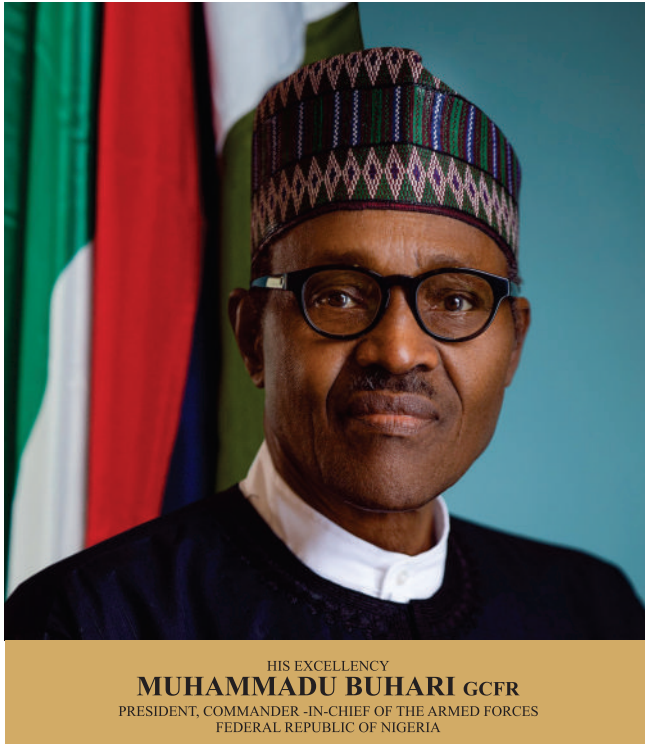




DEBT MANAGEMENT OFFICE NIGERIA



DUALIZATION OF KANO-MAIDUGURI ROAD



ENUGU - PORT HARCOURT DUAL CARRIAGEWAY



OJU/LOKO-OWETO BRIDGE

NIGERIA'S ROADS: SUKUK TO THE RESCUE

THE DEBT MANAGEMENT OFFICE AS A CATALYST FOR THE DEVELOPMENT OF INFRASTRUCTURE

The Debt Management Office (DMO) which is the agency of the Government charged with the management of the public debt, has in its almost twenty (20) years of existence supported the Federal Government of Nigeria (FGN) by raising funds to finance various capital projects as approved in the Appropriation Acts. Whilst performing this role, the DMO has been pivotal in the development of the domestic financial markets and is credited with the introduction of new products, such as Sukuk and Green Bonds. This is in addition to issuing long-tenored FGN Bonds to enable project financing not only for the FGN but also for State Governments and Corporates.

One of the landmark initiatives of the DMO was the introduction of Sovereign Sukuk into the domestic financial markets in September 2017 to raise the sum of N100 billion to finance twenty-five (25) Road Projects across the six (6) geo-political zones of the country. Based on the success of the debut Sovereign Sukuk, another Sukuk for N100 billion was issued in December 2018 for the same purpose, but this time for twenty-eight (28) Road Projects, also across the six (6) geo-political zones. In June 2020, the DMO extended the frontier by issuing a Sovereign Sukuk for a much higher amount of N162.557 billion.

The Third Sovereign Sukuk received a massive Subscription of N669.124 billion, which is a testament to the high level of investor awareness about Sukuk when compared to 2017 when the debut Sovereign Sukuk was issued, as well as, verifiable evidence of the Road Projects financed by the first two (2) Sovereign Sukuk. The significance of raising funds for the Government through Sukuk lies in the fact that the Sukuk is project-tied. Further, by dedicating the proceeds of the Sukuk to Road Projects, the DMO is contributing positively towards bridging the gap in infrastructure in Nigeria. This is in line with President Muhammed Buhari's commitment to infrastructural development and economic growth.



DEBT MANAGEMENT OFFICE NIGERIA



PROF. YEMI OSINBAJO GCON
VICE PRESIDENT
FEDERAL REPUBLIC OF NIGERIA

BEFORE



AFTER

LOKOJA-OKENE ROAD

BEFORE



AFTER

DUALISATION OF OBAJANA JUNCTION

BEFORE



AFTER

ONITSHA-ENUGU EXPRESSWAY

The deficit in Nigeria's infrastructure has long been recognized as a major limitation to job creation, poverty reduction and overall economic growth.

THE OUTCOME OF THE 2017 AND 2018 SOVEREIGN SUKUK

The deployment of the proceeds of the first and second Sovereign Sukuk in the sum of N200 billion to visible and verifiable Road Projects across the six (6) geopolitical zones of the country, has yielded the following benefits: improved safety on the roads financed; faster travel times; access to markets for goods including farm produce; and job creation, amongst others. With the improvements, many of the roads that were hitherto impassable and had become death traps in various parts of the country, are now wearing new looks. The Road Projects financed through Sukuk in the North East and North West include the completion of several sections of the Kano-Maiduguri dual-carriage way linking Kano-Jigawa-Bauchi-Yobe and Borno States (Potiskum-Damaturu) as well as the sections linking Shuari-Azare in Bauchi State. The immediate impacts of the sections completed are felt in towns such as: Shuari, Azare, Potiskum, Damaturu and Maiduguri.

The Kano-Maiduguri Expressway which has benefited immensely from the Sukuk Funds for up to 180.62 kilometers when fully completed, will serve as part of the Trans-African Highway No.5 running from Dakar (Senegal)-Ndjamena (Chad).

It is a major trade route between the North West and North East of Nigeria and will facilitate trade under the African Continental Free Trade Area (ACFTA) Agreement. Similarly, the dualization of Kano-Katsina Road (Phase I Kano Town) at Dawanau Roundabout to Katsina State Border has created easy access for agricultural products and trade at the famous Dawanau International Market. In the North Central Region, the Construction of Oju/Loko-Oweto Bridge over River Benue to link Loko (Nasarawa State) and Oweto (Benue State) along Route F238 was completed using Sukuk Funds. The Bridge which has been under construction for many years until the intervention of Sukuk Funds in 2017, will reduce travel time between Abuja and the South East axis by as much as 2-3 hours.

The Oju/Loko-Oweto Bridge is the second major Bridge across the River Benue connecting the North to the South of Nigeria, the first being the Lokoja Bridge. In particular, when operational, the Bridge will further facilitate the movement of agricultural produce from the North Central to other parts of the country. The



DEBT MANAGEMENT OFFICE NIGERIA



MRS. ZAINAB SHAMSUNA AHMED
HON. MINISTER OF FINANCE, BUDGET & NATIONAL PLANNING



LAMBATA -LAPAI- BIDA ROAD



DUAL CARRIAGEWAY ON DAMATURU BY-PASS



BENIN – ORE – SAGAMU DUAL CARRIAGEWAY

rehabilitation of Abuja-Abaji-Lokoja Dual-Carriageway (International Airport link road junction-Sheda Village Junction) in the Federal Capital Territory (FCT) has been fully completed.

The completion of this section of the Abuja-Lokoja Road has eased the traffic gridlock especially during festivities at Gwagwalada, which is Abuja's Southern outlet. In the South-South and parts of South East, Sukuk Funds have been used for the rehabilitation and reconstruction of several sections of Enugu-Port Harcourt Dual Carriageway. For example, Umuahia Town-Aba Township Rail/Road Bridge Crossing in Abia State has been completed with Sukuk Funds. Other works include the rehabilitation Enugu-Lokpanta in Enugu State and Lokpanta - Umuahia Town in Abia State, as well as Section IV of Aba-Port Harcourt Expressway. This is a major Federal Highway (Route No.3) for the transportation of raw materials and finished products from the hinterland to the Port and movement of goods from the Port to the hinterland by businesses located in the South East.

The Construction of Ikom Bridge in Cross River State is also benefiting from Sukuk. There is also in the South East, Sukuk intervention on the rehabilitation of sections of Onitsha-Enugu Expressway: Amansea - Enugu State Border which has been fully completed.

In the South West, the on-going dualisation of Ibadan-Ilorin Road (Route No. 2) through the intervention of Sukuk, has resulted in tremendous progress on this critical commercial road linking the South West and North Central. Also, the reconstruction Benin-Ofosu-Ore-Ajebandele-Shagamu Dual-Carriageway, another commercial highway linking the South West, South-South and South East has benefited from Sukuk Funds.

Other interventions of Sukuk include the dualization of Lokoja-Benin Road: Obajana Junction-Benin; Ehor-Benin Road, Edo State; Okene (Kogi State)-Auchi; and Ehor-Auchi in Edo State where works are on-going. It is expected that this critical road which connects the North to the South-South would greatly ensure ease of movement of people and goods along that corridor. The dualization of Lokoja-Okene-Benin road is expected to ameliorate the congestion in the city of Okene and reduce the environmental degradation of the town due to congestion and air pollution. About 39.5km of the Dual-Carriageway has been rehabilitated with Sukuk Funds. In addition, the reconstruction of the long-abandoned Bida-Lambata Road in Niger State has changed the narrative of that road.



DEBT MANAGEMENT OFFICE NIGERIA



H.E. BABATUNDE RAJI FASHOLA, SAN
MINISTER OF WORKS AND HOUSING



PATIENCE ONIHA
DIRECTOR-GENERAL, DEBT MANAGEMENT OFFICE



SULEJA - MINNA



KANO-MAIDUGURI ROAD



BENIN - OFOSU - ORE - AJEBANDELE -

SOME OF THE ROAD PROJECTS TO BE FUNDED BY 2020 SUKUK

Some of the very critical roads that will be rehabilitated and constructed with the proceeds of Sovereign Sukuk issued in June 2020 include:

- Sokoto-Tambuwal-Jega-Kontagora- Makera Section 1 in Sokoto and Kebbi States.
- Kano-Maiduguri (Section 1 Kano-Wudil-Shuari).
- Four (4) other Sections of the Kano-Maiduguri Road in the North East would also benefit from the Sukuk proceeds.
- Odukpani-Itu-Ikot Ekpene Road connecting Akwa Ibom and Cross River States, beginning with the Odukpani-Itu Bridge Head which is expected to bring a major relief to commuters along that road has also been listed for financing by the Sukuk proceeds.
- The dualisation of the Ibadan-Ilorin Road through Sukuk Funds will broaden this narrow, ever-busy road, where road accidents are common.
- Rehabilitation of Lagos-Badagry Express Way (Agbara Junction to Benin Border) in Lagos State and sections of Lagos-Ota Expressway linking Lagos and Ogun States, which have been in a poor state for several years, will improve the condition of these Roads.
- The rehabilitation of the outstanding sections of Onitsha-Enugu Expressway (Amansea-Enugu State Border). This road is a major connection between the commercial city of Onitsha and Enugu.

The rehabilitation of the Expressway is expected to ease movement on the Road. It is a trade route for goods between the Northern part of Nigeria and the commercial city of Onitsha.