

# SPACES FOR CHANGE

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## Moving from Multi-Billion Naira Budgets to Improved Housing Delivery in Imo State

Tracking Government Spending on Housing  
Delivery in Imo State  
(2010 - 2017)



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## SPACES FOR YOUTH DEVELOPMENT AND SOCIAL CHANGE

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Established in May 2011, SPACES FOR CHANGE | S4C works to increase the participation of women, youth and communities in the development of social and economic policy, and also help public authorities and corporate entities put human rights at the heart of their decision-making. The organization's work cuts across five thematic areas: urban justice, energy reforms, gender, youth development and defending civil society space.

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## LIST OF ACRONYMS

AICE	Alvan Ikoku College of Education
BOO	Build, Operate, Own
BOT	Build, Operate, Transfer
BLT	Build, Lease, Transfer
BPE	Bureau of Public Enterprise
CAHF	Center for Affordable Housing Finance in Africa
CESR	Center for Economic and Social Rights
CRA	Child Rights Act
DBFO	Design, Build, Finance, Operate
ENTRACO	Environmental Transformation Commission
ESCR	Economic Social and Cultural Rights
FATF	Financial Action Task Force
FHA	Federal Housing Authority
FMBN	Federal Mortgage Bank of Nigeria
FWLR	All Federation Weekly Law Report
GDP	Gross Domestic Product
HLRN	Housing and Lands Right Network
ICESCR	International Covenant on Economic Social and Cultural Rights
IHC	Imo Housing Corporation
LGA	Local Government Authority
LSDPC	Lagos State Development and Property Corporation
MDAs	Ministry, Departments and Agencies
MHUD	Ministry of Housing and Urban Development
NBS	National Bureau of Statistics
NDDC	Niger Delta Development Commission
NG-MPI	National Multidimensional Poverty Index for Nigeria
NHF	National Housing Fund
OCDA	Owerri Capital Development Authority
OHCHR	Office of the United Nations High Commissioner for Human Rights
PPP	Public Private Partnership
REDAN	Real Estate Development Association of Nigeria
S4C	Spaces for Change
SERAC	Social and Economic Rights Action Center
SCUML	Special Control Unit on Money Laundering
TCPC	Technical Committee on Privatization and Commercialization
UN	United Nations
UNICEF	United Nations Children Fund

## FOREWORD

### ***Why this Research?***

The housing deficit in Nigeria is estimated at 17 to 20 million housing units, increasing annually by 900, 000 units, with a potential cost of N60 trillion (US\$16 billion) needed to fill this gap.<sup>1</sup> Population growth has moved up astronomically growing from 140 million people in Y2006 to almost 200 million people in Y2018.

The rapid growth of the population, combined with the massive influx of human population from rural to urban areas, further swell the demand for housing, especially in the urban areas with the housing needs in Lagos, Ibadan, Kano, and Abuja, estimated to rise by about 20 percent a year<sup>2</sup>. It is estimated that by Y2050, 75 percent of Nigerians will be living in cities.<sup>3</sup>

As if the housing deficits are not enough, millions of people lose their homes annually for various reasons. For instance, a recent report found that approximately 3,021,141 people were affected by some parameter of displacement (16 of whom were reported dead) and up to 323,031 properties (houses, stalls/stores, land,<sup>4</sup> etc.) were either demolished or confiscated. It further established that between Y2010 and Y2016, there has been an average of 62 reported displacements each year (ranging in scale from small numbers affected to tens of thousands).<sup>5</sup> The most-popular excuses or official reasons advanced for displacing citizens from their homes and businesses include crime-fighting, sanitation, environmental protection, building control, city beautification, tree-planting, road widening, gutter constructions, set-back enforcements and so forth.

The practice of forced displacement is starkly juxtaposed with the prevailing regime of rights and legal protections against housing deprivation. Specifically, Article 14 African Charter on Human and Peoples' Rights powerfully complements Sections 43 and 44 of the 1999 Nigerian Constitution in affording legal protections for social and economic rights, especially the right to property. In practice, housing rights has been mainly realized and protected by limiting the power of the state to deprive citizens of their properties, and providing reprieve for legislative overreach. The African Commission on Human and People's Rights has also, explicitly affirmed housing rights a primary component of the right to property.

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1. See Africa Housing Finance Yearbook 2018 – Nigeria, available at [housingfinanceafrica.org/app/uploads/Nigeria-2018-Final.pdf](https://housingfinanceafrica.org/app/uploads/Nigeria-2018-Final.pdf)

2. World Bank "Nigeria: Developing Housing Finance (2016), page 11, available at <https://openknowledge.worldbank.org/bitstream/handle/10986/25780/110897-WP-P131973-PUBLIC-HousingFinanceNigeriaweb.pdf?sequence=1&isAllowed=y>, accessed April 16 2019.

3. *Ibid.*

4. The land in question amounted to a total of about 559,934.58 hectares of farmlands and plots!

5. Urban Infrastructure Projects and Displacement in Nigeria, Julian Walker, Barbara Liepietz, Victoria Ohaeri, Victor Onyebueke and Oliver Ujah, March 2018: [http://urn.icfwebservices.com/Media/Default/Research%20Reports/urn\\_displacement\\_report\\_2018.pdf](http://urn.icfwebservices.com/Media/Default/Research%20Reports/urn_displacement_report_2018.pdf)

Following the tradition of the African Commission, national courts in Nigeria have handed down verdicts that declared demolitions and violations of housing rights by state actors as unlawful and illegal, awarding damages to the aggrieved.<sup>6</sup> With the growing convergence between legislative prescriptions and judicial practices, the status of housing as a human right in Nigeria can no longer be presumed.

As the above paragraphs make clear, the legal recognition of housing as a human rights has yet to translate to reality for millions of Nigerian citizens who do not have access to a decent shelter. Multiple studies have listed a number of factors militating against housing production and housing affordability, ranging from limited access to land, land titling bureaucracy, high cost of construction and building materials, forced displacement, natural disasters, lack of housing finance and mortgage services, particularly for lower-priced houses for the poor,<sup>7</sup> and so forth. Rising poverty levels further preclude many from accessing government-built housing schemes. With 87 million Nigerians, representing about 44% of Nigeria's population, comprising people living in extreme poverty,<sup>8</sup> the housing outlook for Nigeria is currently grimmer than any other point in the country's post-independence history.

The burgeoning statistics of homelessness (and mass displacement) reflect the urgency to match the housing rights rhetoric with action. In other words, having the right to housing or shelter is one thing, having access to a decent shelter is another. Enhancing access to a housing is a positive legal obligation requiring states to devise and implement within its available resources, a comprehensive and coordinated program progressively to expand citizens' access to adequate housing. This disparity between human rights policy and practice in Nigeria is one of the gaps that Spaces for Change seeks to fill through research advocacy and technical assistance. The organization's advocacy proceeds upon the premise that it is not enough for social and economic rights provisions to be contained in constitutional or legal documents and nothing more. Rather, human rights can only have serious meaning to the citizenry when they can be enforced, claimed and asserted under both municipal and international law, particularly by those that are at the lower rung of the social and economic ladder.

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6. Chief Jacob Obor & Ors v Federal Capital Territory & Ors (unreported suit no CV/3998/12): Judgment delivered by the Federal Capital Territory High Court on February 2, 2017, per Kutigi J. declared the planned demolition of all the houses in Mpape illegal. Also, see Alhaji Manu Kano V. The Government of Adamawa State & Ors: Law Pavilion/ (Thursday, March 27, 2014) LPELR-24161(CA)/Suit No: CA/YL/11/2013.

7. See Centre for Affordable Housing Finance in Africa (CAHF) on "Housing Finance in Nigeria" available at - <http://housingfinanceafrica.org/countries/nigeria/> accessed on January 26, 2017; United Nations Children's Fund (UNICEF), Human Development Report, 2006 available at [https://www.unicef.org/wcaro/Countries\\_1320.html](https://www.unicef.org/wcaro/Countries_1320.html) accessed on January 29, 2018; National Bureau of Statistics (NBS) referenced at <https://www.vanguardngr.com/2017/12/nigerias-unemployment-rate-rises-14-2-18-8/> accessed on January 29, 2018; National Bureau of Statistics (NBS) referenced at <https://www.vanguardngr.com/2018/01/nigerias-inflation-drops-15-37-december-2017-nbs/> accessed on January 29, 2018.

8. Vanguard Newspaper, "Nigeria overtakes India in extreme poverty ranking" (2018), available at <https://www.cnn.com/2018/06/26/africa/nigeria-overtakes-india-extreme-poverty-intl/index.html>, accessed 19 March 2019.



Therefore, the focus of this research is to examine the extent Nigeria is meeting its positive obligation to provide housing to its teeming population, particularly the low-income and vulnerable citizens who are least able to access decent shelter. In order to interrogate and evaluate government's commitment to fulfil its positive housing obligations, the study focuses on government spending in Imo State in the South Eastern part of Nigeria. The selection of this state is based on the need to generate evidence-based for understanding Nigeria's housing crisis, taking into account the peculiarities of the state in terms of annual budgets, population size, revenue generation capabilities and geographical characteristics.

Imo State is one of the Igbo-speaking states in South-Eastern region of Nigeria, with a land area of 5,288 square kilometers and an estimated population of 5,408,756 people. Rich in natural resources including crude oil, lead, zinc, white clay, fine sand, limestone and natural gas in commercial quantities, the state is also famed for its abundant agricultural produces such as palm produce, cocoa and rubber. The state combines the receipts from the monthly federal allocations with the revenue generated internally, to execute social and economic development programmes for its residents. In Y2017 for instance, the state received monthly allocations from the federal purse to the tune of N38.1B<sup>9</sup> while generating about N6,850,796,866.07 during the same period.

As with other states of the federation beset with the widening housing deficit, Imo's rapid population growth is unmatched with the sufficiency of resources to adequately accommodate the rising infrastructural demands of citizens. Successive administrations of Imo state, particularly between Y2010 and Y2017 have adopted diverse financing options, contractual and institutional arrangements for addressing the mounting infrastructure gap. This research report therefore independently evaluates the policies and programmes that state adopts to bridge the gap between its housing infrastructure needs and actual investments in housing infrastructure.

It is hoped that the findings of this study will provide Imo government with an independent performance analysis of the housing sector which can form the baseline for initiating critical reforms in the state. The aim of the report would have been achieved if it guides state executives in decision-making and priority-setting while influencing a positive effect on attitudes to public spending. Many parallels can be drawn from the outcome of the research

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9. National Bureau of Statistics, file:///C:/Users/ACER/Downloads/FAAC\_Disbursements\_Series\_2017.pdf

## METHODOLOGY

As already mentioned above, the purpose of this research is to measure governments' commitment to the provision of housing for citizens through a comparison of budgetary allocation for housing development and the physical verification of the budgeted projects. To ensure an objective evaluation of state commitment, the research framed five questions which defined the parameters for characterization of data and statistical analysis of results. The five questions are:

- How much do states budget for, and spend on housing development annually?
- What kind of housing projects do states spend money on?
- How many housing units are built every year, and added to the housing stock?
- Does that number match the monies appropriated for that fiscal year?
- Are there policies and mechanisms in place that enable the low-income, the very poor and vulnerable families in greatest need of shelter to have access to them?

To answer the above questions, the research team adopted a two-pronged multidimensional approach in order to achieve an objective and empirical analysis of budgeting trends and project execution practices. The two-pronged approach involved (a) the tracking and analysis of housing budgets of the states under review, and (b) the physical verification of the budgeted projects. For the budget analysis, the research team undertook desk research, engaged relevant government agencies with the aim of obtaining accurate budget figures, and interviewed key actors in the housing industry in Imo State. The physical verification exercises involved field visits to various project sites to independently assess the state of completion of budgeted housing projects, as well as track the beneficiaries of those projects.

Quantitative data was sourced from primary sources such as direct interviews and policy dialogues with state officials from multiple sectors. Two workshops were convened for senior government officials and Imo city planners in May 2018 and April 2019 respectively, reaching over 100 government officials directly. Other agencies engaged in the course of the research include the Imo State Ministry of Housing and Urban Development, the Lands Department, Imo Housing Corporation, ENTRACO, Owerri Municipal Local Government, various state ad-hoc committees, Lagos Home

Ownership Mortgage Board, Lagos State Ministry of Housing, Imo State House of Assembly and other relevant agencies. For secondary sources, researchers accessed state and national statistical portals, reviewed current literature on the state of housing in the country, sourced from online archives, national statistical reports, news materials, reports and publications. Private testimonies and group discussions shared community outreaches and legal clinics convened by Spaces for Change in various Imo communities provided deep insights into the affordability and accessibility of the completed housing projects.

The research team faced multiple constraints in gathering data. State budget documents containing detailed breakdown of proposed expenditure were unavailable and thus, difficult to access independently. Red tape in government offices unduly limited access to data. Also, lack of data disaggregated on the basis of gender, age, disability, geographical location, et al in the states was also widespread practice. Because of the difficulty in accessing organized data, notes and footnotes were extensively used in the report to provide additional explanation where data gaps may exist or cause confusion. To validate research results, a technical reviewer was commissioned to independently review findings. The reviewer was granted access to the primary data sources, on the basis of which further critical reflections were received on the draft research report.

Where practicable, researchers used alternative data-gathering mechanisms. At this juncture, it needs to be emphasized that Imo State needs to invest heavily in records-keeping and data processing in order to engender transparency and accountability in their budgeting processes. In some cases, the research team had to make individual judgment calls in their bid to make sense of some figures and facts presented. To illustrate this point, a residential estate budgeted for, and developed by the Imo State government was subsequently converted into a school. This sort of conversion complicated project tracking and verification.

This research should be read as a synopsis of the information available to the research team at the time of publication. If in the future the team obtains or is provided with further data updating, affirming, qualifying or negating anything presented in this research, the team shall endeavour to disseminate such information through the same or similar channel that this research has been published.



# INTRODUCTION

## AN OVERVIEW OF HOUSING RIGHTS IN NIGERIA

### *Housing as a Human Right*

Housing,<sup>10</sup> often used interchangeably with shelter, is an indispensable human need. Shelter is essential not only for protection from the elements, but also for privacy, sanctity of family life, health, and emotional well-being – in short, to our fundamental dignity as human beings. Under International Human Rights Law, housing is regarded as a social and economic human right, specifically as a subset of the right to an adequate standard of living. Economic, Social and Cultural (ESC) Rights<sup>11</sup> have been recognized in the constitutions or bills of rights of some countries of the world such as the 1996 Constitution of the Republic of South Africa.<sup>12</sup> Section 26 of the South African Constitution provides that (1) [e]veryone has the right to have access to adequate housing; (2) [t]he state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of this right; and (3) n]o one may be evicted from their home, or have their home demolished, without an order of court made after considering all the relevant circumstances.

Nelson Mandela eloquently accentuated the importance of the right to housing when he stated that:<sup>13</sup>

“The international world has gradually come to realise the critical importance of social and economic rights in building true democracies, which meet the basic needs of all people. The realisation of these needs is both an essential element of a genuine democracy, as well as essential for the maintenance of democracy. This is nowhere more evident than in the right to housing. Everyone needs a place where they can live in security, with dignity, and with effective protection against the elements. Everyone needs a place which is a home.”

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10. Housing, as used here, means buildings of residence that meet the minimum standards of “adequate housing” under International Covenant on the Economic, Social and Cultural Rights. According to the Committee on Economic, Social and Cultural Rights “General Comment No. 4: The Right to Adequate Housing (Art. 11 (1) of the Covenant)”, adequate housing must be one which (a) has legally secured tenure, (b) has availability of services, materials, facilities and infrastructure essential for health, security, comfort and nutrition, (c) is affordable in that the costs of housing is commensurate with income levels, (d) is habitable, in terms of providing the inhabitants with adequate space and protecting them from cold, damp, heat, rain, wind or other threats to health, structural hazards, and disease vectors, (e) accessible to those entitled to it on non-discriminatory basis, (f) is in a location which allows access to employment options, health-care services, schools, childcare centers and other social facilities, and (g) enables the expression of cultural identity and diversity of housing. See the link to General Comment No. 4: <https://www.refworld.org/pdfid/47a7079a1.pdf>.

11. <https://www.ohchr.org/EN/Issues/ESCR/Pages/WhatareexamplesofviolationsofESCR.aspx>

12. Section 26 of the South African Constitution.

13. Foreword to Scott Leckie's book *National Perspectives on Housing Rights* (The Hague: Kluwer, 2003) at page xvii

Mandela's thoughts above manifest into reality in countries like Scotland where there is a legal right to housing. Under the Housing (Scotland) Act 1987 (as amended), any person up to the age of 16 may apply for housing held by a local authority or a registered social landlord and shall be entitled to be admitted to a housing list – (a sort of waitlist of applicants).<sup>14</sup> In 2007, the French President announced that the French Parliament would be introducing a law similar to the Scottish housing law.<sup>15</sup> Slated to commence on March 5, 2007, the law establishes an enforceable right to housing and enables those in sub-standard housing or on a long-term waiting list for social housing to assert their right to housing. The law further establishes amicable settlement procedures and litigation options in the case of a violation of the law. The French state is the guarantor of the right to housing.<sup>16</sup> In India, although there is no legally guaranteed right to housing in the constitution, the Supreme Court, in construing other constitutionally guaranteed rights expanded their scope to include right to housing but fell short of obligating the state to provide housing.<sup>17</sup>

- *Legal Status of Housing Rights in Nigeria*

Like India, the 1999 Nigerian constitution frames the provision of housing or shelter not as a fundamental right, but as an objective broadly realizable under the directive principles of state policy. These principles subsumed in Chapter Two of the Nigerian Constitution, obligate the federal government and its constituent parts to direct state policy towards ensuring that *suitable and adequate shelter*, suitable and adequate food, reasonable national minimum living wage, old age care and pensions, and unemployment, sick benefits and welfare of the disabled, are provided for all citizens.<sup>18</sup> Unlike Chapter Four(4) of the same Constitution that is subject to specific judicial enforcement mechanism, a constitutional clause precludes the courts from determining legal claims arising from the state's inability to meet the obligations espoused in Chapter Two (2), rendering them non-justiciable.<sup>19</sup> The constitutional stipulation restraining the courts from ordering the implementation of social and economic needs of citizens, shrank the directive principles to mere positive directions to constituent states for ensuring public welfare and minimizing social and economic inequalities.

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14. See the link to the legislation: <https://www.legislation.gov.uk/ukpga/1987/26/section/19>. The Act provides for priority of applicants according to certain criteria.

15. See Financial Times "France adopts Scottish policy of legal right to housing" (2007), available at <https://www.ft.com/content/716f63c0-9b55-11db-aa70-0000779e2340>.

16. Housing Rights Watch "State of Housing Rights, available at <http://housingrightswatch.org/page/state-housing-rights-5>, accessed on April 7, 2019.

17. OHCHR, "Housing and Land Rights Network Special Rapporteur on the Right to Adequate Housing: Questionnaire on the Right to Life and the Right to Adequate

18. Housing – Response from Housing and Land Rights Network (HLRN), India" available at a

19. Section 16(2)(d) Constitution of the Federal Republic of Nigeria.

In spite of the unpromising constitutional stance on housing rights, the country is party to a number of international conventions that recognize the right to housing. On July 29, 1993, Nigeria ratified the International Covenant on Economic, Social and Cultural Rights (ICESCR) which provides that *“the States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. The States Parties will take appropriate steps to ensure the realization of this right, recognizing to this effect the essential importance of international co-operation based on free consent.”*<sup>20</sup> By ratifying the ICESCR in 1993, Nigeria committed to 'taking steps...to the maximum of its available resources, with a view to achieving progressively the full realization' of all the economic, social and cultural rights enshrined in the Covenant.<sup>21</sup> Taking steps means doing all that is necessary, deliberate, concrete and targeted as clearly as possible towards meeting the obligations recognized in the Covenant.

The Universal Declaration of Human Rights, which is regarded as an international customary law, recognizes that *“[e]veryone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control”*.<sup>22</sup> Similarly, both the Convention on the Elimination of All Forms of Discrimination against Women and the Convention on the Rights of the Child make special provisions regarding access to housing by women and children.<sup>23</sup>

However, before these international rules can be peremptorily applied in Nigeria, they have to undergo a process of “domestication” by the Nigerian legislature pursuant to the constitutional provision to the effect that “[n]o treaty between the Federation and any other country shall have the force of law [except] to the extent to which any such treaty has been enacted into law by the National Assembly.”<sup>24</sup> Thus, Nigeria operates a dualist international legal structure that precludes international conventions from having automatic application without domestication. Although the term “treaty between the Federation and any other country” was used in the constitution, the term is given a broad construction to extend to international conventions and agreements such as those listed above. Whereas the human rights provisions of these international instruments are not binding on national courts, they however constitute persuasive authority and guidance to both the federal legislature and the judiciary in their respective roles of lawmaking and the interpretation of domestic laws.<sup>25</sup>

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20. Article 11 of the International Covenant on Economic, Social and Cultural Rights.

21. (Article 2(1)) of the International Covenant on Economic, Social and Cultural Rights.

22. Article 25(1) of the Universal Declaration of Human Rights.

23. Articles 14(2)(h) of the Convention on the Elimination of All Forms of Discrimination against Women and Article 27(3) of the Convention on the Rights of the Child.

24. Section 12 Constitution of the Federal Republic of Nigeria

25. For instance, Nigeria's Child Rights Act (CRA) of 2003 is largely derived from, and even considered a domestication of the Convention on the Rights of the Child. The establishment of the Special Control Unit on Money Laundering (SCUML) in 2005 was as a commitment by Nigeria to comply with the requirements of the Financial Action Task Force's (FATF)'s international regulations for countering money laundering and financing of terrorism.

The African Charter on Human and Peoples' Rights<sup>26</sup> makes a bold effort to lay to rest, the legal impediments arising from the twin problems of non-justiciable nature of Chapter 2 of the Nigerian Constitution and the unenforceability of a treaty unless ratified by the Nigerian parliament. The African Charter<sup>27</sup> is the first regional framework to codify civil and political, socio-economic and cultural, individual and collective rights, seamlessly weaving them together into a single document. Specifically, the right to housing derives legal authority from Article 14 of the African Charter which guarantees "*all persons the right to property, and it may only be encroached upon in the interest of public need or in the general interest of the community and in accordance with the provisions of appropriate laws.*" Clarifying this right further, the African Commission<sup>28</sup> has held that the African Charter encompasses the right to housing through its provisions protecting the rights to health, property, and family. In **SERAC v. Nigeria at 60**, the Commission held that:

"Although the right to housing or shelter is not explicitly provided for under the African Charter, the corollary of the combination of the provisions protecting the right to enjoy the best attainable state of mental and physical health, cited under Article 16 above, the right to property, and the protection accorded to the family forbids the wanton destruction of shelter because when housing is destroyed, property, health, and family life are adversely affected. It is thus noted that the combined effect of Articles 14, 16 and 18(1) reads into the Charter a right to shelter or housing."<sup>29</sup>

In the same case, the Commission further held that the *right to shelter obliges the Nigerian government not to destroy the housing of its citizens and not to obstruct efforts by individuals or communities to rebuild lost homes.*" The African Commission's condemnation of forced evictions and demolitions leaves no doubt that such practices violate the right to housing implicit in the African Charter. The protections contained in Article 14 directly mirrors the provisions of the right to property guaranteed by the 1999 Nigerian Constitution, as both expressly prohibit all interference with the right to property, including forced evictions and demolitions that destroy people's homes and household goods, in the absence of a valid public purpose and compliance with relevant laws.

Nigeria has ratified and domesticated the African Charter. Following its ratification and domestication by the federal parliament,<sup>30</sup> the African Charter is binding law under Section 12 of the Constitution, constituting the legal basis for the enforcement

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26. African [Banjul] Charter on Human and Peoples' Rights, 1520 U.N.T.S. 217, entered into force Oct. 21, 1986.]

27. Nigeria ratified the African Charter on Human and Peoples' Rights on 22 June 1983 and domesticated it as Cap.10 Laws of the Federation of Nigeria 1990 (Now Cap. A9 Laws of the Federation of Nigeria 2004)

28. The African Charter established the African Commission on Human and Peoples' Rights in 1987. The Commission three major functions are the protection, the promotion of human and peoples' rights and the interpretation of the African Charter on Human and Peoples' Rights.

29. Communication 155/96 Social and Economic Rights Action Center (SERAC) and Center for Economic and Social Rights (CESR) / **Nigeria**  
<http://www.achpr.org/communications/decision/155.96/>

African Charter on Human and Peoples' Rights (Ratification and Enforcement) Act in 1983 (now Cap. 10 Laws of the Federation of Nigeria 1990)

of social, economic and cultural rights, including housing rights, in Nigeria. This principle received judicial affirmation in *Abacha vs. Fawehinmi* where the courts said that:<sup>31</sup>

“Where, however, the treaty is enacted into law by the National Assembly, as was the case with the African Charter ..., it becomes binding and our courts must give effect to it like all other laws falling within the judicial powers of the courts. ....”

As the foregoing demonstrates, the African Charter powerfully complements the Nigerian Constitution in affording legal protections for social and economic rights, especially the right to housing. While the legitimacy of housing rights continue to gain legal grounds, gaps in implementation however remain. Housing rights inseparably involve both (a) the negative obligation of the government not to interfere in the housing of citizens through indiscriminate demolitions without compensation or resettlement, or in contravention of both constitutional and international human rights,<sup>32</sup> and (b) the positive obligation of the government to provide housing and make policies that will promote access to housing for its citizens.<sup>33</sup>

Experience has shown that the negative obligations have gained more prominence, rooted in the effective interplay of legislative, judicial and citizen actions to enforce and protect the right to housing. Not only that, the negative obligations are intricately tied to civil and political liberties or the first generation rights such as right to life, personal liberty, dignity of the human person, fair hearing, livelihood and freedom to own properties, freedom of association, etc. It is therefore commonplace to find extensive media reporting and documentation by local and international human rights watchdogs focused on Nigeria's negative housing obligations.<sup>34</sup> On the other hand, progress with regards to the positive obligations have been comparatively slower, probably because realizing them involve financial resources, budgetary allocations, the establishment of key institutions that will support the government implementation plans and strong political will. The positive housing obligations of Nigeria are usually – almost - solely, treated as an index of development discussed mostly on platforms given to development and investment.<sup>35</sup> Measuring the progress of the Nigerian government's positive obligations will be the focus of this research study.

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31. [2000] 4 FWLR (PT 4) 533 at page 586

32. With regards to negative housing obligations, Spaces for Change has led efforts to prevent the government from trampling upon the rights of Nigerians in the name of urban renewal. Spaces for Change was at the forefront of actions challenging the various governments in Nigeria for illegal demolitions in Lagos State and Imo State. See Spaces for Change “Public Private Connection in Urban Displacement: A Case Study of Lagos State” (2018), available at <https://spacesforchange.org/housing-and-urban-governance/public-private-connection-in-urban-displacement-a-case-study-of-lagos-state-2/>.

33. Section 26 of the South African Constitution is illustrative of the negative and positive housing rights obligations.

34. See for example US State Department Nigerian 2017 Human Rights Report, available at <https://www.state.gov/documents/organization/277277.pdf>, accessed April 16, 2019, and Amnesty International's 2017/2018 report on Nigeria, available at <https://www.amnesty.org/en/countries/africa/nigeria/report-nigeria/>, accessed April 16, 2019.

35. Most of the international literature which discusses the housing deficit in Nigeria are provided by development finance organizations such as the African Development Bank and the World Bank.



### ***Beyond Legal Rhetoric: Why Housing Matters***

Housing is a subset of infrastructure projects, which come under the capital budget heads in both federal and state governments' annual budgets. In Nigeria's ₦8.6-Trillion Naira 2018 budget,<sup>36</sup> the Ministry of Power, Works and Housing, which has the mandate to drive infrastructural development in the country, and which was responsible for improving housing, received a budgetary allocation of ₦556 Billion.<sup>37</sup> In addition to this, a ₦500 Billion allocation for the Social Intervention Program was retained, with ₦100 Billion from the allocation set aside for the Social Housing Program.<sup>38</sup>

In the same vein, the various state governments also budget for infrastructural development, which includes housing, on a comparatively-smaller scale, focusing only on providing housing for the residents within the territories of their respective states. Decades of huge federal and state budgetary spending on public infrastructure, including housing, has not yielded any remarkable decline in the country's housing deficit. It is estimated that by 2050, Nigeria, with a growth rate of 2.7%, will surpass the United States of America as the third most populous country in the world with over 300 million people.<sup>39</sup> Nigeria's exponential population growth continues to outpace housing availability, widening the deficit gaps even further year on year.

Through various initiatives, the Nigerian government has reiterated its commitment to tackle the perennial housing crisis. For example, the emergence of public housing through the 'low-cost housing', concept espoused in the Third National Development Plan (1975–1980)<sup>40</sup> and the massive investments in the housing sector in Fourth National Development Plan (1980–1985)<sup>41</sup> lend credence to governmental commitment to meet its housing obligation. More recently, former President Goodluck Jonathan's Transformation Agenda proposed to provide site and services in all parts of the country in collaboration with states and local Governments, and recognized housing as part of social infrastructure required to accelerate economic development.<sup>42</sup>

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36. Ernst & Young, "Nigeria presents 2018 Budget" (2017), page 1, available at [https://www.ey.com/Publication/vwLUAssets/Nigeria\\_presents\\_2018\\_Budget/%24File/2017G\\_06392-171Gbl\\_Nigeria%20presents%202018%20Budget.pdf](https://www.ey.com/Publication/vwLUAssets/Nigeria_presents_2018_Budget/%24File/2017G_06392-171Gbl_Nigeria%20presents%202018%20Budget.pdf), accessed 19 March 2019.

37. PricewaterhouseCoopers "Federal Government of Nigeria's 2018 Budget of Consolidation (2017)", available at <https://www.pwc.com/ng/en/assets/pdf/pwc-2018-nigerias-budget-highlight.pdf>, accessed 19 March 2019.

38. Ernst & Young, "Nigeria presents 2018 Budget", *supra*, page 3.

39. Fmbn.gov.ng

40. Ambitious, socialist in character, and the third in the series of national development plan, has five national objectives. It provided for low-rent accommodation as part of the Government's Housing programme. In the plan, the Federal Military Government proposed to build 202,000 housing units per year; 46,000 in Lagos, 12,000 for Kaduna, and 8000 units in the state capitals. The State Government would be directly involved and the Federal Housing Authority (FHA) would provide the necessary infrastructure.

41. The Fourth National Development Plan, launched in 1981, covering the period 1981-85, aimed to establish a solid base for the long-term economic and social development of Nigeria, with emphasis on key sectors such as agriculture, manufacturing, education and manpower development, and infrastructural facilities. Due to sharp decline in national revenues resulting from low oil prices in the international market, the plan therefore had to be reviewed in 1984. This plan also made provision for the construction of staff quarters and staff housing loans to government employees.

42. World Bank "Nigeria: Developing Housing Finance (2016)", page 6, available at <https://openknowledge.worldbank.org/bitstream/handle/10986/25780/110897-WP-P131973-PUBLIC-HousingFinanceNigeriaweb.pdf?sequence=1&isAllowed=y>, accessed April 16 2019.

Housing also formed part of the manifesto of the All Progressive Congress (APC) on the back of which the current President Muhammadu Buhari rode into power. According to the APC manifesto:

*“One of the greatest needs of man is shelter. It is officially accepted that in Nigeria, the housing deficit is in the neighborhood of 17 million units and with the population growing at about 3.5 percent, immediate steps must be taken to tackle the problem and give Nigerians appropriate affordable housing. [To] achieve this goal, APC will see to the emergence of one million housing units per annum both by direct social housing program and through support to private sector developers. To enhance this program, land allocation, infrastructure support and cheaper credit will be pursued. [We] believe that this program will bring into place about 30 million jobs nationwide annually. The implementation will extend beyond residential homesteads to university hostels and barracks for uniformed services. [APC] will conceive this program to bring relief and comfort to individuals and families currently facing severe difficulties in their effort to meet the challenges of ever-increasing rents and the pressure of some shylock landlords.”<sup>43</sup>*

The Nigerian government intervenes in housing delivery in a number of ways which include, providing incentives for investors in mass housing, investing in mass housing by itself or financially empowering its citizens to procure housing through mortgages and other schemes. For instance, the federal government's Monetization Policy enabled employees in federal government's employ to buy and own the government-owned housing units allocated to them by virtue of their employment.<sup>44</sup>

Similarly, the Federal Mortgage Bank manages and administers the contributory savings scheme known as the National Housing Fund (NHF),<sup>45</sup> a social savings scheme designed to mobilize long-term funds from Nigerian workers, banks, insurance companies and the Federal Government to advance concessionary loans to contributors to meet their housing needs.<sup>46</sup> Under this scheme, the federal government has executed a number of projects, through the Federal Mortgage Bank of Nigeria, to provide low cost housing for public workers across several states of the federation.<sup>47</sup> At the state level, various state governments have initiated housing schemes targeted at providing shelter to citizens. Some of the housing schemes are wholly-state built, or constructed under a public-private partnership arrangement with other housing development entities.<sup>48</sup>

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43. See <https://apc.com.ng/manifesto/> accessed March 21 2019

44. See Guardian Newspaper, “The monster called monetization policy”, available at <https://guardian.ng/news/the-monster-called-monetisation-policy/>, accessed March 21 2019.

45. This Fund was established by Act 3 of [1992].

46. See <https://www.fmbn.gov.ng>

47. FG Commissions 100-Unit Housing Estate In Imo, CHANNELS Television: March 5, 2017, <https://www.channelstv.com/2017/03/05/fg-commissions-100-unit-housing-estate-in-imo/>

48. Ebonyi State Government's Ezzamgbo Housing Estate, comprising 500 housing units. See *Nigeria: Ebonyi Builds 500 Housing Units*; All Africa news, <https://allafrica.com/stories/200607060594.html>; Enugu State's 230 Housing Unit Jedidiah Estate in Enugu. See *Governor Ugwuanyi Commissions 230 Housing Unit Jedidiah Estate in Enugu*, Channels Television: <https://www.youtube.com/watch?v=xMma5w7oxks>, accessed July 12, 2019; The rent-to-own scheme in Lagos State is another example.



Self-built housing remains the most popular method of housing production. Despite the various housing interventions by the federal and state governments discussed above, a large proportion of the population cannot still afford to buy or rent government-built housing. Consequently, they resort to for self-help approaches to meet their housing needs, according to the resources, length of time and land spaces available to them. Studies show that the urban poor most employ rudimentary self-build housing methods, which often result in the proliferation of slums and informal settlements in urban centres. These poor and low income families excluded from access to land and housing in the formal sector find refuge in the informal settlements where land and housing can be purchased and built according to means and capacity.<sup>49</sup>

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49. Felix Morka, A Place to Live: A Case Study of Ijora Badia, Lagos; Published by UN-HABITAT: <https://unhabitat.org/wp-content/uploads/2008/07/GRHS.2007.CaseStudy.Tenure.Nigeria.pdf>

# CHAPTER ONE:

## IMO STATE: SOCIO-POLITICAL AND ECONOMIC CONTEXT

Imo is one of the Igbo-speaking states in the South-Eastern region of Nigeria. It is bordered by Anambra to the north, Abia State to the east, and Rivers State to the south and west, and it was created in 1976 by the then-Military Head of State of Nigeria, General Murtala Muhammed out of the then East-Central State, with Owerri named as its capital city. With the vision to establish a first-class modern city, Rear Admiral Godwin Ndubuisi Kanu — the then-military governor of Imo state — commissioned Fingerhut and Partners to develop a regional master plan for the state. The master plan laid out the planning framework for the capital city, in terms of land use, transportation, public utilities, green belts, conservation areas, as well as in districts for human settlements, industrial, and commercial activities. Later on, a part of the state was carved out to form Abia State. With a land area of 5,288 square kilometers,<sup>50</sup> the state has 27 local governments and has an estimated population of 5,408,756 people.<sup>51</sup>

When the Niger Delta Development Commission (NDDC) was created in 2000 with the mandate of “facilitating the rapid, even and sustainable development of the Niger Delta into a region that is economically prosperous, socially stable, ecologically regenerative and politically peaceful”,<sup>52</sup> Imo State was included, in recognition of the oil and gas exploration activities in parts of the state. The state's inclusion in the NDDC means that in addition to the statutory allocations which the state receives from the Federal Government, the state also benefits from infrastructural developmental activities undertaken by the NDDC.

Detailed data regarding social and economic initiatives in states are not easy to come by. As such, information regarding the executive priorities, economic activities, critical investments and internally-generated revenues in Imo States are pieced together from various policy documents, media reportages, private interviews, or from the personal knowledge of the researchers. Notwithstanding this information gap, Imo State has been described as being “rich in natural resources including crude oil, lead, zinc, white clay, fine sand, limestone and natural gas in commercial quantities, agricultural produces such as palm produce, cocoa and rubber.”<sup>53</sup>

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50. National Bureau of Statistics, available at <http://nigeria.opendataforafrica.org/apps/atlas/imo>, accessed 19 March 2019.

51. *Ibid.*

52. See <http://www.nddc.gov.ng/about%20us.html>, accessed April 16, 2019.

53. See Federal Government website <http://nigeria.gov.ng/index.php/2016-04-06-08-39-54/south-east/imo-state> accessed April 16 2019.

Among the items, only agricultural produce directly contributes to the state GDP although benefits also accrue to state's treasury from the activities connected to oil and mineral exploitation.

Commercial activities within the state are largely driven by small and medium enterprises, owing largely to the Igbo custom of trading and self-reliance. Imo State boasts major markets such as Eke Ukwu Owerri Market,<sup>54</sup> Relief Market, and Alaba Market, which are complemented by other major markets located within the South East of Nigeria (such as the Main Market in Onitsha, Ariara Market in Aba, and Ogbete Market in Enugu).

A lot of Imo citizens reside outside the state, including outside Nigeria, and repatriate resources to their families in Imo State. Influenced by the prevailing native customs, Imo indigenes typically build houses either in the state capital or in their villages to preserve strong ties to their roots. Tapping into this entrenched cultural practice, the Imo State government built a Diaspora Housing Estate targeted at Imo citizens living in the diaspora.

Of all the economic activities in the state, the hospitality industry stands out. The state boasts an array of entertainment and relaxation facilities in the form of hotels, casinos, gaming centers and production studios signifying a strong entertainment industry. It was described as the “entertainment capital of Eastern Nigeria.”<sup>55</sup> As one writer noted: “[t]he industrial revolution taking place in some other cities of the country could be as a result of its citizens and government's direct attention to the production of goods and services that enhance the overall development of the economy of state where they are sited. But in Owerri, capital of Imo State, hotel development has taken the upper hand.”<sup>56</sup>

Education is another viable sector in the state. The people of Imo State, or “Imolites” as they sometimes call themselves, place a high value on education, especially tertiary education. By implication, educational institutions contribute to the local economy through students' tuition fees and the commercial activities stimulated by their pedagogical and operational activities in various parts of the state. As of 2017, Imo State had the highest literacy level in Nigeria at 96.43%.<sup>57</sup>

In spite of the above viable sectors of the state's economy, the rate of poverty and unemployment in the state remains high. Imo State largely relies on Federal Government allocations to finance its capital and recurrent budgets. In 2017, the state received monthly allocations from the federal purse to the tune of N38.1 billion while generating about N6.9 billion in internally generated revenue during the same period.<sup>58</sup> As of 2017, the state's domestic and external debt burdens stood at N80.7 billion and N62.8 billion respectively.<sup>59</sup>

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54. Demolished in August 2017

55. <https://www.hotelnewsresource.com/article96546.html>

56. <https://allafrica.com/stories/201210130317.html>

57. <https://guardian.ng/news/despite-decades-of-funding-literacy-level-in-the-northern-states-remains-low/>

58. State of States Data: <http://yourbudget.com/dataportal/states/Imo>

59. State of States Data: <http://yourbudget.com/dataportal/states/Imo>

The monthly receipts, locally-generated revenues and state borrowings have neither translated into a desirable standard of living nor enhanced the residents' access to adequate housing.

According to the 2018 Multidimensional Poverty Index (MPI),<sup>60</sup> Imo state has a 45.4% incidence of poverty rate as at 2018, which is relatively high when compared to other southern states, such as Lagos's 27.8% and Anambra's 25.4%.<sup>61</sup> Comprised of four major indicators—health, education, standard of living and labour force—and 11 other weighted indicators, the MPI presents the number of people who are multi-dimensionally poor and the deprivations such people face at the household level. The significant levels of incidence of poverty may not be unconnected with the high unemployment rate attributed to the state, standing at 41.4% as at 2018.<sup>62</sup> National unemployment rate rose to 18.8% in Q3 2017 from 16.2% in Q2 2017.<sup>63</sup>

Across the state, modern houses constructed with blocks are popular. This observation corroborates national statistical data showing that Imo residents prefer block housing rather than traditional housing structures made of wood, hut, mud, bamboo etc.<sup>64</sup> Specifically, most residents live in stand-alone houses or in a separate yard (71%) or apartments in blocks of flats (10.6%).<sup>65</sup> However, only 2.7% of Imo residents live in traditional or hut structures,<sup>66</sup> thus implying that unlike the national average, housing supplied in Imo State are predominantly modern block structures.

The statistical information regarding the actual housing deficit in Imo State alone could not be ascertained. However, national statistical data reveals a high deficit of 17 to 20 million housing units.<sup>67</sup> Assuming the above figures are spread out evenly across the 36 states of Nigeria and the Federal Capital Territory, Abuja, the housing deficit would be between 460,000 to 540,000 housing units per state. As noted above, national housing production stands approximately at 100,000 units per year, but at least, 1,000,000 units per year would be required to address the national housing deficit. Assuming the actual number of units added to the national housing stock are split across the 36 states and the Federal Capital Territory, Abuja, it would mean that only 2,700 housing units are added in Imo state annually.

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60. The National Multidimensional Poverty Index for Nigeria (NG-MPI) was published as part of the National Human Development Report 2018.

61. National Human Development Report 2018: [http://hdr.undp.org/sites/default/files/hdr\\_2018\\_nigeria\\_finalfinalx3.pdf](http://hdr.undp.org/sites/default/files/hdr_2018_nigeria_finalfinalx3.pdf)

62. National Human Development Report 2018, *ibid*, page 85

63. Nigeria Bureau of Statistics, 2017: <https://nigerianstat.gov.ng>

64. National Bureau of Statistics, Distribution of Regular Households by Type of Housing Unit, 2006 <http://nigeria.opendataforafrica.org/kkkoaxf/distribution-of-regular-households-by-type-of-housing-unit>

65. *Ibid*.

66. *Ibid*.

67. Center for Affordable Housing Finance in Africa "Housing Finance in Nigeria", available at [housingfinanceafrica.org/countries/nigeria/](http://housingfinanceafrica.org/countries/nigeria/), accessed April 19, 2019.

## HOUSING DEVELOPMENT IN IMO STATE

Right from the state's creation in 1976, the provision of housing for residential accommodation was accorded top priority in the state's infrastructural developmental programmes. Through Edict No 14 of 1976, Imo Housing Corporation was established as an independent, quasi-commercial and quasi-government entity, to tackle the challenge of housing provision. Imo Housing Corporation (IHC) is to Imo State what Lagos State Development and Property Corporation (LSDPC) is to Lagos State. Among other things, IHC was statutorily empowered to build homes, generate revenues from its building construction activities, defray its operational expenses and overheads from its revenues and make financial contributions to the state's purse.<sup>68</sup>

Imo State has also benefited from Federal Government's housing initiatives executed by either the Ministry of Works, Power and Housing<sup>69</sup> or the Federal Housing Authority<sup>70</sup> using various financing models such as the public-private partnership (PPP), mortgage finance or the traditional method of procuring buildings and infrastructure projects through ministries, departments and agencies (MDAs). For instance, two estates—with a total of 360 housing units—under construction in Egbeada area of Owerri were initiated by the Federal Housing Authority by means of PPP contractual arrangements with Bauhaus International Ltd and Tangent Limited.<sup>71</sup> One of the estates, Graceland Housing Estate,<sup>72</sup> lies on a 20-acre parcel designed to accommodate 210 units of six house types, ranging from the three-bedroom semi-detached bungalow to the five-bedroom fully detached luxury duplexes. Phase one comprised 141 units,<sup>73</sup> fully completed with social infrastructure, including perimeter fencing, central water scheme, drains and asphalt roads and electricity among others.<sup>74</sup> Spaces for Change's field visits to the estate in May 2018 established that the first phase of the project was completed.

On the other hand, the Federal Mortgage Bank of Nigeria (FMBN) constructed the 100-units housing under the auspices of the FMBN/Ministerial Pilot Housing Scheme in Naze, Owerri North Local Government Area.<sup>75</sup>

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68. Interview with IHC, July 17, 2019

69. Formerly three separate ministries, but merged into one humongous ministry in 2015, with the mission to "generate, distribute and transmit electricity nationwide, facilitate the provision of adequate and affordable housing for all Nigerians in both urban and rural areas in secure, healthy and decent environment through access to a functional Nigerian road". See <https://pwh.gov.ng/index>

70. Federal Housing Authority (FHA) was established vide a legal instrument known as decree No. 40 of 1973 revised as CAP 136 Laws of the Federation 1990 and now CAP F14 Laws of the Federation 2004. In 1992, the Federal Government through the former Technical Committee on Privatization and Commercialization (TCPC) now Bureau of Public Enterprises (BPE), partially commercialized the FHA

71. <http://www.fha.gov.ng/ongoing>

72. Graceland Estate Redefines Luxury Housing in Owerri, Vanguard News, <https://www.vanguardngr.com/2011/03/graceland-estate-redefines-luxury-housing-in-owerri/>

73. Chidi Nkwopara, Imo inaugurates 141-unit Greenland estate, published March 8, 2011 available at <https://www.vanguardngr.com/2011/03/imo-inaugurates-141-unit-greenland-estate/>

74. It was planned that Phase Two of the project will lead to the completion of an additional 69 units, including other supporting commercial and recreational facilities such as shops, football field, lawn tennis court, basketball pitch, an eatery and cash centers.

75. Housing Ministry Will Surmount 17m Housing Deficit—Shehuri, (March 2017), <http://punchng.com/housing-ministry-will-surmount-17m-housing-deficit-shehuri/> The Punch Newspaper.

The housing scheme, called, Naze Estate, financed with mortgage contributions pooled from the National Housing Fund,<sup>76</sup> is a flagship project of the Federal Government aimed at providing low-cost housing for Nigerians, particularly public servants across the country.<sup>77</sup> This effort, however, is targeted at federal government employees.

Imo recorded the biggest boom in housing development in the late 70s. During this era, the Nigerian State adopted socialist policies, which saddled the state and federal governments with the sole responsibility to provide social amenities, services, utilities and physical infrastructure. Deploying resources mobilized from a variety of financing options not limited to long-term loans, contractor finance, bank guarantees, stocks and bonds, Imo State government—through the instrumentality of the IHC—constructed numerous housing estates<sup>78</sup> for residential accommodation across the state capital. In the same year, the Owerri Capital Development Authority (OCDA) was established to ensure orderly planning and development of the land areas within 15km radius of the state capital, now regarded as Owerri Municipal. The agency also bore the responsibility for land administration, the use of public spaces and the layout of infrastructure and services in the city center.

Over the years, the IHC's institutional capacities and economic performance have dwindled, following long years of commercial inactivity.



*Figure 1 Imo Housing Corporation, Uratta Road, Owerri, Imo State*

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76. Nigerian workers that make constant and continuous contributions to the NHF Scheme, become eligible for the mortgage loan at a concessionary interest rate of six percent per annum and repayable over the maximum of 30 years., The Punch: *ibid*.

77. On March 5, 2017, Channels Television reported the completion of a 100-unit housing estate in Imo State under the Ministerial Pilot Housing Project of the Ministry of Power, Works and Housing. The report documents that the project was built through the Federal Mortgage Bank of Nigeria to provide low cost housing for public workers across Nigeria. <https://www.channelstv.com/2017/03/05/fm-commissions-100-unit-housing-estate-in-imo>

78. Aladinma Housing Estate, Umuguma Housing Estate, Uratta Housing Estate, City Garden Estates, etc



Lack of funding,<sup>79</sup> weak policy framework, soaring land values, executive neglect, poor inter-agency coordination, inefficient governmental oversight, among other factors, top the list of factors influencing the poor outcomes the IHC has recorded in the last two decades. 43 years later, Edict No 14 of 1976 has neither been repealed nor replaced with one suitable for the modern era, and it remains the policy framework guiding IHC's building interventions.

Although Imo State Ministry of Housing<sup>80</sup> is purportedly the supervising ministry for the IHC, the statutory functions between the two entities overlap<sup>81</sup> and are often duplicative, affecting the efficiency and effectiveness in achieving their disparate objectives. Not only that, unlike in the 70s when the state government primarily delivered its housing development objectives under the auspices of IHC, that approach has significantly changed over time. With a focus on 2010 to 2017, this paper explores the political will for housing production in Imo State, examining the factors—socio-cultural characteristics, legal foundations, budgetary allocations, financing models and housing delivery approaches—that constrain official capacity to deliver on this promise.

### **FINANCING HOUSING DEVELOPMENT IN IMO STATE (2011 – 2017)**

Successive administrations of Imo state, particularly between 2011 and 2017, embraced diverse financing options and institutional arrangements for implementing mass housing programmes. In the 2010 budget, Governor Ikedi Ohakim disclosed that five developers were issued Certificates of Occupancy to commence massive housing development in Owerri Municipal.<sup>82</sup> The five developers were not named. Similarly, in the 2016 budget speech, Governor Rochas Okorocha announced the state government's plans to partner with private real estate developers to construct 5,000 housing units in Azara-Obiato.

The former model of housing development based on the direct construction and provision of sites and services by ministries, departments and agencies (MDAs) has been increasingly jettisoned, paving the way for numerous private financing initiatives to flourish. This public-to-private shift is not unconnected to the the dominant model of development inspired by liberal free-trade theories of the nineteenth century, which has emerged on a global level favoring private sector led-economic growth. Free-trade theories place emphasis on liberalizing the movement of capital, the privatization of public goods and services and the elimination of the provisioning cum entrepreneurial role of the State. This model is fundamentally altering the landscape for economic development as well the transforming the traditional roles of governments, development agencies and private businesses. This new model thrusts on governments the responsibility to provide an enabling legal and regulatory environment for businesses to initiate and deliver developmental benefits, in the form of open trade policies, tax incentives, political stability, investment confidence, social protection structures, and so forth.

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79. The Corporation has not received subvention from the state government since 1983. IHC currently raises revenue, and offsets its overhead costs through the maintenance, monitoring and regulation of the numerous housing estates under its purview.

80. Before its recent classification as the Ministry of Housing, the Ministry was known as the Imo State Ministry of Land, Survey, Housing & Urban Planning.

81. However, real estate development is the central focus of the IHC, while Ministry of House undertakes the construction of public buildings and government offices.

82. Budget speech, Budget of Renewal 2010 Fiscal Year, page xxi.

The most popular private financing option for housing development is the public, private, partnership (PPP) model, which became popular in the wake of dwindling oil revenues and has affected the mobilisation of funds for public infrastructure development, necessitating the privatization of major public sector infrastructure.<sup>83</sup> The PPP Knowledge Lab defines a PPP as "a long-term contract between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility, and remuneration is linked to performance"<sup>84</sup> (World Bank). The four forms of PPPs, widely documented in development literature—build operate, transfer (BOT); build operate own (BOO); build lease transfer (BLT) and design, build, finance and operate (DBFO)—all involve the allocation of risks and responsibilities between the partnering public and private entities.

Whether it is the 141-units Imo Graceland Estate project executed by the Federal Housing Authority (FHA) in collaboration with a private developer, Tangent Limited, or the 152-units Arugo Gardens Estate, another joint venture partnership between the FHA and Bauhaus International Limited,<sup>85</sup> these projects involved matching of public resources with private funds, signposting the increasing popularity of the PPP option for the provision of infrastructure in Nigeria. The abandonment of traditional models of housing procurement means that designated housing development institutions and agencies—like the IHC and the Ministry of Housing—were relegated, rendering them moribund and dysfunctional relics. Traditional procurement models have been criticized for failing to meet desired expectations on account of numerous factors that include high cost overruns, improper planning, poor execution of projects, political interference, inadequate managerial, human, technical, conceptual and design skills, lack of accountability and transparency, and so forth.<sup>86</sup>

Rather than curb institutional dysfunction, the PPP is equally fraught with project design and implementation difficulties, triggering a variety of infrastructure governance-related challenges. As evidence would later demonstrate, the PPP financing model would benefit from robust reforms. An extensive review of the 2010 – 2017 appropriations to housing development and the physical verification exercises conducted under this study showed that the majority of housing projects executed by means of PPP model bypassed legislative scrutiny, disregarded established civil service procedures for project bidding and independent contracting, excluded line ministries and were not subjected to rigorous project appraisals. Contracts with the private developers and contractors are typically inaccessible and often shrouded in secrecy, leading to transparency gaps, cost overruns and poor outcomes.

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83. Sanda Yakubu Nehemiah and others, *A Review of Public-Private Partnership for Building and Infrastructure Procurement in Nigeria*. February 2016; Available from: [https://www.researchgate.net/publication/310466557\\_A\\_Review\\_of\\_Public-Private\\_Partnership\\_for\\_Building\\_and\\_Infrastructure\\_Procurement\\_in\\_Nigeria](https://www.researchgate.net/publication/310466557_A_Review_of_Public-Private_Partnership_for_Building_and_Infrastructure_Procurement_in_Nigeria) [accessed Jul 18 2019].

84. World Bank's PUBLIC-PRIVATE-PARTNERSHIP LEGAL RESOURCE CENTER: <https://ppp.worldbank.org/public-private-partnership/overview/what-are-public-private-partnerships>

85. See website of Bauhaus International Limited, <https://www.bauhausinternational.com/arugo-gardens>

86. Sanda Yakubu, *ibid.*,



On-the-ground reality evince that both the traditional procurement channels and the private financing options are replete with enormous gaps between official intentions and government practice. The reality-checks further illuminate the imperative for a guiding framework of rights, obligations and procedures for governments and other inter-governmental institutions charged with the responsibility to provide housing to citizens. Adjustments in financing and contractual configurations, including legal reforms, are necessary to define and determine behaviours and relationships between the public-private spheres, in ways that would yield improved outcomes in the local context.

# CHAPTER TWO:

## TRACKING IMO STATE'S BUDGETARY ALLOCATION TO HOUSING DEVELOPMENT

### KEY QUESTION:

- How much does Imo budget for housing development annually?

In principle, the Ministry of Housing and Urban Development (MHUD)<sup>87</sup> is currently in charge of housing development in Imo State. Formerly known as the Bureau of Housing, MHUD was elevated to the status of a full-fledged ministry in January 2011 under the administration of Governor Ikedi Ohakim. With the new status, the MHUD was positioned to receive funding through state appropriation, and the head of the ministry would be part of the governor's cabinet. This signified a positive step towards positioning housing at the top of the government's development agenda.

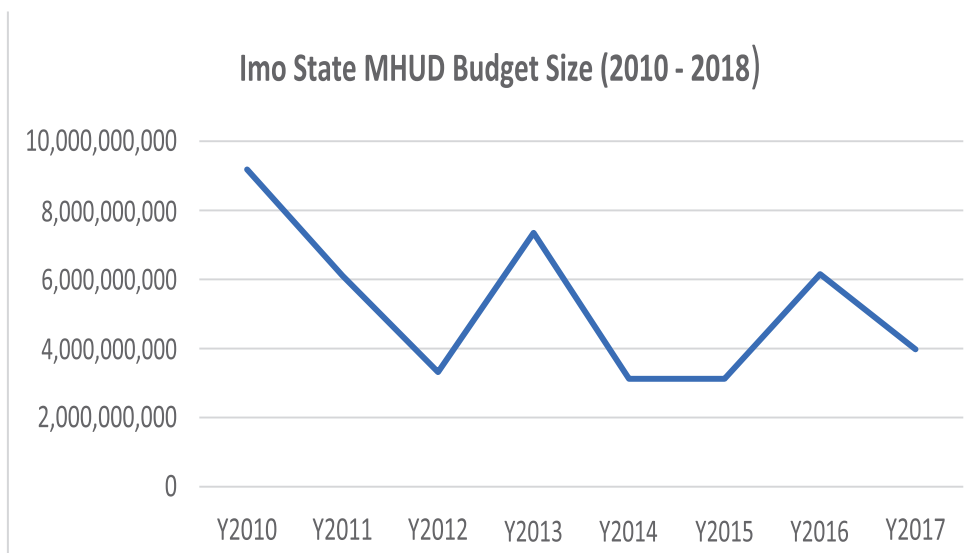
How much is typically allocated to the MHUD every fiscal year? The 2010 – 2017 appropriation documents—consisting of the budget speeches, the consolidated financial statements, the revenue projections, the summary of capital receipts and the expenditure—provide deep insights. The amount allocated to the MHUD, presented in tables below, is extracted from the various budgetary heads and appropriations to the ministry during the years under review.

	2010	2011	2012	2013	2014	2015	2016	2017
Personnel Expenditure (₦)	297,413,411	86,947,181	87,269,443	94,606,215	109,974,879	100,073,780	178,717,315	217,926,407
Overhead Expenditure (₦)	334,810,000	252,886,742	52,244,171	72,322,130	23,886,402	23,886,402	81,109,170	68,811,170
Capital Expenditure	8,548,814,026	5,765,665,424	3,175,250,000	7,178,700,000	2,990,000,000	3,000,000,000	5,891,861,000	3,687,099,997
Total (₦)	9,181,037,437	6,105,499,347	3,314,763,614	7,345,628,345	3,123,861,281	3,123,960,182	6,151,687,48	3,973,837,574

Table 1: Overall Imo State Ministry of Housing and Urban Development (MHUD) expenditure from 2010 – 2017

87. At varying times, Ministry of Housing & Urban Development (MHUD) departments were created and merged. All of these have been combined from 2010-2017. This analysis refers to the Office of the Commissioner; Department of Administration, Accounts, Planning Research & Statistics, Lands, Deeds & Estate, Survey, Open Spaces, Procurement, Agricultural, Mechanical Engineering, Civil Engineering, Town Planning, Architectural, Quantity Survey, Building, Quantity Survey & Architecture, Physical Planning Future, Fire Services, Transport and Subventions.

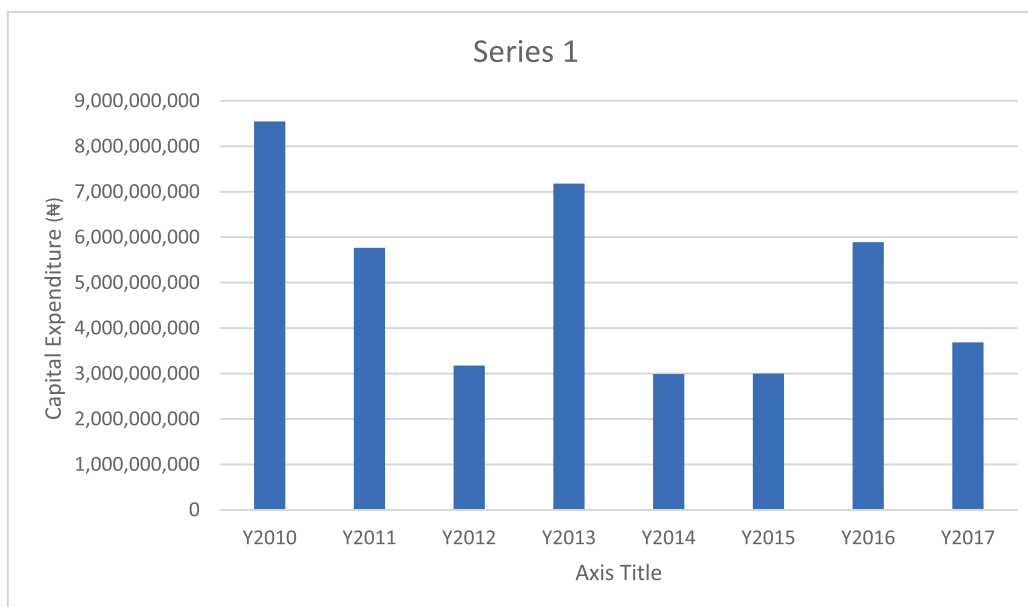
Except for Y2010 and Y2013, funding to the MHUD dropped significantly. Figure 1 below shows that the budget size from 2011 to 2017 was far less than the 2010 allocation.



**Figure 2: Imo State MHUD Budget Size (2010 - 2017)**

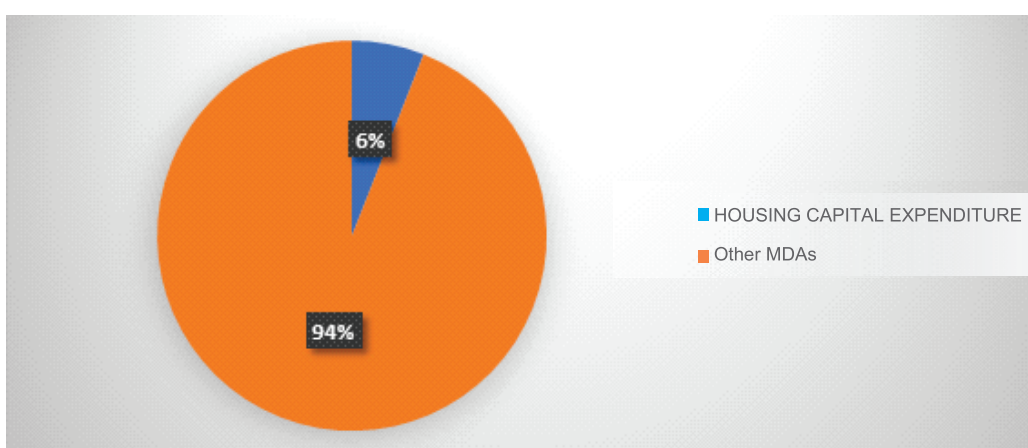
Between 2010 and 2017, Imo State Government has allocated more than ₦42.320 billion to the MHUD. During the period under review, Imo recorded the largest direct infusion of funds for housing development in the Year 2010 under the Ikedi Ohakim-led administration. By elevating the MHUD to the status of a full-fledged ministry, the increased funding level for 2010 was backed by institutionalized mechanisms for driving and coordinating the state's core housing programmes. After a period of lull in funding in Y2011 and Y2012, Y2013 also saw a significant boost in funding for housing delivery.

Overall, the budgetary allocations to housing dwindles year on year, especially when the figures are adjusted for inflation. The budgetary allocation to MHUD peaked in Y2010 with an allocation of ₦8,548,814,026, while the lowest allocations were recorded in Y2014 and Y2015 at ₦2.990billion and ₦3billion Naira respectively. In effect, both years witnessed a drop in the funding of key projects as can be observed in Figure 1 above.



**Figure 3: Capital Expenditure (N) Allocation in Imo State (2010 -2017)**

The huge gap between the Y2010 and Y2017 housing budgets has two implications. First, Y2017 housing budget at approximately N4B is half the size of the former (about N9B). While it is difficult to state with precision the impact of this massive shrink in funding for housing development, it is very likely that the plethora of MHUD's departments and agencies will struggle to administer their housing programs effectively. Secondly, notwithstanding the massive funding cuts over the years, one observable trend is that over 90% of the total budget was earmarked for capital projects. The amount reserved for recurrent expenditure such as personnel and overhead costs remained below 8% of the total budget every fiscal year. Thus, a cumulative ratio 94:6 ratio in favor of capital expenditure was recorded between Y2010 and Y2017.



**Figure 4: Imo State Ministry of Housing Budget Share of Budgetary Allocation in Imo State (2010 -2017)**

The term, Capital Project, is broad, encompassing various types of infrastructural development projects. Under this heading, the state government sets aside money every fiscal year for projects that involve new construction, expansion, renovation, repairs of existing facility or facilities, or replacement of the city's aging stock of housing. Reality checks suggest that reserving a huge chunk of housing budgets for capital projects is one thing, whether the capital projects yields a significant increase in the state's housing stock is another.

On the other hand, the term, housing stock, refers to the number of buildings and houses in a particular geographical area available to citizens to occupy mainly for residential purposes. They include residential housing estates, public shelters, student hostels, homes for the elderly and the disabled and so forth. They do not include hotels, executive lodging or other premises intended for temporary residence. Against this backdrop, the research examines as follows:

#### KEY QUESTIONS

- **What kind of housing projects are included in Imo State budgets?**
- **Did the buildings budgeted for, contribute to the housing stock in the state?**
- **How much of the houses built are affordable to the poor and low-income earners who are unable to access housing from the private sector market?**

In answering the above questions, the range of capital projects undertaken by the MHUD were categorized into four – (a) buildings which do not qualify as “housing” such as public buildings, (b) buildings reserved for government officials (c) luxury housing



Figure 5: Diaspora Village, Okigwe Road, Owerri, Imo

estates for high-income earners, and (d) mass housing schemes targeted at different social groups from low income to medium income levels. The distinguishing factors for these categories, especially Groups (c) and (d) housing are mainly the target beneficiaries of the housing and the nature of the buildings constructed. For example, the Diaspora Village targeting Imo citizens living in the diaspora consists mainly of luxury duplexes by project design and falls under Group C. For the Group D housing, the categorization was based on the type of buildings or apartments constructed and their prevailing market prices. This category primarily consists of large-scale housing estates often managed by state-owned housing corporations.

### GROUP A: Public Buildings

Public buildings refer to public infrastructure characteristically owned by the state government and available for public use. Generally speaking, these buildings would not qualify as housing and would not be taken into consideration when determining the available housing stock. This is because the buildings are indeed accessible to the public, but they do not meet the residential needs of citizens, and therefore do not add to the state's housing stock. Public buildings include schools, government offices, government-owned malls and hotels, recreational centers, etc.

Records show that public buildings receive the largest share of government spending. In the second State of Imo Address, Imo's Governor Okorocha listed 23 building projects his administration has embarked upon. All 23 projects, without exception, were public buildings comprising new executive council chambers, banquet halls, government chapels, office of the first lady, guest houses, conference centers, hotels, commissioners' quarter, Abuja liaison office and the like.<sup>88</sup>

Analysis of 2010 to 2017 state budgets show that a total of ₦7,713,011,000 was budgeted for the construction of public buildings.

Public buildings	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL (₦)
New Secretariat Complex (1 No) Office Block				250,000,000	200,000,000	200,000,000	20,000,000	20,000,000	690,000,000
65 No Classroom Block for Adult & Non-Formal Education in Imo State				150,000,000		50,000,000	5,000,000		205,000,000
Renovation of Public Building	10,000,000	100,000,000	50,000,000	100,000,000	100,000,000	74,000,000	10,000,000	10,000,000	454,000,000
Police Surveillance booth in Imo State	10,000,000	10,000,000	5,000,000	100,000,000	30,000,000	15,000,000			170,000,000
Office Complex for NSCDC				85,000,000	20,000,000	10,000,000			115,000,000
Completion of Imo State Liaison Office Abuja	100,000,000	50,000,000	100,000,000	385,000,000	50,000,000	50,000,000	5,000,000	3,000,000	743,000,000
Imo House Corporation	10,000,000	20,000,000	25,000,000	78,700,000	50,000,000	120,000,000	10,000,000	10,000,000	323,700,000

88. An address presented by His Excellency, Rochas Okorocha at the Second State of Imo Address, pages 13-14. <http://www.imostateblog.com/wp-content/uploads/2012/02/ADDRESS-PRESENTED-BY-HIS-EXCELLENCY.pdf>