maintenance Agency is in line with the global trend. However, it needs the safeguards, which characterize its counterparts in other countries.

### **4.3 FUNDING THE NIGERIAN ROAD MAINTENANCE AGENCY**

By the law establishing the NRMA, the sources of funding for the agency include:

- Grants from governments, organized private sector and international donors,
- Toll gate collections;
- Fees or services rendered by the Agency and monies accruing from road concession.

These are also sources of funding in the other countries reviewed, with the exception of taxes on petroleum products in respect of the NRMA. The grants from the Federal Government could be equated with the releases for road maintenance which totaled ₦470.9 million, ₦401.2 million, ₦474.5 million and ₦178.7 million in 1999, 2000, 2001 and 2002, respectively. Toll gate collections, which exceeded the releases in all the years constituted the major source of funding. The other sources indicated above have not been explored. Aggregate toll gate collections were ₦569.29 million in 2000, ₦742.72 million in 2001 and

₦779.84 million in 2002. The collection, therefore, rose by 30.5 per cent in 2000 and by only 5.0 per cent in 2001. If we assume that toll gate collections will grow by only 5.0 per cent per annum in subsequent years, the following revenues could accrue from this source in the next five years:

(N 'million)

2003	2004	2005	2006	2007
818.83	859.77	902.76	947.90	995.30

But the toll gate collection can increase significantly if the current rates of ₦10, ₦20 and ₦100 per car, mini bus/pick up and buses/trucks are increased by either 50 or 100 per cent, assuming the rate of increase in tolled road usage remains the same. The scenarios will be as follows:

(N 'million)

2003		2004		2005		2006		2007	
△ 50%	△ 100%	△ 50%	△ 100%	△ 50%	△ 100%	△ 50%	△ 100%	△ 50%	△ 100%
1228.25	1637.66	1289.66	1719.54	1354.14	1805.52	1421.85	1895.80	1492.95	1990.6

With an increase of 50 per cent in toll gate rate, the revenue would increase proportionally from ₦1.23 billion in 2003 to ₦1.49 billion in 2007. If there is a 100 per cent increase, the likely revenue would be ₦1.64 billion in 2003 and ₦1.99 billion in 2007. All these assume only a yearly increase of 5 per cent in the frequency of toll gates usage. However, if the economy improves and road maintenance improves, the increase in the volume of traffic would be much

higher than 5 per cent and the realizable revenue would also be higher. It is noteworthy that increases in the rates, which means motorists will have to pay more for using tolled roads, would require the government giving assurance to the people that the revenue realized would be used judiciously in maintaining the roads.

The other sources of revenue listed above would also be explored and used to augment toll gate collections. If the revenues are pulled together and paid directly into the NRMA account and managed efficiently, Nigerian roads will experience a face-lift.

## 5.0 **POLICY RECOMMENDATIONS**

Analysis of the experiences of other countries on how highways are being maintained brings to the fore the need to obviate the problems of poor maintenance and inefficient management of highways in Nigeria.

To this end, we wish to recommend as follows:

### **(1) Establishment of the Nigeria Road Maintenance Agency**

Accelerated and sustained repairs and rehabilitation of Nigerian roads is beyond the capacity of a Task Force that is ad-hoc in nature. There is need to accelerate the establishment of the Agency with the responsibility of financing and executing routine maintenance and rehabilitation of roads. This will be in line with practices in other countries such as Honduras, Ghana, Guatemala, Costa Rica, Lesotho, etc. The Bill proposing the establishment of the Agency has just been

passed into law.

The various levies and revenues earmarked for funding the Agency should be paid directly into its account in contrast to current practice in which the revenues are first paid into the treasury before appropriations can be made through the annual budget.

A Board comprising of seasoned professionals and administrators drawn from both the public and private sectors, in line with the Act, should be set up immediately to manage the Agency.

Furthermore, in order to avoid the emergence of an inefficient hierarchy, the administrative cost of revenue collection and other activities of the Agency should be limited to a certain percentage of the annual revenue collected, for instance the limit can be set at 10 per cent. All works and services should be contracted out to the private sector.

(ii) **Need for Public Enlightenment**

Significantly, a broad consensus among all stakeholders is a prerequisite for creating a road maintenance Authority, given the various levies that must be made to finance it, as well as the need to excise some powers from the public Sector to ensure the autonomy of the Agency. In order to arrive at such a consensus, it is necessary:

- To create a forum for discussion by holding series of seminars with the different levels of government, political parties and organizations

representing direct and indirect road users, such as Trucking Associations, Bus Operators Associations, Automobile Associations etc;

- To clearly demonstrate the economic consequences of poor road maintenance;
- To present a concept of how to reform the financing and management of road maintenance on a sustainable basis, which will be acceptable to both government and the road users. It is also essential to give the road users certain control over the funds to ensure its effective and efficient use;
- To keep the public regularly informed by means of media campaigns, including TV and radio spots as well as newspaper articles, not only prior to creating a road maintenance authority but also during their operations.
- To ensure that increases in fuel levy are gradual and in line with savings in vehicle operating costs arising from improved road network conditions in order not to produce inflationary effects.
- To ensure political, economic and social stability; as well as establish the culture of citizen participation in public and communal affairs, for sustained road maintenance.~

**(iii) Establishment of NRMA at the State and Local Government Levels**

An outfit similar to the Nigerian Road Maintenance Agency should be set up at the state and Local Government levels, which account for the construction and maintenance of about 83 per cent of the total road network in the country. Half of the funds accruing to the Agency should be set aside and shared between these two tiers of Government.

**(iv) Development of Other Transport Modes**

In order to complement the services of the roads and ensure their durability, there is need to develop the other transport modes, particularly the waterways and railways. Channeling a chunk of transport services to these transport modes will reduce road network utilization and increase its life span. The development of waterways and railways should benefit from levies earmarked for the National Road Maintenance Agency.

**(v) Sourcing funds through the Capital Market**

Another viable way of raising funds for highways maintenance is through the capital market, particularly, because the development of highways has a long gestation period and money markets funds are short-term in nature. The government or preferably a private firm therefore can float bonds in order to generate funds rather than depend on the traditional source of fund such as statutory allocations and internally generated revenue. This form of financing will among others, ease the problem of loans and interest payments and thus release more funds for road maintenance.

(vi) **Joint Venture and private sector involvement**

The huge amounts involved in the construction, rehabilitation and maintenance of roads and the fact that provision of transport service directly affects the welfare of society have made government to singly shoulder this responsibility, which has not in any way promoted efficiency. The need to create a partnership between the government and the private sector to achieve the needed efficiency and effectiveness in the sector should be encouraged. Three areas have been identified where the private sector can participate in road transport business, they are:

- (1) Provision of services (consultancy, procurement, etc.)
- (2) Undertaking of works (maintenance, rehabilitation, etc.)
- (3) Financing (new works, rehabilitation, equipment etc)

It is anticipated that if the private sector is allowed to be fully involved in all these areas, the needed efficiency will be realized and this will ultimately lead to economic development. This will also reduce to a minimum the amount lost due to lack of road maintenance.

## **6.0 SUMMARY AND CONCLUSION**

The problem of inadequate funding and untimely maintenance of highway infrastructure in Nigeria has been of great concern to the government and the

entire citizenry. The paper noted that though much effort had been made in road construction, maintenance had lagged behind. A survey on the state of the roads was conducted across the country and the findings revealed that the roads have been plagued by a number of problems, including faulty designs, inadequate drainage systems and poor maintenance culture. These have resulted in littered potholes, washing away of pavements, fallen bridges, etc. along most Nigerian roads. The condition of the roads was terrible in the South Eastern part of the country. The major reasons for the parlous state of the highways include poor quality roads, inefficient bureaucracy, poor funding and excessive use of the road network, given the underdeveloped state of the waterways and the poor state of the railways. Drawing lessons from other countries, the paper recommended the urgent establishment of the National Road Maintenance Agency, which has now been established by law. The paper also recommends the development of the waterways and railways to complement road services; use of the capital market; as well as greater involvement of the private sector in the funding and management of highway maintenance.

**TABLE 2: APPROPRIATIONS FOR ROAD MAINTENANCE**

<b>YEAR</b>	<b>AMOUNT PROPOSED (1) N</b>	<b>AMOUNT APPROPRIATED (2) N</b>	<b>AMOUNT RELEASED (3) N</b>	<b>APPROPRIATION AS A PERCENTAGE OF PROPOSAL (4)</b>	<b>RELEASE AS A PERCENTAGE OF APPROPRIATION (5)</b>
1999	5,000,000,000.00	470,895,625.00	470,895,625.00	9.0	100.0
2000	10,000,000,000.00	450,000,000.00	401,171,769.00	4.5	89.2
2001	5,600,000,000.00	1,656,000,000.00	474,493,008.00	29.6	28.7
2002	10,307,931,221.14	274,000,000.00	178,688,448.70	2.7	65.2
<b>TOTAL</b>	<b>30,907,931,221.14</b>	<b>2,850,895,625.00</b>	<b>1,525,248,850.70</b>	<b>9.2</b>	<b>53.5</b>

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ANNEX 1

**FEDERAL MINISTRY OF WORKS AND HOUSING**

**FEDERAL HIGHWAYS TOLL PLAZA MANAGEMENT**  
**COMMITTEE**

HEADQUARTERS, ABUJA.

P.M.B No. 111  
Telegrams "HONWORKS"  
Date 09-5239637-8  
Telephone.....



Ref. No. FHTPMU/CBN/59/1/6  
24<sup>th</sup> January, 2003

The Director of Research,  
Central Bank of Nigeria  
Zaria Street  
P.M.B 0187  
GARKI

**Attention: Deputy Director (Real Sector Division)**

**RE: SURVEY OF HIGHWAY DEVELOPMENT/MAINTENANCE IN NIGERIA**

I am directed to refer to your letter on the above subject matter and to submit below the information you required:

**I MONEY COLLECTED FROM 2000 – 2002**

(a)	2000	-	N569,285,500.00
(b)	2001	-	N742,718,866.95
(c)	2002	-	N777,635,418.60

**II INFORMATION ON THE UTILIZATION OF THE MONEY**

The money collected was paid into the Federal Consolidated Revenue Fund (CRF) in Central Bank. Only a balance of N134,999,000.00 is left in the Toll

Plaza Account Number 10126101-77.

**A.T. WAMYIL**

For Honourable Minister

**ANNEX II**

**DATA ON CAPITAL PROJECTS FOR CENTRAL BANK SURVEY**

**ON HIGHWAY DEVELOPMENT/MAINTENANCE IN NIGERIA**

No	State Name	Length (km)	Project Title	InContractSum	Award Date	Remarks
1	NIGER	86	Kontagora-Rijau Road	167,831,480.25	11-Dec 01	Ongoing
2	BAUCHI	117.5	Rehabilitation of Bauchi – Jos Road	1,787,537,253.24	27-Sep 01	Ongoing
3	KOGI	6	Rehabilitation of Magongo-Ogori Road	72,957,772.13	14-Sep 01	Ongoing
4	NASSARAWA	40	Reconstruction of Nassarawa-Loko Road with Alushi loop	2,318,643,233.36	14-Sep 01	Ongoing
5	BENUE	0.03	Design and reconstruction of Bridge at Km 57+550 along Awajir-Ogoja Road	49,151,886.53	21-Aug 01	Ongoing
6	BENUE	0.015	Design and reconstruction of Bridge at Km 10+000 along Awajir-Ogoja Road	28,463,297.63	21-Aug 01	Ongoing
7	BENUE	0.03	Design and reconstruction of Bridge at Km 25+900 along Awajir-Ogoja Road	45,613,659.29	21-Aug 01	Ongoing
8	NIGER	45	Bida-Saaci-Nupeko-Pategi Road	3,118,770,477.90	06-Jul 01	Ongoing
9	NIGER	90	Rehabilitation of Minna-Zungeru-Tegina Road Route F215 and Tegina-Kontagora	179,619,300.00	12-Jun 01	Ongoing
10	GOMBE	70	Gombe-Dukku-Darazo Road Section I	1,600,000,000.00	31-May 01	Ongoing
11	GOMBE	58	Gombe-Dukku-Darazo Road Section II	1,400,000,000.00	31-May 01	Ongoing
12	EBONYI	66	Reconstruction of	6,733,091,310.75	12-Apr	Ongoing

			Okigwe-Afikpo		01	
13	KWARA	40.3	Dualisation of Ibadan-Ilorin Rd Section III	12,740,867,218.00	12-Apr 01	Ongoing
14	ENUGU	225	Completion of Rehabilitation of Enugu Port Harcourt Road	5,100,000,000.00	15-Feb 01	Ongoing
15	F.C.T	49.5	Dualisation of Abuja-Keffi Road	10,497,777,777.00	15-Feb 01	Ongoing
16	OYO	44	Dualisation of Ibadan-Ilorin Road section I	14,976,350,002.85	15-Feb 01	Ongoing
17	BAYELSA	0.592	Design & construction of Tombia Bridge on Amassoma-Tombia-Okutukutu Road	2,470,387,581.70	15-Sep 00	Ongoing
18	BENUE	102.5	Katsina-Ala-Zaki Biam-Buruku Road	2,729,354,781.25	15-Sep 00	Ongoing
19	DELTA	94.8	Completion of Warri-Benin Dualisation Section I & II	6,255,749,960.16	15-Sep 00	Ongoing
20	NIGER	62.85	Minna-Sarkin Pawa-Kaduna	5,322,982,084.50	15-Sep 00	Ongoing
21	OGUN	59.2	Dualisation of Otta-Abeokuta road	11,930,242,386.68	15-Sep 00	Ongoing
22	OSUN	0	Rehabilitation of spur to Olla town on Ede-Ejigbo Road	47,287,834.65	18-Apr 00	Ongoing
23	KATSINA	100	Rehabilitation of Malumfashi-Dabai-Danja-Batsari Road (with spur) from Dabai	1,716,308,823.50	31-Mar 00	Ongoing
24	ABIA	47	Isiukwuato-Olokoru-Ikwuano-Akwa Ibom S/B	672,614,896.00	14-Feb 00	Ongoing
25	TARABA	101	Rehabilitation of Mararaba-Bali Road	5,733,213,803.02	23-Dec 00	Ongoing
26	TARABA	20	Construction of Rafin Kada-Donga Road including the bridge at Donga	2,790,213,803.02	23-Dec 00	Ongoing
27	BAYELSA	17	Transfer of the construction of Yenogoa primary roads	5,356,754,056.63	16-Dec 00	Ongoing
28	GOMBE	68	Construction of Mararaba-Tumi-Pindiga Kashere-Futuk-Yalo Road	2,309,973,435.00	10-Dec 99	Ongoing
29	IMO	51.4	Rehabilitation of Ihiala-Orlu-Umuduru Road	800,030,728.00	03-Dec 99	Ongoing

30	ANAMBRA	44	Rehabilitation of Awka-Agulu-Ekwulobia-Uga-Imo S/B Road with spur to Oko	743,538,757.50	25-Nov 99	Ongoing
31	BORNO	25	Maiduguri-Monguno-Kukawa-Baga-Damasak	654,435,841.50	24-Nov 99	Ongoing
32	RIVERS	49.8	International airport with spur to Eagle	1,861,553,925.00	23-Nov 99	Ongoing
33	RIVERS	18.6	Completion of the construction of Ebocha-Ndoni link Road and Bridges	2,479,970,894.00	23-Nov 99	Ongoing
34	EKITI	37	Ifaki-Ikole-Omuo-KG S/B Road	530,332,456.00	08-Nov 99	Ongoing
35	EKITI	50	Ado Ekiti-Igede-Akure Road	786,102,759.80	08-Nov 99	Completed
36	LAGOS	2.53	Resurfacing of Ojuelegba Flyover, Stadium Flyover, Western Avenue	212,359,691.00	08-Nov 99	Completed
37	LAGOS	40	Iganmu Bridge and approaches	52,719,239.16	08-Nov 99	Completed
38	NIGER	13.5	Minna Western Bypass	313,870,095.00	08-Nov 99	Completed
39	ONDO	16	Ose Bridge 1, Owo-Ikare Road & Ose Bridge 2, Okene-Owo Road	659,830,991.52	08-Nov 99	Completed
40	OYO	45	Maya-Iseyin Road	764,008,822.50	08-Nov 99	Completed
41	PLATEAU	39	Panyam-Shendam Road Sect II	1,725,051,472.00	08-Nov 99	Completed
42	ABIA	46	Umuahia-Bende-Ohafia Road	850,000,000.00	08-Nov 99	Ongoing
43	ADAMAWA	0.066	2 Nos Narrow Bridges along Mayo-Belwa-Joda Ganye Road	360,947,171.97	08-Nov 99	Ongoing
44	ADAMAWA	132.2	Ganye-Sugu-Taungo-Jamtari Road	3,001,633,798.18	08-Nov 99	Ongoing
45	AKWA IBOM	43	Aba-Ikot Ekpene-Uyo-Oron Road	735,839,072.00	08-Nov 99	Ongoing
46	ANAMBRA	6	Construction of Bridge across Anambra River linking Aguleri-Otuocha in AN	1,446,378,420.00	08-Nov 99	Ongoing
47	BAUCHI	51.52	Bauchi-Tafawa Balewa-Dawaki Road Sect III with spur to Bogoro	1,001,417,409.46	08-Nov 99	Ongoing

48	CROSS RIVER	72	Calabar-Ikom Road, Sect II	943,416,393.15	08-Nov 99	Ongoing
49	DELTA	40	Asaba-Ebu-Ahia-Uromi Road Sect I	796,886,475.00	08-Nov 99	Ongoing
50	EBONYI	68	Abakaliki-Afikpo Road	1,210,886,962.00	08-Nov 99	Ongoing
51	EDO	31	Asaba-Ebu-Ahia-Uromi Road Sect II with spur to Emu	553,523,465.25	08-Nov 99	Ongoing
52	EDO	40.31	Construction of asphalt overlay of irrua-Uromi-Ubiaja-Ilushi Road	818,053,582.50	08-Nov 99	Ongoing
53	EDO	45	Benin Bypass Sects 1 & II	10,000,000,000.00	08-Nov 99	Ongoing
54	EKITI	21	Ado Ekiti-Igede Road	250,000,000.00	08-Nov 99	Ongoing
55	EKITI	46.6	Igede-Itawure-Efon Alaaye Road	362,541,217.50	08-Nov 99	Ongoing
56	ENUGU	73	Adoru-Nsukka-Adani Road	1,045,050,006.00	08-Nov 99	Ongoing
57	GOMBE	131	Gombe-Biu Road	1,584,721,215.00	08-Nov 99	Ongoing
58	IMO	55	Owerri-Obowo-Umuahia Road	1,006,467,000.00	08-Nov 99	Ongoing
59	IMO	97	Ihube-Umuelemail Road, Sects I & II *(consultant for sect II –Alpha)	1,595,830,698.00	08-Nov 99	Ongoing
60	KADUNA	114	Saminaka-Kataf-Kafanchan Road	1,950,000,000.00	08-Nov 99	Ongoing
61	KADUNA	292	Kaduna-Kachia-Gimi Road	2,621,935,297.00	08-Nov 99	Ongoing
62	KATSINA	160	Kankia-Dutsinma-Safana-Batseri-Katsina Road	2,384,680,575.00	08-Nov 99	Ongoing
63	KOGI	55	Aiyetoro Eggan Road	961,883,220.38	08-Nov 99	Ongoing
64	OGUN	39	Completion of Rehabilitation and Asphalt overlay of Ilaro-Abeokuta-Bakatari-OY	401,424,639.00	08-Nov 99	Ongoing
65	OGUN	49	Papalanto-Lagos/Ibadan Expressway	292,114,630.50	08-Nov 99	Ongoing
66	ONDO	30	Rehabilitation of Ogbese-Okeluse-sobe Road	701,809,670.10	08-Nov 99	Ongoing
67	OSUN	32	Rehabilitation of Oshogbo-Ilesha Road & Construction of Bridges	735,339,532.62	08-Nov 99	Ongoing

68	OSUN	21	Rehabilitation and Asphalt overlay of Oshogbo-Ilobu-OY S/B Rod R.35A	500,000,000.00	08-Nov 99	Ongoing
69	OYO	26	Iseyin-Alaga	675,282,726.96	08-Nov 99	Ongoing
70	PLATEAU	48	Panyam-Shendam Road Sect I	2,409,569,886.80	08-Nov 99	Ongoing
71	PLATEAU	40	Vom-Manchok Road	2,095,019,850.00	08-Nov 99	Ongoing
72	SOKOTO	95	Rehabilitation of Sokoto-Goronyo- Damsite Road	2,846,288,991.00	08-Nov 99	Ongoing
73	YOBE	30	Rehabilitation & A/Overlay of Gashua-Yusufari Road	1,754,739,294.00	08-Nov 99	Ongoing
74	YOBE	75	Buniyadi-Gulani Road	2,790,048,160.80	08-Nov 99	Ongoing
75	ZAMFARA	197	Manchi-Anka-Kebbi Sate Border Road	2,222,572,706.97	08-Nov 99	Ongoing
76	ADAMAWA		Emergency repairs of damaged culvert at Km 7 +200 on Sebore-Kariahi Road	5,495,910.00	05-Oct 99	Completed
77	ABIA	28	Rehabilitation of Ubakala junction Ntegha junction-Isiala Ngwa-Enugu-P/H Dual	248,983,500.00	18-Jan 99	Ongoing
78	EDO	14	Rehabilitation and Construction of Igueben-Ewohimi Road	151,477,178.00	06-Jan 99	Completed
79	JIGAWA	22	Rehabilitation & Asphalt overlay of Hadejia-Gamayin Road	235,431,000.00	06-Jan 99	Completed
80	KANO	10.98	Construction of Kano ring road Eastern Bypass phase II and dualisation of	1,232,258,431.00	06-Jan 99	Completed
81	LAGOS	2.54	Complete Rehabilitation & A/O of Adeniji Adele Road	259,617,108.66	06-Jan 99	Completed
82	KADUNA	0.536	Construction of approach Rd/Bridge over River Wonderful Kafanchan	81,500,000.00	06-Jan 99	Ongoing
83	KEBBI	87.5	Rehabilitation of Rijau-Riban-Wasagu Road Section I &II	1,617,358,625.00	06-Jan 99	Ongoing
84	EDO	65	Rehabilitation and construction of Auch-	1,098,039,914.00	05-Jan 99	Completed

			Ekperi-Agenebode Road & spur			
85	RIVERS	0.59	Design and Construction of 2No Flyovers in Port Harcourt	2,000,000.000.00	02-Jan 99	Completed
86	RIVERS	53	Dualisation of Petroleum refinery Road route 25 and rehabilitation of the East-West Road	1,626,832,853.21	14-Dec 98	Completed
87	EDO	24.6	Fugar township roads & drainage structures	604,369,392.00	03-Dec 98	Completed
88	JIGAWA	38	Rehabilitation of Gamayin-Bauchi S/B-Katagum Km 0+000-Km 38+000	365,651,220.00	05-Aug 98	Ongoing
89	CROSS RIVER	0.6	Design and construction of Adiabo bridge across Calabar River	1,977,577,455.00	15-May 98	Completed
90	OYO	70	Ibadan-Ife Road (Additional works on carriageway of Ajia spur Rehabilitation)	1,208,574,607.00	28 Feb 98	Completed
91	BENUE	35.1	Construction of Awajir-Ogoja Road Section I Awajir-Tse Agberagba-Ogoja Road	344,367,381.00	30-Nov 97	Completed
92	DELTA	11	Rehabilitation of Ometa-Adagbarassa-Ugolo-Ugwagba Okan Junction Road	145,829,329.00	10-Nov 97	Completed
93	CROSS RIVER	0.216	Construction of 2 No Bridges at Km 1+186 & Km 2 + 497 along Calabar-Ikoneto Road	185,690,190.00	17-Oct 97	Ongoing
94	KADUNA	24	Rehabilitation and Resurfacing of Kaduna Western Bye-Pass	640,470,739.70	20-Mar 97	Ongoing
95	ABIA	33	Rehabilitation of Umuahia-Ariam-ikot Ekpene Road Sect 1 Umuahia-Umudike	153,331,816.87	05-Feb 97	Completed
96	AKWA IBOM	45	Rehabilitation of Umuahia-Ariam-ikot Ekpene Road. Section 2 Ariam-Ikot Ekpene	177,645,933.00	05-Feb 97	Completed

**ANNEX III  
A BILL**

**FOR**

**AN ACT TO ESTABLISH THE NATIONAL ROADS MAINTENANCE  
AGENCY AND FOR MATTERS CONNECTED THEREWITH**

[ ] Commencement

BE IT ENACTED by the National Assembly of the Federal Republic of Nigeria as follows –

**PART 1 – ESTABLISHMENT AN GOVERNING BOARD  
OF THE NATIONAL ROAD MAINTENANCE AGENCY**

1 (1) There is hereby established an agency to be known as National the National Roads Maintenance Agency (in this Act referred to as “the Agency”). Establishment of Roads Maintenance

(2) The Agency.

(a) shall be a body corporate with perpetual succession and a common seal; and

(b) may sue and be sued in its corporate name.

(3) The Agency shall be located in the Federal Capital Territory, Abuja and shall be subject to the direction, control or supervision of any other authority in the performance of its functions under this Act other than the Minister or the President of the Federal Republic of Nigeria.

2. (1) There is hereby established for the Agency a Governing Board which shall be responsible for the running of the affairs of the Agency and consist of –

(a) a Chairman;

(b) the Permanent Secretary, Federal Ministry of Works and Housing;

(c) the Permanent Secretary, Federal Ministry of Finance

(d) the Permanent Secretary, National Planning Commission,

(e) the Permanent Secretary, Federal Ministry of Transport,

(f) one representative each of the following –

(i) the National Association of Chambers of Commerce, Industry, Mines and Agriculture,

(ii) the Nigerian Society of Engineers,

(iii) the National Road Transport Owners Association

(g) one person to represent the public interest; and

(h) the Managing Director of the Agency.

(2) The Chairman and the other members of the Board shall be appointed by the President of the Federal Republic of Nigeria, on the recommendation of the Minister.

(3) The supplementary provisions set out in the Schedule to this Act shall have effect with respect to the proceeding of the Board and the other matters contained therein.

Schedule.

3 The Chairman and other members of the Board, other than *ex-officio* members-

Tenure of office, etc

(a) shall hold office for a period of 3 years on such terms and conditions as may be specified in their letters of appointment; and

(b) may be re-appointed for one further period of 3 years and no more.

etc 4.- (1) Notwithstanding the provisions of action 3 of this Act, a Removal from office,  
member may at any time be removed from office by the President of the Federal Republic of Nigeria for inability to discharge the functions of his office (whether arising from infirmity of mind or body or any other cause) or for misconduct.

(2) A member of the Board may resign his appointment by a notice in writing under his hand, addressed to the President and that member shall, on the date of the receipt of the notice by the President of the Federal Republic of Nigeria cease to be a member of the Board.

5 A member of the Board shall be paid such emoluments, Emolumnets etc  
allowances and benefits as the Minister may, with the approval of the President of the Federal Republic of Nigeria, from time to time, approve.

6.- (1) A member of the Board who is directly or indirectly Disclosure of  
interest interested in any matter being deliberated on by the Board or is interested in any contract made or proposed to be made by the Agency shall, as soon as possible after the relevant facts have come to his knowledge, disclose the nature of his interest at a meeting of the Board.

(2) A disclosure under subsection (1) of this action shall be recorded in the Minutes of Meetings of the Board and the member concerned shall –

(a) not, after the disclosure, take part in any deliberation or decision of the Board; and

(b) be excluded for the purpose of constituting a quorum of any meeting of the Board for any deliberation or decision.

with regard to the subject matter in respect of which his interest is so disclosed.

7. The object of the Agency shall be to administer and manage the Object of  
National Roads Maintenance Fund in such manner as to ensure the efficient the  
Agency  
and effective maintenance of all existing Federal truck roads or such other roads as may be declared, from time to time, as Federal trunk roads.

PART II, OBJECT, FUNCTIONS AND POWERS  
OF THE AGENCY

8.- (1) The Agency shall be responsible for -

Functions of the Agency

- (a) receiving monies accruing to the National Roads Maintenance Fund;
- (b) disbursing monies from the Fund for the purpose of maintenance of Federal Trunk Roads;
- (c) retraining the balance of the money in the Fund after the disbursement specified in paragraph (6) or this subsection, for the discharge of its functions under this Act;
- (d) scrutinising and approving road maintenance projects to ensure prudent management, accountability and proper utilisation of the Fund for the purposes set out in this Act;

9.- (1) Without prejudice to the generality of the following, it shall be the duty of the Agency to-

Powers of the Agency

- (a) enter into road concession contracts for the purpose of executing relevant projects;
- (b) set guidelines for the working of concessions contracts;
- (c) plan and manage the development and implementation of the road safety standards;
- (d) plan and develop strategies towards ensuring efficient and effective movement of traffic on the Federal trunk roads and ensure their implementation;
- (e) make policy recommendations to the Federal Government

on matters relating to the Maintenance of Federal trunk roads;

(f) carry out such other activities as appear to it necessary or expedient for the full and efficient discharge of its functions under this Acts.

10.- (1) The Agency shall establish and maintain a Fund to be known as the National Roads Maintenance Fund (in this Act referred to as “the Fund”).

Establishment of the  
National Road  
Maintenance Fund.

(2) The Fund established pursuant to subsection (1) of this section shall consist of-

(a) such moneys as may be granted or received from the Federal, State or Local Governments;

(b) such money as may, from time to time, be granted or received from –

(i) the organized private sector,

(ii) international or donor organizations and non-Governmental organisations

(c) toll gate collections;

(d) all fees and charges for services rendered by the Agency;

(e) such monies accruing from road concessions;

(f) all other sums which may, from time to time, accrue to the Agency.

(2) The Board may, from time to time, apply the Fund established under subsection (1) of this section to the maintenance of all roads throughout the Federal Republic of Nigeria.

### PART III – STAFF OF THE AGENCY

11.- (1) There shall be, for the Agency, a Managing Director who shall be appointed by the President of the Federal Republic of Nigeria, on the recommendation of the Minister.

Managing Director of  
the Agency

(2) The Managing Director shall be the chief executive of the Agency and be responsible for the execution of the policy and the day-to-day administration of the affairs of the agency.

(3) The Managing Director shall hold office –

(a) for a term of 4 years in the first instance and may be reappointed for a further term of 4 years and no more; and

(b) on such terms and conditions as may be specified in his letter of appointment.

12.- (1) The Board shall appoint, for the Agency, such officers and other employees as it may, from time to time, deem necessary for the purposes of the Agency.

other  
of the Agency

(2) The terms and conditions of service (including remuneration, allowances, benefits and pensions) of officers and employees of the Agency shall be as determined by the Board with the approval of the Minister.

13.- (1) It is hereby declared that service in the Agency shall be approved service for the purpose of the Pension Act and, accordingly employees of the agency shall be entitled to pensions, gratuities and other retirement benefits as are prescribed under the Pensions Act.

Pensions  
Cap. 346 LFN

(2) Notwithstanding the provisions of subsection (1) of this section, nothing in this Act shall prevent the appointment of a person to any office on terms which precluded the grant of a pension, gratuity or other retirement benefit in respect of that office.

(3) For the purposes of the application of the provisions of the Pensions Act, any power exercisable by a Minister or other authority of the Federal Government, other than the power to make regulations under section 23 of the Pensions Act, is hereby vested in and shall be exercisable by the Agency and not by any other person or authority.

#### **PART IV – FINANCIAL PROVISIONS**

14. The Agency shall establish and maintain a fund into which shall be paid and credited -

Funds of the Agency

- (a) the take-off grant from the Federal Government;
- (b) annual subvention from the Federal Government;
- (c) loans and grants-in-aid from national, bilateral and multilateral agencies;
- (d) rents, fees and other internally generated revenues from services provided by the Agency; and
- (d) all other sums accruing to the Agency from time to time.

15. The Agency may, from time to time, apply the proceeds of the fund established in pursuance of section 14 of this Act -

Expenditure  
of the Agency

- (a) to the cost of administration of the Agency;
- (b) to the paying of the emoluments, allowances and benefits of members of the Board and for reimbursing members of the Board or of any committee set up by the Board for such expenses as may be expressly authorized by the Board;
- (c) to the payment of the salaries, fees or other remuneration or allowances, gratuities and pensions, and other benefits payable to the officers and other employees of the Agency, so however that no payment of any kind under this paragraph (except such as may be expressly authorized by the Board) shall be made to any person who is in receipt of emoluments from the Federal or State Government;
- (d) for the development and maintenance of any property vested in or owned by the Agency, and
- (e) for and in connection with all or any of its functions under this Act

16.- (1) The Agency shall, not later than 30<sup>th</sup> September in each year, submit to the Minister an estimate of its expenditure and income (including payments to the Agency) for the next succeeding year.

Annual  
and accounts

- (2) The Agency shall keep proper account in respect of each year and

proper records in relation to those accounts and shall cause its accounts to be audited within six months after the end of each year by auditors appointed from the list and in accordance with the guidelines supplied by the Auditor-General of the Federation.

17. The Agency shall prepare and submit to the Federal Executive Council, through the Minister, not later than six months after the end of each year, a report in such form as he may direct on the activities of the Agency during the immediately proceeding year, and shall include in such report a copy of the audited account of the Agency for that year and the auditor's report on the accounts.

Annual reports

18.- (1) The Agency may accept any gift of land, money or other property on such terms and conditions, if any, as may be specified by the person or organisation making the gift.

Power to  
accept  
gift

(2) The Agency shall not accept any gift if the conditions attached by the person or organisation offering the gift are inconsistent with the functions of the Agency.

19.- (1) The Agency may, from time to time, borrow by overdraft or otherwise such sums as it may require for the performance of its functions under this Act.

Power to  
borrow

(2) The Agency shall not, without the approval of the Minister, borrow money which exceeds, at any time, the amount set by the Minister.

(3) Notwithstanding subsection (1) of this section, where the sum to be borrowed is in foreign currency, the Agency shall not borrow the sum without the prior approval of the Minister.

20 The Agency may, subject to the provisions of this Act and the conditions of any trust created in respect of any property, invest all or any of its funds in any security prescribed by the Trustee Investments Act or in such other securities as may, from time to time, be approved by the Minister.

Investment  
Cap 449 LFN

21. -(1) The Agency shall be exempted from the payment of income tax on any income accruing from investments made by the Board for the Agency or otherwise howsoever.

Exemption  
from tax

2 The provisions of any enactment relating to the taxation of companies or trust funds shall not apply to the Agency or the Board.

## **PART V – LEGAL PROCEEDING**

22. (1) Subject to the provisions of this Act, the provisions of the Public Officers Protection Act shall apply in relation to any suit instituted against an officer or employee of the Agency.

Limitation of suits  
against the Agency,  
etc Cap. 379 LFN

(2) Notwithstanding anything contained in any other enactment, no suit against a member of the Board or the Managing Director or any other officer or employee of the Agency for any act done in pursuance or execution of this Act or any other enactment or law, or of any public duty or authority in respect any alleged neglect or default in the execution of this Act or any other enactment of law, duty or authority, shall lie or be instituted in any court unless it is commenced –

(a) within three months next after the act, neglect or default complained of; or

(b) in the case of a continuation of damage or injury, within six months next after the ceasing thereof.

(3) No suit shall be commenced against a member of the Board or the Managing Director or any other officer or employee of the Agency before the expiration of a period of one month after written notice of the intention to commence the suit shall have been served on the Agency by the intending plaintiff or his agent.

(4) The notice referred to in subsection (3) of this section shall clearly and explicitly state the cause of action, the particulars of the claim, the name and place of abode of the intending plaintiff and the relief which he claims.

23. A notice, summons or other document required or authorized to be served on the Agency under the provisions of this Act or any other enactment or law may be served by delivering it to the Managing Director

Service of  
documents

or by sending it by registered post addressed to the Managing Director at the principal office of the Agency.

24. – (1) In any action or suit against the Agency, no execution of attachment of process in the nature thereof shall be issued against the Agency against unless not less than three months notice of the intention to execute or attach has been given to the Agency.

Restriction on execution property of the agency

(2) Any sum of money which by the judgment of any court has been awarded against the Agency shall, subject to any direction given by the court, where notice of appeal against the judgment has been given, be paid from the fund of the Agency.

25. A member of the Board or the Managing Director or any officer or employee of the Agency shall be indemnified out of the assets of the Agency against any liability incurred by him in defending any proceeding, whether civil or criminal, if the proceeding is brought against him in his capacity as a member, Managing Director, officer or other employee of the Agency.

Indemnity of officers

26.- (1) A member of the Board or the Managing Director or any other officer or employee of the Agency shall.

Secrecy

(a) not for his personal gain, make use of any information which has come to his knowledge in the exercise of his powers or is obtained by him in the ordinary course of his duty as a member of the Board or as the Managing Director, officer or employee of the Agency;

(b) treat as confidential any information which has come to his knowledge in the exercise of his powers or is obtained by him in the performance of his duties under this Act;

(c) not disclose any information referred to under paragraph of this subsection, except when required to do so by a court or in such other circumstances as may be prescribed by the Board, from time to time.

(2) Any person who contravenes the provisions of subsection (1) of this section commits an offence and is liable on conviction to a fine of not less than N20,000 or imprisonment for a term not exceeding 2 years or to both such fine and imprisonment.

27. The Minister may give to the Agency or the Managing Director such directives of a general nature of relating generally to matters of policy etc with regard to the exercise of its or his functions as he may consider necessary and it shall be the duty of the Agency or the Managing Director to comply with the directives or cause them to be complied with.

Directives by  
the Minister,

28. The Agency may, with the approval of the Minister, make such regulations as in its opinion are necessary or expedient for giving full effect to the provisions of this Act and for the due administration of its provisions.

Regulations

29. In this Act, except the context otherwise requires -

Interpretation

“Agency” means the National Roads Maintenance Agency established under section 1 of this Act;

“Board” means the Governing Board established for the Agency under section 2 of this Act;

“Federal trunk roads” means for the purposes of the Constitution of the Federal Republic of Nigeria and the Federal Highways Act, a land acquired under section 2 of that Act and roads declared pursuant to section 24 of the Act as Federal trunk roads;

“Fund” means the National Roads Maintenance Fund established under section 10 of this Act;

“Minister” means the Minister charged with the responsibility for matters relating to works and “Ministry” shall be construed accordingly;

30. This Act may be cited as the National Roads Maintenance Agency (Establishment, Etc) Act 2000.

Short Title

**SCHEDULE** *Section 2 (3)*  
**SUPPLEMENTARY PROVISIONS RELATING**  
**TO THE BOARD, ETC**

**Proceedings of the Board**

1. Subject to this Act and section 27 of the Interpretation Act (which provides for decisions of a statutory body to be taken by a majority of its members and for the person presiding at any meeting, when a vote is ordered, to have a second or casting vote), the Board may make standing orders regulating its proceedings or that of any of its committees.

Cap 192 LFN

2. At every meeting of the Board, the Chairman shall preside and in his absence the members present at the meeting shall appoint one of their member to preside at the meeting.

3. The quorum at a meeting of the Board shall consist of the Chairman (or, in an appropriate case, the person presiding at the meeting pursuant to paragraph 2 of this Schedule; and three other members.

4. The Board shall for the purposes of this Act, meet not less than three times in each year and subject, thereto, the Board shall meet whenever it is summoned by the Chairman, and if required to do so, by notice given to him by not less than five other members, he shall summon a meeting of the Board to be held within 14 days from the date on which the notice is given.

5. Where the Board desires to obtain the advice of any person on a particular matter, the Board may co-opt him to the Board for such period as it thinks fit, but a person who is a member by virtue of this sub-paragraph shall not be entitled to vote at any meeting of the Board and shall not count towards a quorum.

*Committees*

6.- (1) Subject to its standing orders, the Board may appoint such number of standing and ad hoc committee as it thinks fit to consider and report on any matter with which the Agency is concerned.

(2) A committee appointed under this paragraph shall –

(a) consist of such number of person (not necessarily members of the Board as may be determined by the Board), and a person, other than a member of the Board, shall hold office on the committee in accordance with the terms of his appointment; and

(b) be presided over by a member of the Board.

(3) The quorum of any committee set up by the Board shall be as may be determined by the Board.

(4) A decision of a committee of the Board shall be of no effect until it is confirmed by the Board.

#### *Miscellaneous*

7. The fixing of the seal of the Agency shall be authenticated by the signature of the Chairman, the Managing Director or any other person generally or specifically authorized by the Board to act for that purpose.

8. Any contract or instrument which, if made by a person not being a body corporate, would not be required to be under seal may be made or executed on behalf of the Agency by the Managing Director or by any other person generally or specially authorized by the Board to act for that purpose.

9. Any document purporting to be a contract, instrument or other document duly signed or sealed on behalf of the Agency shall be received in evidence and shall, unless the contrary is proved, be presumed without further proof to have been so signed or sealed.

10. The validity of any proceedings of the Board or of any of its committees shall not be affected by –

(a) any vacancy in the membership of the Board, or committee, or

(b) any defect in the appointment of a member of the Board or committee; or

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