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Nigeria: FG to Spend N1.08 Trillion On Railway

By Josephine Lohor

Abuja — The Federal Government is to spend about \$8.3 billion (N1.079 trillion) on the rehabilitation and modernisation of the country's railway system.

In a special broadcast to the nation yesterday, President Olusegun Obasanjo specifically outlined government's plan to revive the nation's ailing railway system adding that the first phase of the project should be completed within four years.

He said the award of the \$8.3 billion first phase of the modernisation and expansion programme of the railway system from Lagos to Kano would be signed this month and work would commence immediately thereafter.

The Federal Government has also negotiated an interest free \$200 million International Development Association (IDA) credit in support of the Lagos Metropolitan Development Project.

In his broadcast to the nation yesterday evening, the President noted that \$2 billion out of the money that would be used for the first phase is being obtained as a soft loan from the Chinese Government.

"Phase I is scheduled to be completed in four years at a cost of \$8.3 billion of which \$2 billion is being obtained as soft loan from the Chinese Government. Phase II, which will be the second spine of the backbone - Port Harcourt to Jos, with the same design criteria, will follow on the heels of Phase I.

"In this regard, those who have encroached on railway land should quietly leave such piece of land to save the Government and themselves the effort of using all means to reclaim such right of way.

"There will also be need to acquire new land for the modernisation and expansion to new locations. I appeal to State Governments and land occupiers to co-operate in making land available for this all-important project.

"By the grace of God Almighty, contract formalities for the award and commencement of Lagos-Kano 1st Phase Project of the modernisation programme will be signed this month and construction work will commence immediately thereafter", he added.

The President who said that it is unfortunate that like the power sector, the railway has suffered neglect, added that comprehensive agenda for the nation's railway transportation system that is inter-modal "includes road, inland waterways, and air transportation".

"Our investments in these areas are coordinated to make a lasting impact through a holistic transportation system across the country. Though I have not included bicycles in the inter-modal list of transport systems, it must not be forgotten, if only for its physical exercise and therefore, health implications", he said.

He linked the modernisation and expansion of the railways project to meeting the nation's socio-economic, political, cultural development and integration objectives.

He expressed hope that "subsequent administrations will buy into this vision and that other friendly countries will offer similar concessionary loan assistance to continue the project in the years ahead with the possibility of a West African regional railway system".

"It was certainly a combination of corruption, poor management, inefficiency, lack of adequate marketing, failure to develop new lines and to plan ahead or introduce new technology and adapt to global best practices that saw the near total collapse of the railway in Nigeria", he said.

He also disclosed that "as part of the effort to bring in private capital, skills and technology, the Bureau of Public Enterprises (BPE) is already considering the possibility of concessioning the existing East, West and Central lines (i.e. Port-Harcourt to Maiduguri with link line from Kafanchan to Kaduna; Lagos to Kano; and Itakpe to Ajaokuta to Warri Rail Lines respectively). Even this requires minimal rehabilitation to get value for money from concessionaires."

"Today, we have a new vision, a new commitment, and a holistic strategic plan encompassing expansion and modernisation of the Railway to be implemented within a 25-year time frame", he added.

"The construction of the rail line will employ tens of thousands of Nigerians immediately. The entire project will promote technology transfer, the building of new skills, and the development of rail allied industries. As much as possible, local materials will be used.

"Furthermore, the towns and communities around the railways will experience an improved socio-economic activity that reduces their unemployment rates", the President said.

Meanwhile, the Federal Government has negotiated an interest free \$200 million International Development Association (IDA) credit in support of the Lagos Metropolitan Development Project.

Speaking at the end of the Federal Executive Council (FEC) meeting in Abuja yesterday, Minister of Information and National Orientation, Mr. Frank Nweke, said the credit was negotiated on behalf of Lagos State.

The project is expected to take care of infrastructure, public governance and capacity building in the State that has become ill-planned, filthy and over-stretched.

The information minister stated that "Lagos continues to be the commercial nerve centre and face of Nigeria despite the movement of the federal capital from there to Abuja.

He added that "the \$200 million is interest-free, payable over a 40-year period with 10-year grace period and the project is expected to be implemented over a 7-year period."

"The Lagos State Government is to take care of 5 per cent of the total fund as counterpart funding, while the credit was negotiated by the Federal Ministry of Finance, the Lagos State Government and the Debt Management Office (DMO)", he said.

The Minister of Information also told newsmen that at the FEC meeting, presided over by President Olusegun Obasanjo with Vice President Atiku Abubakar in attendance, government took its fight against corruption a step further by approving the enactment of a bill

seeking to encourage the disclosure of economic and financial malpractices in the work place and to protect persons making such disclosure.

He said the bill would be forwarded by the Attorney-General of the Federation and Minister of Justice, Chief. Bayo Ojo (SAN), very soon to the National Assembly for consideration.

Shedding more light on the bill, he stated that it "states the procedures for blowing the whistle, which courts will have the jurisdiction over such cases, protection of the informants, etc".

The Minister added that the FEC has also approved invitation for bids for e-passport and erection of auto gates and entry plazas in all of the nation's entry points under the Public Private Partnership (PPP) arrangement.

He disclosed this was "in a bid to ensure proper infrastructure at the various entry points to establish a clear boundary, opportunity to collate data on people coming in and going out and it would herald the introduction of e-passports at the auto gates in line with global trends".

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