

Due Diligence Appraisal Report



Transaction Advisory Services for the Concession of the Kirikiri Lighter Terminals I & II

Prepared for:

Infrastructure Concession Regulatory Commission

Prepared by:

CPCS

Quality Assurance

Transaction Advisory Services for the Concession of the Kirikiri Lighter Terminal I & II

CPCS Ref: 13029

Due Diligence Appraisal Report

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March 21st, 2014

CPCS Ref: 13029

Director General
Infrastructure Concession Regulatory Commission
Plot 1270, Ayangba Street, by FCDA,
Garki Area 11, Abuja,
Federal Capital Nigeria, Nigeria

Dear Sir:

Re: Due Diligence Report for the Transaction Advisory Services for the Concession of Kirikiri Lighter Terminal Phase I & II.

We are pleased to submit our Due Diligence Appraisal Report for the above referenced study. As per the Terms of Reference and our Work Plan, the Due Diligence Appraisal Report presents our findings from our review of the legal, technical, and environmental and social issues associated with the restructuring and concessioning of KLT I & II.

This report follows extensive site investigations, stakeholder consultations, and desk analysis. We hope that our findings and analysis are in line with your expectations.

We look forward to receiving any written comments which you or your team may have on this report.

Yours very truly,

CPCS Transcom Limited



Arif Mohiuddin
Deputy Team Leader

Acknowledgements

CPCS would like to acknowledge the kind assistance granted to them by the staff of the Infrastructure Concession Regulatory Commission, the Nigerian Port Authority, the Federal Ministry of Finance and the Federal Ministry of Agriculture. In addition we wish to thank all the sector stakeholders who gave so generously of their time and shared with us their insights into commercial activities at the Kirikiri Lighter Terminal Phase I & II, and the general prospects for the Port Terminal in the medium to long term. Their contributions have been invaluable in defining a work program and task objectives that will go towards making this transaction a success. Any errors of fact or interpretation are ours.

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Acronyms/Abbreviations

CPCS	CPCS Transcom Nigeria Ltd
HSE	Health, Safety and Environment
LADOL	Lagos Deep Offshore Logistics Base
NIMASA	Nigerian Maritime Administration and Safety Agency
NPA	Nigerian Ports Authority
DFID	Department for International Development
SURE-P	Subsidy Re-investment and Empowerment Programme
FERMA	Federal Road Maintenance Agency
FMoF	Federal Ministry of Finance
GEF	Global Environment Facility
JICA	Japan International Cooperation Agency
AfDB	African Development Bank
RMC	Regional Member Country
ADF	African Development Fund
NTF	Nigeria Trust Fund
IFAD	International Fund for Agricultural Development
GNI	Gross National Income
IDA	International Development Association
JOCV	Japan Overseas Cooperation Volunteers
MIGA	Multilateral Investment Guarantee Agency
IFC	International Finance Corporation
IBRD	International Bank for Reconstruction and Development
ICSID	International Centre for Settlement of Investment Disputes
FMEnv	Federal Ministry of Environment

NIAF	Nigeria Infrastructure Advisory Facility
LASTMA	Lagos State Transport Management Authority
LAWMA	Lagos State Waste Management Authority
ICRC	Infrastructure Concession Regulatory Commission
KTL	Kirikiri Lighter Terminal
UDS	Union Dicon Salt
PPE	Personal Protective Equipment

Executive Summary

1. The Kirikiri Lighter Terminals Phase I & II (KLT I & II), represent one of few remaining NPA owned port infrastructures not under some form of long term Public Private Partnership (PPP) management.
2. The purpose of the current assignment is to identify the optimum use of the facilities within KLT I & II, and structure those uses as commercial relationships with NPA.
3. This report presents the findings, recommendations and conclusions from our due diligence analysis of operations and activities at KLT I & II. The due diligence investigations were carried out through a series of site visits, consultations and discussions with sector stakeholders in Lagos between January 8th and February 17th, 2014.

Engineering

1. The overall conclusion for KLT I & II quays is that a new earth retaining structure has to be provided in the near term (0 to maximum 10 years). That could favourably be in the form of a new sheet pile wall constructed in front of the existing, and by utilizing the existing tie rods (wall Anchors).
2. In order to properly accommodate Reach Stackers, it will be necessary to re-design and to re-construct the paving with proper heavy duty paving in those areas selected for future container terminal operations.
3. Drains in lease holder's areas are generally lacking of good maintenance, but there are exceptions. NPA should especially focus on clearing of drainage channels going out to the creek through the quay walls.
4. Axelcium carried out an Outline Business Case (OBC) study for NPA in 2012. The OBC report elaborated on the benefits for NPA and the needs of society and individual stakeholders of different business categories. Based on those considerations an outline development plan was made.
5. The considerations made by Axelcium are still quite valid but it seems that the oil and gas support services, vessel repairs and underwater engineering have not been adequately taken into account, considering the quite extensive use of KLT quays for this purpose.
6. The total areas to be developed for concessioning are 31.2 ha at KLT I and 16.0 ha at KLT II, including NPA areas and internal roads.

7. In our proposed development plan it has been tried as much as possible to re-use existing internal access roads and terminal areas in order to keep the cost of the development as low as possible.

Social and Environmental

1. The present environmental condition of the KLT I and II is below average. Therefore, it is expected that the prompt implementation of the concessioning programme will trigger the needed environmental best practices at the terminals.
2. A notable portion of the fish distributors that are collecting their catch from fisheries operators at KLT are considered to be bread winners in their homes. Some of these distributors are either widowed, or have husbands that are unemployed or under employed. Therefore, the option of gradual and systematic restructuring, which would allow for fisheries operations to continue, is recommended.
3. A significant portion of the area at KLT II is encroached. Over sixty five percent of this area is fully built up with a number of residential and commercial structures. The southern part of this area has limited structures. The encroached area accommodates varying structures ranging from residential estates (Kirikiri creek town residents association), a trailer park, bakery etc.
4. With the level of development that has taken place, and still is taking place in this area, especially in the northern part (towards the operational part of the terminal), eventual reclamation of this area for concessioning may be daunting and would require a huge resettlement and/or relocation.

Legal

1. The Nigerian Ports Authority Act is the principal legislation governing the establishment and operation of ports in Nigeria. The Act provides for the establishment of the Nigerian Ports Authority with the function of providing and operating the necessary facilities in the port and maintaining, improving and regulating the use of the ports in Nigeria. The NPA Act grants NPA broad regulatory and operational authority over ports facilities, operations, services and other related activities.
2. In addition to the NPA Act, the Infrastructure Concession Regulatory Commission (ICRC) (Establishment etc) Act 2005 ("ICRC Act"), being the principal federal law for concessions and PPPs, would apply to the proposed concession of KLT I & II. The ICRC Act provides for the participation of the private sector in financing the construction, development, operation or maintenance of infrastructure or development projects of the FGN through concessions or other contractual arrangements; and specifically empowers the MDAs involved in financing these activities to enter into agreements with the private sector to finance the activities.
3. During the course of our due diligence, we were shown some correspondences between the Ministry of Transport and the Ministry of Agriculture and Rural Development. Based on those documents we understand that a Presidential directive was given by President

Olusegun Obasanjo in 2005 for the construction of a dedicated fishery terminal at KLT I & II. A copy of the directive was not shown to us. In the light of this directive, the NPA issued an eviction notice to all the squatters and illegal operators to vacate the property in 2005. We would need to see a copy of the directive to review and confirm what impact it may have on this transaction.

4. We were informed that there are two (2) pending suits in court against NPA for some of the properties in KLT I & II. One suit is between Hensmor Nigeria Limited vs Nigerian Ports Authority- Suit No: FHC/CS/L/1054/2004 and the other one pertains to the encroached area on KLT II, and is between the Cardoso Family and the NPA.

1

Introduction

Key Messages

- The Kirikiri Lighter Terminals Phase I & II (KLT I & II), represent one of few remaining NPA owned port infrastructure not under some form of long term Public Private Partnership (PPP) management.
- The purpose of the current assignment is to identify the optimum use of the facilities within KLT I & II, and structure those uses as commercial relationships with NPA.

1.1 Purpose of the Assignment

1.1.1 Project Background

- 1.1.1.1 The Kirikiri Lighter Terminals Phase I & II (KLT I & II), represent one of few remaining NPA owned port infrastructure not under some form of long term Public Private Partnership (PPP) management.
- 1.1.1.2 Originally identified as one of the assets of the Nigerian Ports Authority (NPA) to be leased out to private investor/operators as part of the port reform and concession program, the Federal Government of Nigeria (FGN) subsequently ring-fenced KLT I & II and dedicated the facilities as terminals for the fisheries industry.
- 1.1.1.3 This action was part of FGN’s strategy to promote the domestic fisheries industry while reinforcing its food security program.
- 1.1.1.4 To date KLT I & II have been used for a mixture of activities ranging from industrial undertakings, cargo handling and container storage.
- 1.1.1.5 In volume terms, refined petroleum products handling and salt processing and bagging constitutes the largest share of activity at KLT I & II. Refined petroleum products averages over 80 percent of throughput traffic, and an estimated 350,000 metric tonnes of salt is refined at the facility.

1.1.2 Purpose and Objectives of the Assignment

- 1.1.2.1 The purpose of the current assignment is to identify the optimum use of the facilities within KLT I & II, and structure those uses as commercial relationships with NPA.
- 1.1.2.2 The commercial relationships will depend on the type of use identified for a facility, and will be equally contingent on whether the identified use is best structured as a long term or short term partnership with NPA.
- 1.1.2.3 Ultimately, the objective is to formalize as PPP arrangements, all activities within KLT I & II that fit this paradigm, and then develop appropriate commercial regimes for all other undertakings.
- 1.1.2.4 The precise objectives of the project include:
- Supporting the Project Delivery Team (PDT) in its efforts to carry-out an efficient and professional PPP procurement process consistent with international best practices;
 - Establishing a first-class PPP project preparation and procurement process;
 - Successfully closing concessions with top-tier private sector partners; and
 - Regularizing contractual relationships of other firms presently operating on KLT I & II and whose nature of business does not fit the PPP model.

1.2 Authority for the Project

- 1.2.1.1 The project is carried out under the Authority of a contract signed between the Infrastructure Concession Regulatory Commission (ICRC) and CPCS Transcom International.
- 1.2.1.2 The Nigerian Ports Authority acts as the project sponsor with the Infrastructure Concession Regulatory Commission as the Client for the assignment.
- 1.2.1.3 CPCS Transcom International leads a consortium comprising:
 - 1. CPCS Transcom International of Canada
 - 2. NIRAS AS of Denmark
 - 3. Benchmac & Ince LLP of Nigeria
 - 4. Magnartis Finance & Investments Ltd of Nigeria
 - 5. Livingstone Consultants Ltd of Nigeria
 - 6. Amedu Onekpe & Co.

1.3 Structure of the Environmental Due Diligence Report

- 1.3.1.1 This report presents the findings, recommendations and conclusions from an environmental due diligence analysis of operations and activities at KLT I & II. The due diligence investigations were carried out through a series of site visits, consultations and discussions with sector stakeholders in Lagos between January 8th and 24th, 2014.
- 1.3.1.2 The remainder of the Due Diligence Appraisal Report is structured into the following sections:
 - Chapter 2: Infrastructure Condition Survey—this chapter provides an overview of the existing state of infrastructure at KLT and subsequently provides a discussion on proposals for the Terminals’ development.
 - Chapter 3: Environmental and Social Due Diligence—this chapter provides an overview of the social and environmental issues likely to stem from the restructuring of KLT and subsequently proposes related mitigation measures.
 - Chapter 4: Legal Due Diligence—this chapter provides an overview of the legal and regulatory issues and basis for the proposed restructuring and concessioning of KLT I and II. It also highlights pending issues which may affect this transaction, and the nature of the existing contracts between the NPA and Lessees of KLT.

2

Infrastructure Condition Survey

Key Messages

The condition survey of the infrastructure has revealed that:

- General Access Roads are in fair condition
- Paved areas of container terminals are being severely damaged by reach stackers. Proper heavy duty paving should be implemented.
- Drains in general need clearing or cleaning, and in many instances some extent of rehabilitation.
- The quays, quay walls and copings, of both KLT 1 and KLT 2 are getting near to the end of their useful life.
- Proper refurbishing or upgrading of the quays is necessary within the next 5 to 10 years.

2.1 Purpose of this Section

- 2.1.1.1 The purpose of this chapter is to give a basic description of land usage and the condition of the infrastructure at KLT I & II.
- 2.1.1.2 Following the Project Inception meeting on January 8th, 2014, a brief tour was conducted on January 9th to various lease areas at KLT I & II by the whole concessioning committee and the consultants.
- 2.1.1.3 On January 10th, 11th and 13th the consultants visited most of the companies occupying areas in KLT to perform individual infrastructure inspections.
- 2.1.1.4 For the condition survey at KLT I the Consultant was assisted by NPA officer Mr. Aduke and at KLT II by NPA Operation officer Mr. B.J. Oyinikro, both of whom provided valuable information and assisted with access to the areas.

2.2 Port Location, Access and History

2.2.1 Location

- 2.2.1.1 Kirikiri Lighter Terminal is comprised of 2 terminals constructed in the Kirikiri area on either side of the southern seaward end of the Kirikiri Creek, which is located around 1300 m west of Lagos’ Tin Can Island Port Complex under which management it reports.

Figure 2-1: Kirikiri Lighter Terminal is located to the west-north-west of Tin Can Island



Source: Google Earth

2.2.2 Access

- 2.2.2.1 Access from the sea is via the Commodore Channel (Lagos Entrance Channel), passing westward south of Apapa Port and Tin Can Island in Badagry Creek.
- 2.2.2.2 KLT is accessed via the Apapa-Oshodi Expressway which connects Apapa and Tin Can Island Port Complexes to the Lagos mainland. KLT I access is directly from the expressway, whilst access to KLT II is over the bridge at the Berger Junction.
- 2.2.2.3 The expressway is very often congested in the direction towards Tin Can Island. The access to KLT can also be congested at times. Congestion is caused by truck and especially petroleum tankers coming to various tank farm facilities along the Badagry creek. In fact, the congestion problem is by far the single largest logistics problem for KLT and the 2 ports complexes and must be solved to ensure possibility for future cargo traffic growth.

Figure 2-2: Access roads to KLT



Source: Google Earth

2.2.3 History of Kirikiri Lighter Terminals

- 2.2.3.1 The quay of KLT I, on the east side of the channel was constructed in 1976 with a total quay length of 1001 m and was followed by KLT II immediately after, also 1976, with a quay length of 763 m. The initial purpose was to provide berthing facilities for smaller vessels with draft up to 5 m, such as fishing vessels and small cargo vessels (lighters). KLT II was specifically designated as a fishing terminal at the time of construction.

2.3 Basic Port Layout, Land Usage and commercial Activities

2.3.1 Layout

- 2.3.1.1 Please refer to the CPCS overview drawing on the following page. The drawing shows the extent of the KLT terminals and the boundaries for the individual leases as they are as of 2013.
- 2.3.1.2 KLT I, with a total area of around 33 ha (not including tank farms on NPA land), is located on the east bank of the Kirikiri Creek and has a substantial number of NPA buildings for various purposes. KLT I has a total quay length of 1001 m with a design depth of around 5 m.
- 2.3.1.3 KLT II, with a total area of around 16 ha, (not including tank farms on NPA land) is located on the west bank of the Kirikiri Creek. KLT II has a total quay length of 763 m, also with design depth around 5 m.
- 2.3.1.4 The navigable creek between the quays of the 2 terminals parts is 170 m wide.
- 2.3.1.5 The largest fully loaded vessels which could come to KLT, when dredged to 5 m depth CD (relative to chart datum) would nominally be 2500 DWT with LOA around 75 m. However, larger vessels could be towed in and out if only partly loaded to suit the actual depth.
- 2.3.1.6 Tidal variations are quite small with MWL at +0.5 m rel. CD and Spring tide mean variation of around 0.7m (estimated from tidal variation in the Lagos channel)

2.3.2 Infrastructure and leaseholder overview and main commercial activities

- 2.3.2.1 In this section the quay length and land areas for the identified main leaseholders is outlined and held against current commercial activities.
- 2.3.2.2 The leases have been given reference ID's KLT I A, B, C etc. ; likewise for KLT II, and their locations are shown in the following overview map.
- 2.3.2.3 An overview of some structural features of the lease areas is provided in the table following the overview map. The approximate areas measured in the map are not always equivalent to the areas on record by NPA. In the development planning and evaluation the actual map measured areas will be applied.

LEGEND

- BUILDING AND OTHER ESTABLISHMENTS
- ROAD
- PARCEL
- BOUNDARY
- ACCESS GATE

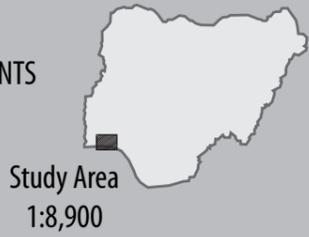


Image acquired by GeoEye satellite on April, 2010



Approximate lengths, areas etc.			Map measured						
KLT 1	North - South		Current Activity or designation	Quay Length m	NPA On record Area m ²	Total Area m ²	Apron Area m ²	Fixed assets Area m ²	Operational Area m ²
	ID								
Terminal areas with quay access	A	Royal Salt	Salt import and bagging	188	32 716	37 790	3 950	23 440	10 400
	A ₂	Royal Salt	Parking & Generator areas	0	28 000	28 000	-	600	27 400
	B	Atlantic Shrimpers	Fishery. Frozen Shrimps	133	12 279	13 030	2 660	4 150	6 220
	C	Banarly	Do. Frozen Shrimps and fish	69	7 113	6 780	1 380	1 230	4 170
	D	Hensmor	Oil & Gas Support Services	95	7 833	9 410	1 900	140	7 370
	E	Honeywell	Do.	54	4 461	5 350	1 080	660	3 610
	F	Ladol	Personnel transfer location	30	1 200	3 000	600	30	2 370
	G	Seagold fishing	Fishery. No cold store	29	2 385	2 900	580	310	2 010
	H	Brawal	Oil & Gas Support Services + container yard	296	101 820	71 190	5 920	6 000	59 270
I	Underwater Engineering	Oil & Gas Support Services	107	6 907	6 830	2 140	0	4 640	
Terminal areas with quays				1 001		184 280	20 210		127 460
Additional KLT 1 areas for Concessioning	J	HBX Container Terminal	Off-Dock Container Terminal		35 820	28 000		2 400	25 600
	K ₁	Electra			16 990	14 800			
	K ₂	Glantra			13 000	10 500			
	K ₃	Confluence			13 000	9 000			
	Q _w	Brawal storage area, north west			18 250	21 500			
X	NPA & common user areas	Acess roads, parking etc.	0		104 920				
Total KLT 1 area for concessioning						373 000			
KLT 1 areas already in use	N	Kris Oil	Oil & Gas Support Services		18 040	14 000			
	O	Dee Jones	Oil terminal		14 620	12 600			
	P	BUA	Flour factory		11 217	11 000			
	Q _E	Brawal Offices area, north east			22 500	22 500			
	R	Maritime House	MTN office			16 000			
TOTAL KLT 1. Areas L, Rahamaniya and M, Obat, are not included				1 001		449 100			
KLT 2	North - South		Current Activity or designation	Quay Length m	NPA Area m ²	Total Area m ²	Apron Area m ²	Fixed assets Area m ²	Operational Area m ²
	ID								
KLT 2	A	Union Dicon Salt		194	26 145	26 760	3 880	8 450	14 430
	B	SDV (Bolloré)	Off-Dock Container Terminal	0	43 070	29 925	0	180	29 745
	C5	Kpandu		32		960	960	0	0
	C4	Oshine Resources		28		840	840	0	0
	C3	Master Marine		43		1 290	1 290	0	0
	C2	Bridge Deck		23		690	690	0	0
	C1	Karflex Fishing		62		1 860	1 860	0	0
	D	Savol Container Terminal	Off-Dock Container Terminal	0		6 660	0	0	6 660
	E	Ceres International	Off-Dock Container Terminal	0	22 000	38 700	2 700	0	36 000
	NPA	NPA common user quay		50		1 000	1 000		0
	F ₁	Ladol	Personnel transfer location	30		750	750	0	0
	F ₂	ORC Fishing & Food	Fishery. Frozen fish	77		1 925	1 925	0	0
	F ₃	JZ Oliz	Maritime Sevices	30		750	750	0	0
	G	Five Star Logistics	Off-Dock Container Terminal	0		12 000	0	0	12 000
	H	NPA Quay and area	Sageto has 3000 m ² of the NPA storage shed	194		18 850	3 880	6 000	8 970
X	NPA & common user areas	Acess roads, parking etc.	0		17 040			17 040	
TOTAL KLT2				763		160 000			

2.4 Overall description of quays at KLT

2.4.1 KLT I Quays

- 2.4.1.1 It has not yet been possible for the consultant to obtain actual construction drawings for the KLT quays, so the below structural information is purely based on visual observations.
- 2.4.1.2 KLT I is constructed as a steel sheet pile wall using Z-sections.
- 2.4.1.3 The wall is tied back with steel tie rods, around $\varnothing 70$ mm, in every bay of the wall at around level +1.50 m, which is above MHWL (+0.9m rel. CD).
- 2.4.1.4 The coping is reinforced concrete with a height of around 0.6 m. The original coping top level at the quay front is around +2.2 m relative to CD. In many lease areas the coping has been modified to suit the lessee; there are many variations of these modifications.
- 2.4.1.5 Available information has indicated that the design depth in front of the quay wall is 5.0 m.
- 2.4.1.6 The overall condition of the sheet pile wall is poor and maybe worse. The overall condition of the coping is between fair and poor (50/50). Timber fenders are only present partially, so truck tyres are commonly used for fendering vessels. Bollards are in fair condition, because they always get replaced when damaged.
- 2.4.1.7 A thin, 5-6 mm thick, steel plate was installed in front of the existing sheet pile wall around 2006, except in front of lease A, Royal Salt. The steel plate was installed to prevent sand fill from escaping through corrosion holes in the quay wall at HWL. The steel plate is in fair condition and prevents sand from escaping, but does not contribute to the structure strength.
- 2.4.1.8 The tie rods are most likely in good to fair condition, which is quite usual for tie rods. They can therefore possibly be re-used for a new quay wall in front of the existing wall.

2.4.2 KLT II Quays

- 2.4.2.1 KLT II was constructed in continuation of KLT I and was completed shortly after. The quay structure is identical to KLT I quay structure.
- 2.4.2.2 Corrosion of the steel sheet piles seems slightly less at KLT II than at KLT I. This may be due to slightly different steel. However, generally the sheet pile wall is in a poor to fair condition.
- 2.4.2.3 KLT II does not have the steel plate installed in front of the wall like at KLT I, due to an apparent smaller degree of corrosion, although holes are actually now developing in the sheet piles around HWL.

- 2.4.2.4 The quay coping at KLT II is generally slightly less deteriorated than at KLT I. The average condition is generally between fair (3) and poor (2).
- 2.4.2.5 Bollards are generally in fair condition. Fenders are either timber fender or tyre fenders where needed, with an overall rating of fair to poor.
- 2.4.2.6 Illustrations of the condition of the quay walls and copings can be seen in the pictures for the individual lease condition surveys.

2.4.3 Conclusion for KLT I and KLT II quay structures.

- 2.4.3.1 The overall conclusion for KLT I and KLT II quays is that a new earth retaining structure has to be provided in the near term (0 to maximum 10 years). That could favourably be in the form of a new sheet pile wall constructed in front of the existing, and by utilizing the existing tie rods (wall Anchors).
- 2.4.3.2 Alternative solutions are also possible for rehabilitating the quays.
- 2.4.3.3 Feasibility considerations may show that increasing the water depth to 6 or 7 m, which could allow slightly larger vessels, might be favourable.

2.4.4 Water depths and wrecks

- 2.4.4.1 The water depths in the channel vary considerably between 3 and 5 m. Some users who need the draft have their berthing areas dredged regularly to 5 m while some do nothing at all. The general depth in the middle of the channel is around 4.1 m at the quays and with a depth increasing to around 6 m at the entrance to the channel.
- 2.4.4.2 At KLT I there are some wrecks along the quay at the northern end, Brawal area, and at area H, also Brawal area. At KLT II there is a wreck at the quay near area F3.

2.4.5 Water and power supply

- 2.4.5.1 There is no public water supply. Some areas have their own boreholes and water treatment plants, but most store water in water supplied by water tankers.
- 2.4.5.2 Grid power is unreliable, so not installed. Users have their own generators.

2.5 Overall description of paving condition in KLT operational areas

- 2.5.1.1 It is the general impression of paved areas that the paving has been quite durable and satisfactory when used solely for normal truck traffic. In areas thus utilised, such as access roads other than container yards, not many damages are observed.
- 2.5.1.2 However, when it comes to the container yards or terminals of KLT, it is evident that almost inevitably the paving structures are being damaged – gradually demolished. The pavement designs in the mid 1970'es were almost certainly not made to accommodate Reach Stacker loads - up to 60 ton on one front wheel – but rather only up to around 40 ton from container top lifting fork lift trucks. That is the reason for damaged paving in container yards.

2.5.1.3 In order to properly accommodate Reach Stackers it will be necessary to re-design and to re-construct the paving with proper heavy duty paving in those areas selected for future container terminal operations.

2.6 Infrastructure Condition Survey Grading

2.6.1.1 In the condition evaluation of the infrastructure items the following condition grades are applied:

Figure 2-3: Infrastructure Condition Grading Scale

Condition Grade	Condition Description	Remedy action
1 Very good	New or as new through very good maintenance.	None
2 Good	Only few minor damages and little wear	Limited maintenance or rehabilitation may be required
3 Fair	Clear evidence of wear but structurally intact.	Some repairs or rehabilitation are likely required
4 Poor	Notable defects are evident. Intended use is hampered by defects.	Repairs or rehabilitation required to reinstate for intended good use
5 Very Poor	Significant defects or beyond repair. The structure cannot be used as intended. Risk of collapse is high.	Rehabilitation or repair is urgently required. The item should not be used until rehabilitated.

2.6.1.2 All pictures of structures in the KLT areas were taken during the site survey in January 1014, unless otherwise noted.

2.7 General for KLT and for NPA and Common user areas in KLT

2.7.1.1 Generally in the KLT areas, public power supply is only sporadically available. Therefore all occupants in the areas only rely on own generators.

2.7.1.2 General street lighting does not seem to be installed in the area.

2.7.1.3 Water mains supply is also not available and water is therefore stored in tanks. The majority of tanks are filled by water tankers, but some lease holders have their own borehole and water purifying units.

2.7.1.4 The NPA areas are all the areas inside the total KLT area which have not been leased out. These areas include miscellaneous administrative offices, especially in KLT I, some idle land and all of the common user access road areas.

2.7.1.5 NPA Office areas, buildings and NPA truck parking areas have not been evaluated at this time.

2.7.2 Gates and roads in NPA areas

- 2.7.2.1 All of the NPA gates are in a fair to good condition with a respectable appearance.
- 2.7.2.2 Common user roads in KLT are mostly paved with concrete slabs. The general condition of the roads is fair to good. The road areas seem quite clean generally.
- 2.7.2.3 Drains at the side of the road at KLT I access roads are covered with steel covers and are in good condition structurally. Some maintenance clearing should be followed up regularly.
- 2.7.2.4 Drains along KLT II roads are generally open U-drains, which should also be cleared regularly.
- 2.7.2.5 Drains in lease holder's areas are generally lacking of good maintenance, but there are exceptions. NPA should especially focus on clearing of drainage channels going out to the creek through the quay walls.

2.8 Condition Survey for KLT I Areas

2.8.1 KLT I. A. Royal Salt

- 2.8.1.1 Inspection notes are given in the overview form after the pictures, which are intended to give impression of general and particular conditions in the lease area.
- 2.8.1.2 Royal Salt now has access to 188 m of quay and 3.8 ha of leased land plus the generator area (24x100m=0.24 ha) plus the parking area of 2.6 ha.
- 2.8.1.3 The main activity in the lease area is purifying, drying and bagging of imported salt for various uses in Nigeria. The salt is brought to the site by truck, but it is the plan to bring the salt by barge to the quay, which is presently not being utilized.

Figure 2-4: KLT I.A. Coping and Quay Apron



Source: CPCS site visit, January 2014

Figure 2-5: KLT I.A. Paving of Quay Apron and Operational Area



Source: CPCS site visit, January 2014

Figure 2-6: KLT I.A. Deteriorated Coping



Source: CPCS site visit, January 2014

Figure 2-7: KLT I.A. Coping and timber fenders



Source: CPCS site visit, January 2014

Figure 2-8: KLT I.A. Sheet pile wall with corrosion holes



Source: CPCS site visit, January 2014

Figure 2-9: Undermining of Quay Apron



Source: Royal Salt Limited, March 2013

Figure 2-10: KLT I.A. Deteriorated Sheet pile wall



Source: CPCS site visit, January 2014

Figure 2-11: KLT I. A-8. Drainage outlet



Source: CPCS site visit, January 2014

Figure 2-12: KLT I.A. Paving in operational area



Source: CPCS site visit, January 2014

Figure 2-13: KLT I.A. Drain under rehabilitation



Source: CPCS site visit, January 2014

Figure 2-14: KLT I.A. Rehabilitated drain slabs



Source: CPCS site visit, January 2014

Figure 2-15: KLT I.A. Typical condition of non-rehabilitated drain



Source: CPCS site visit, January 2014

Figure 2-16: KLT I.A. NPA shed. Rehabilitated coulumns. Salt bagging facility



Source: CPCS site visit, January 2014

Figure 2-17: KLT I.A. NPA shed. Around 20% of original coulumns still need rehabilitation



Source: CPCS site visit, January 2014

Figure 2-18: KLT I.A. Corrosion in original coulumn



Source: CPCS site visit, January 2014

Figure 2-19: KLT I. A-16. Royal Salt store building



Source: CPCS site visit, January 2014

Kirikiri Lighter Terminal Concessioning.		Infrastructure Engineering due diligence.		
Location	KLT 1. A		Inspection date:	2014-01-10
Leasee	Royal Salt			
Activities	Salt import and bagging			
Identification and Condition survey				
	Type	Condition / comments		
Quay structure	Tied back steel sheetpile wall.	4		Quay Length: 188 m
Retaining structure	Sheet pile wall. Z-piles.	4	Significant corrosion around mean water level. Holes in wall at LWL. Concrete has been cast in the sheet pile wall bays in attempt to close holes.	
Coping	Concrete, reinforced	4	Many Damages at upper seaward corner. Corrosion of exposed rebars	
Bollards	T-head Old/New. Ca.10 t.	4/2	Most original bollards are broken and useless.	
Fenders	Timber fenders 50%	3	Timber fenders, when in place are in fair condition	
Ladders	None			
Quay Apron	Concrete slabs. 150? mm	2-3	Risk of subsidence of quay deck due to washing out of sand fill through holes in sheet pile wall,	
	Type	Condition / comments		Approx.
Operational Area	Delivery and internal transportation of salt.			Total Area: 65 790 m ²
Access	Gate access to main compound and additional gate to quay			Main Area: 37 790 m ²
Fencing	Concrete Block wall 2,5 to 3 m with barbed wire top.	2	ISPS compliant.	Parking Area: 26 100 m ²
Paving	Concrete slabs 150 mm	3-4	~ 50% paved. Mostly fair condition	Generator Area: 1 900 m ²
Drainage	Concrete U-darins, with concrete covers	3-4	Mostly fair condition	Apron Area: 4 140 m ²
Lighting	Lights on buildings			Operation Area: 10 400 m ²
Power	Own generator for drying salt			Paved Area: 5 200 m ²
Water	Water tanks supplied by tankers			
Bunkering	No			
Operating Equipment	Trucks and forklifts			
	Type	Condition / comments		
Other infrastructure				
Sheds	NPA packing shed along quay	3	40x150 m ² , New roofing and 80% of columns rehabilitated by Royal Salt	6 000 m ²
Buildings	5 other large sheds/buildings belonging to Lessee			
	5-6 smaller buildings belonging to Lessee			

KLT I. A2. Royal Salt, Parking and Generator Areas

2.8.1.4 In addition to the quay side area and the salt bagging area Royal Salt has a lease of a former container terminal area adjoined to the SE end of the main lease area. This area is around 70 m x 375 m (2.61 ha).

Figure 2-20: KLT I.A2. Royal Salt Parking yard



Source: CPCS site visit, January 2014

Figure 2-21: KLT I.A2. Royal Salt Parking yard paving



Source: CPCS site visit, January 2014

Figure 2-22: KLT I.A2. Block wall fence in parking yard



Source: CPCS site visit, January 2014

Figure 2-23: KLT I.A2. Drainage with stagnant water



Source: CPCS site visit, January 2014

2.8.1.5 The area is fenced by a concrete block wall with barbed wire on top.

2.8.1.6 The parking yard, being a former container yard is paved with concrete slabs of varying condition, generally from 3 to 4.

2.8.1.7 The yard slopes around 1% to either side with a center ridge along the yard. The drain at the landward side has not yet been cleaned and so there is stagnant water in the drains. Rain water run-off to the sea side runs through holes in the fence to the NPA drain in the access road to Royal Salt's main gate.

- 2.8.1.8 There are 3 old derelict light masts in the area with approximate height 18 m.
- 2.8.1.9 To the east of the parking area, also adjoined to the main lease area, a smaller area around 20m x 95 m (0.19 ha) houses a high tension power generator for drying the salt and for general power consumption in the lease area.

2.8.2 KLT I.B. Atlantic Shrimpers

- 2.8.2.1 The area occupied by Atlantic Shrimpers is a fisheries area, which receives frozen packaged shrimps via the quay. There is a large cold store in the area for storing the shrimps.
- 2.8.2.2 The quay length is 133 m and the total lease area is 1.30 ha.
- 2.8.2.3 Inspection notes are given in the overview form after the pictures, which are intended to give impression of general and particular conditions in the lease area.

Figure 2-24: KLT I.B. Edge of coping. Wall cover sheets



Source: CPCS site visit, January 2014

Figure 2-25: KLT I.B. Coping & rehabilitated sheet pile wall



Source: CPCS site visit, January 2014

Figure 2-26: KLT I.B. Cover plates to close holes in wall



Source: CPCS site visit, January 2014

Figure 2-27: KLT I.B. Coping



Source: CPCS site visit, January 2014

Figure 2-28: KLT I. B. Coping, Bollards, Fuel Barge



Source: CPCS site visit, January 2014

Figure 2-29: KLT I. B. Quay wall, coping, tyre fenders.



Source: CPCS site visit, January 2014

Figure 2-30: KLT I.B. Quay Apron



Source: CPCS site visit, January 2014

Figure 2-31: KLT I.B. Access Gate



Source: CPCS site visit, January 2014

Figure 2-32: KLT I.B. Yard paving



Source: CPCS site visit, January 2014

Figure 2-33: KLT I.B. Administration building



Source: CPCS site visit, January 2014

Kirikiri Lighter Terminal Concessioning.		Infrastructure Engineering due diligence.			
Location	KLT 1. B			Inspection date:	2014-01-10
Leasee	Atlantic Shrimpers				
Activities	Shrimp fisheries				
Identification and Condition survey					
	Type		Condition / comments		
Quay structure	Tied back steel sheetpile wall.	4		Quay Length:	133 m
Retaining structure	Sheet pile wall. Z-piles.	4	Significant corrosion around mean water level. Additional steel sheet has been installed in front of wall to close holes at LWL.		
Coping	Concrete, reinforced	3	Many Damages at upper seaward corner. New concrete apron topping extends to quay front.		
Bollards	T-head ~10 t.	2	Bollards are ok		
Fenders	Tyre fenders where needed	3			
Ladders	None				
Quay Apron	Concrete slabs. 150 mm	3	A concrete topping 20 to 150 mm has been cast onto the original apron. Drainage channels have been provided to let rain water escape to the creek		
	Type		Condition / comments		Approx.
Operational Area	Delivery and internal transportation of frozen shrimps			Lease Area:	13 030 m ²
Access	Gate access to compound from NPA access road			Apron Area:	2 660 m ²
Fencing	Concrete Block wall 2,5 to 3 m with barbed wire top.	2	ISPS compliant.	Operation Area:	6 220 m ²
Paving	Concrete slabs 150 mm	2-3	Yard kept very clean	Paved Area:	6 220 m ²
Drainage	Direct drainage to creek and to NPA road. No drains in yard.	2	High point 50m from quay. Drainage pipe from NPA road passes through quay wall		
Lighting	Liqhts on building fronts				
Power	Own generator				
Water	Water tanks supplied by tankers		Water supply at quay for trawlers. Fire response facility at quay side to supply creek water to hydrants		
Bunkering	Fuel barge at quay side				
Operating Equipment	Trucks				
	Type		Condition / comments		
Other infrastructure					
Sheds	Storage shed	2	Belongs to Lessee		
Buildings	Cold store		Belongs to Lessee		
	Admnistration building		Belongs to Lessee		
	Several other smaller buildings		Belong to Lessee		

2.8.3 KLT I.C. Banarly

2.8.3.1 The Banarly area is a fisheries area, which receives frozen packaged shrimps and other fish directly from trawlers via the quay. There is no cold store in the area for storing the shrimps and fish, the shed accommodates container offices, mechanical workshop, spare parts, fishing net repairs etc.

2.8.3.2 The lease area is around 0.7 ha and the quay length is 69 m.

2.8.3.3 The area houses a shed.

2.8.3.4 Inspection notes are given in the overview form after the pictures, which are intended to give impression of general and particular conditions in the lease area.

Figure 2-34: KLT I.C. Quay wall & coping, bollards and apron



Source: CPCS site visit, January 2014

Figure 2-35: KLT I.C. Bollards behind coping



Source: CPCS site visit, January 2014

Figure 2-36: KLT I.C. Quay Apron



Source: CPCS site visit, January 2014

Figure 2-37: KLT I.C. Quay with fuel barge seen from creek



Source: CPCS site visit, January 2014

Figure 2-38: KLT I.C. Access gate and block wall fence



Source: CPCS site visit, January 2014

Figure 2-39: KLT I.C. Yard paving



Source: CPCS site visit, January 2014

Figure 2-40: KLT I.C. Yard paving



Source: CPCS site visit, January 2014

Figure 2-41: KLT I. C. Banarly shed



Source: CPCS site visit, January 2014

Kirikiri Lighter Terminal Concessioning.		Infrastructure Engineering due diligence.	
Location	KLT 1. C		Inspection date: 2014-01-10
Leasee	Banarly		
Activities	Fisheries, mostly shrimps		
Identification and Condition survey			
	Type	Condition / comments	
Quay structure	Tied back steel sheetpile wall.	4	Quay Length: 69 m
Retaining structure	Sheet pile wall. Z-piles.	4	Significant corrosion around mean water level. Additional steel sheet was installed 2006 in front of wall to close holes at LWL.
Coping	Concrete, reinforced	3	Concrete generally bashed at upper seaward corner. Otherwise fair condition.
Bollards	T-head bollards, 10 t.	2	Spacing around 5 m
Fenders	Tyre fenders	3	Tyre fenders where needed
Ladders	None		
Quay Apron	Concrete slabs. 150 mm	2-3	
Water depth	Reported by Banarly as 3.0m to 3.5 m rel. Chart datum		Approx.
	Type	Condition / comments	
Operational Area	Reception of Fish products from trawlers, storage and export.		Lease Area: 6 760 m ²
Access	Gate access via NPA main access road		Apron Area: 1 380 m ²
Fencing	Concrete Block wall 2,5 to 3 m with barbed wire top.	2	ISPS compliant. Operation Area: 4 170 m ²
Paving	Concrete slabs 150 mm	3-4	Concrete paving seems quite worn and uneven. Paved Area: 4 170 m ²
Drainage	Direct drainage to creek and to NPA road. No drains in yard.	2	High point 50m from quay. Drainage pipe from NPA road passes through quay wall
Lighting	Lights on buildings + 1 lightpole at quayside		
Power	Own generator		
Water	Well bore in compound		Water treatment plant supplies water tanks and trawlers
Bunkering	1 Bunker fuel barge		
Operating Equipment	Trucks		
	Type	Condition / comments	
Other infrastructure			
Sheds	Banarly shed. Ca 22x55 m ²	2-3	Half the shed has container offices, other half is storage space. 1 210 m ²
Buildings	Gate house		

2.8.4 KLT I.D. Hensmor

2.8.4.1 The Hensmor area is used for general marine services for the oil and gas business. For the past 10 years there has not been much activity in the Hensmor area and the past 2 years have had no activity at all, though about a year and a half ago, a vessel came in from Warri to be refurbished. Also presently a small barge is being constructed on site.

2.8.4.2 The lease area is almost 1.0 ha and the quay length is 95 m.

2.8.4.3 Inspection notes are given in the overview form after the pictures, which are intended to give the impression of general and particular conditions in the lease area.

Figure 2-42: KLT I.D. Quay wall, coping, some timber fender, bollard



Source: CPCS site visit, January 2014

Figure 2-43: KLT I.D. Quay coping



Source: CPCS site visit, January 2014

Figure 2-44: KLT I.D. Yard, Operational Area, Gate



Source: CPCS site visit, January 2014

Figure 2-45: KLT I.D. Operational Area and Apron



Source: CPCS site visit, January 2014

Figure 2-46: KLT I.D. Quay Apron. Barge construction



Source: CPCS site visit, January 2014

Figure 2-47: KLT I.D. Quay Apron paving



Source: CPCS site visit, January 2014

Figure 2-48: KLT I.D. Paving and Block wall fence



Source: CPCS site visit, January 2014

Figure 2-49: KLT I.D. New foundations under construction



Source: CPCS site visit, January 2014

Kirikiri Lighter Terminal Concessioning.		Infrastructure Engineering due diligence.			
Location	KLT 1, D			Inspection date:	2014-01-10
Leasee	Hensmor				
Activities	Oil & Gas support services				
Identification and Condition survey					
	Type	Condition / comments			
Quay structure	Tied back steel sheet pile wall.	4		Quay Length:	95 m
Retaining structure	Sheet pile wall. Z-piles.	4	Significant corrosion around mean water level. An additional steel sheet has been installed in front of wall to close holes at LWL.		
Coping	Concrete, reinforced	4	Generally bashed at upper seaward corner. A 200x200 mm kerb has been added at the seaward edge, but it now loose		
Bollards	Only damaged bollards observed	5			
Fenders	Timber fenders, few	3	Timber fenders, when in place are in fair condition		
Ladders	None				
Quay Apron	Concrete slabs, 150 mm	3	Condition fair.		
	Type	Condition / comments			Approx.
Operational Area	Oil & Gas Support Services			Lease Area:	9 410 m ²
Access	Gate access to main compound and additional gate to quay			Apron Area:	1 900 m ²
Fencing	Concrete Block wall 2,5 to 3 m with barbed wire top.	2	ISPS compliant.		
Paving	Concrete slabs 150 mm	3		Operation Paved Area:	7 370 m ²
Drainage	Direct drainage to creek and to NPA road. No drains in yard.	2	High point 50m from quay. Drainage pipe from NPA road passes through quay wall		
Lighting	Lights on buildings				
Power	Own generator for drying salt				
Water	Supplied by tankers, only for office bldg.				
Bunkering	No				
Operating Equipment	Trucks and maybe crawler cranes				
	Type	Condition / comments			
Other infrastructure					
Sheds	Column foundations for a new unknown structure is being constructed				
Buildings	Small office parking shelter	1			100 m ²
	Gate house	1			40 m ²

2.8.5 KLT I.E. Honeywell Fishing

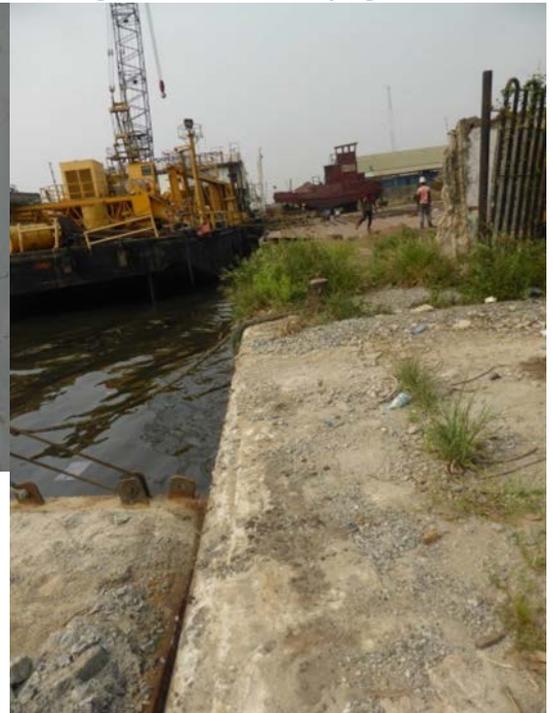
- 2.8.5.1 The Honeywell fishing area has not been involved in fishing activities for the past 2 years. The property seems to be used to ship out various building materials or support items for the oil and gas sector.
- 2.8.5.2 The lease area is around 0.54 ha, and the quay length is 54 m.
- 2.8.5.3 Inspection notes are given in the overview form after the pictures, which are intended to give impression of general and particular conditions in the lease area.

Figure 2-50: KLT I.E. NPA. Honeywell Access Gate



Source: CPCS site visit, January 2014

Figure 2-51: KLT I.E. Coping, North end



Source: CPCS site visit, January 2014

Figure 2-52: KLT I.E. Quay wall from creek. North end



Source: CPCS site visit, January 2014

Figure 2-53: KLT I.E. Quay wall, North end



Source: CPCS site visit, January 2014

Figure 2-54: KLT I.E. Quay wall from creek side (mid)



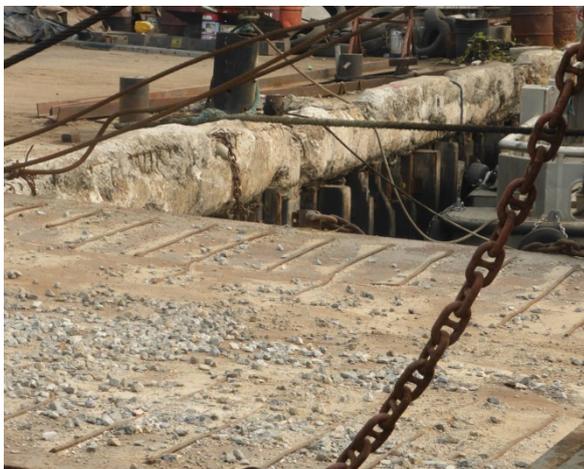
Source: CPCS site visit, January 2014

Figure 2-55: KLT I.E. Quay mid. Drain outlet from NPA road



Source: CPCS site visit, January 2014

Figure 2-56: KLT I.E. Coping, 15t bollards, timber fenders



Source: CPCS site visit, January 2014

Figure 2-57: KLT I.E. Quay, coping, apron, bollards, fenders



Source: CPCS site visit, January 2014

Figure 2-58: KLT I.E. Yard, paving, fencing



Source: CPCS site visit, January 2014

Figure 2-59: KLT I.E. Paving and Buildings



Source: CPCS site visit, January 2014

Kirikiri Lighter Terminal Concessioneing.		Infrastructure Engineering due diligence.			
Location	KLT_1_E			Inspection date:	2014-01-10
Leasee	Honeywell Fishing				
Activities	No activity presently				
Identification and Condition survey					
	Type		Condition / comments		
Quay structure	Tied back steel sheetpile wall.	4		Quay Length:	54 m
Retaining structure	Sheet pile wall. Z-piles.	4	Significant corrosion around mean water level. An additional steel sheet has been installed in front of wall to close holes at LWL.		
Coping	Concrete, reinforced	4-5	Many Damages at upper seaward corner. Severe corrosion of exposed rebars. Cover layer gone, exposing steel plate.		
Bollards	T-head Old. ~15 t.	3	Not all bollards in place. Spacing around 6m.		
Fenders	Timber fenders 200x250 mm	3	Timber fenders, where in place (70%) are in fair condition		
Ladders	None				
Quay Apron	Concrete slabs. 150 mm	2-3	Apron concrete mostly in fair condition		
	Type		Condition / comments		Approx.
Operational Area	Seemingly being used for materials/equipment for oil & gas services.			Lease Area:	5 350 m ²
Access	Gate access to main compound and additional gate to quay			Apron Area:	1 080 m ²
Fencing	Concrete Block wall 2,5 to 3 m with barbed wire top.	2	ISPS compliant.	Operation Area	3 610 m ²
Paving	Concrete slabs 150 mm	3-4	100% paved. Mostly fair condition	Paved Area:	3 610 m ²
Drainage	Direct drainage to creek and to NPA road.	N/A	High point 50m from quay. Drainage pipe from NPA road passes through quay wall. No drains in yard.		
Lighting	Ligths on buildings				
Power	Own small generator for buildings				
Water	No supply. Water tanks in buildings presumably				
Bunkering	No				
Operating Equipment	Trucks				
	Type		Condition / comments		
Other infrastructure					
Sheds	1 medium building				360 m ²
Buildings	1 smaller building				200 m ²
	1 little building				100 m ²

2.8.6 KLT I.F. Ladol

2.8.6.1 The Ladol area is used as a meeting place for transportation of Ladol workers to the main Ladol site, South of Apapa Port Complex. The 0.3 ha yard area is not being utilised at present. The quay length is 30 m.

2.8.6.2 Inspection notes are given in the overview form after the pictures.

Figure 2-60: KLT I.F. Quay wall North end, seen from Creek



Source: CPCS site visit, January 2014

Figure 2-61: KLT I.F. Quay wall South end, seen from Creek



Source: CPCS site visit, January 2014

Figure 2-62: KLT I.F. Ro-ro ramp on quay apron



Source: CPCS site visit, January 2014

Figure 2-63: KLT I.F. Ro-ro ramp



Source: CPCS site visit, January 2014

Figure 2-64: KLT I.F. Fenders Ø 800



Source: CPCS site visit, January 2014

Figure 2-65: KLT I.F. Fender chain and bracket



Source: CPCS site visit, January 2014

Figure 2-66: KLT I.F. Coping, built up. Damaged.



Source: CPCS site visit, January 2014

Figure 2-67: KLT I.F. Access ladders, fender Ø 800



Source: CPCS site visit, January 2014

Figure 2-68: KLT I.F. Gate and NPA drain



Source: CPCS site visit, January 2014

Figure 2-69: KLT I.F. Full yard seen from creek end



Source: CPCS site visit, January 2014

Figure 2-70: KLT I.F. Paving & Fencing (North)



Source: CPCS site visit, January 2014

Figure 2-71: KLT I.F. Paving & Fencing (South)



Source: CPCS site visit, January 2014

Kirikiri Lighter Terminal Concessioning.		Infrastructure Engineering due diligence.			
Location	KLT 1. F			Inspection date:	2014-01-10
Leasee	Ladol				
Activities	Marine transport of personnel to main ladol site south of Apapa Port				
Identification and Condition survey					
	Type	Condition / comments			
Quay structure	Tied back steel sheetpile wall.	4		Quay Length:	30 m
Retaining structure	Sheet pile wall. Z-piles.	4	Significant corrosion around mean water level. An additional steel sheet has been installed in front of wall to close holes at LWL.		
Coping	Concrete, reinforced	4-5	Many Damages at upper seaward corner. Severe corrosion of exposed rebars. Cover layer gone, exposing steel plate.		
Bollards	T-head, ~ 5 t.	3	A few bollards only		
Fenders	3 Ø800 Cylinder Fenders	2	Corroded fixing chains, but still ok		
Ladders	2 ladders	3	Ladders are for personnel transfer to passenger launches		
Quay Apron	Concrete slabs. 150 mm	3	Apron concrete in fair condition		
	Type	Condition / comments			Approx.
Operational Area	Passenger transfer			Lease Area:	3 000 m ²
Access	Gate access from NPA common user access road			Apron Area:	600 m ²
Fencing	Concrete Block wall 2,5 to 3 m with barbed wire top.	2	ISPS compliant.	Operation Area	2 370 m ²
Paving	Concrete slabs 150 mm	3-4	100% paved. Mostly fair condition	Paved Area:	2 370 m ²
Drainage	Direct drainage to creek and to NPA road.	N/A	High point 50m from quay. Drainage pipe from NPA road passes through quay wall. No drains in yard.		
Lighting	Light in gate house				
Power	Small own generator assumed				
Water	No				
Bunkering	No				
Operating Equipment	Trucks				
	Type	Condition / comments			
Other infrastructure					
Sheds					0 m ²
Buildings	1 small gate house near access gate.				30 m ²
					0 m ²

2.8.7 KLT I.G. Seagold Fishing

- 2.8.7.1 The Seagold area is utilized as a fisheries area, which receives frozen packaged shrimps via the quay. There is no cold store in this area for storing the shrimps.
- 2.8.7.2 The first 22 m after entering the main gate from the NPA road is occupied by NITOA, who has a 2 storey office constructed with 40' containers.
- 2.8.7.3 The lease area is around 0.3 ha with a quay length of 54 m.
- 2.8.7.4 Inspection notes are given in the overview form after the pictures, which are intended to give impression of general and particular conditions in the lease area.

Figure 2-72: KLT I.G. NITOA Office in first yard



Source: CPCS site visit, January 2014

Figure 2-73: KLT I.G. Concrete block wall fencing



Source: CPCS site visit, January 2014

Figure 2-74: KLT I.G. Seabless Admin Office



Source: CPCS site visit, January 2014

Figure 2-75: KLT I.G. Changing and convenience near quay



Source: CPCS site visit, January 2014

Figure 2-76: KLT I.G. Operations Office near quay



Source: CPCS site visit, January 2014

Figure 2-77: KLT I.G. Quay wall and timber fenders. Coping and bollard



Source: CPCS site visit, January 2014

Figure 2-78: KLT I.G. Quay coping with built up kerb. 5 t bollards



Source: CPCS site visit, January 2014

Figure 2-79: KLT I.G. Quay apron



Source: CPCS site visit, January 2014

Kirikiri Lighter Terminal Concessioning.		Infrastructure Engineering due diligence.			
Location	KLT 1, G			Inspection date:	2014-01-10
Leasee	Seagold Fishing (Seabless)				
Activities	Fisheries. NITWA occupies outer compound 440 m ²				
Identification and Condition survey					
	Type	Condition / comments			
Quay structure	Tied back steel sheetpile wall.	4		Quay Length:	54 m
Retaining structure	Sheet pile wall. Z-piles.	4	Significant corrosion around mean water level. An additional steel sheet has been installed in front of wall to close holes at LWL.		
Coping	Concrete, reinforced	4-5	Many Damages at upper seaward corner. Severe corrosion of exposed rebars. Cover layer gone, exposing steel plate.		
Bollards	T-head, ~ 5 t.	3	A few bollards only		
Fenders	Very few timber fenders	4			
Ladders	None	3	Ladders are for personnel transfer to passenger launches		
Quay Apron	Concrete slabs. 150 mm	3	Apron concrete in fair condition		
	Type	Condition / comments		Approx.	
Operational Area	Fisheries. Fish landing. No cold store in this lease.			Lease Area:	2 900 m ²
Access	Gate access from NPA common user access road			Apron Area:	580 m ²
Fencing	Concrete Block wall 2,5 to 3 m with barbed wire top.	2	ISPS compliant.	Operation Area	2 010 m ²
Paving	Concrete slabs 150 mm	3	100% paved. Mostly fair condition	Paved Area:	2 010 m ²
Drainage	Direct drainage to creek and to NPA road. No drains in yard.	N/A	High point 50m from quay. Drainage pipe from NPA road passes through quay wall		
Lighting	Light in gate house				
Power	Own generator in generator house + 1 small fuel tank				
Water	Water tanks supplied by trucks				
Bunkering	1 Bunkering Barge, 8mx15m				
Operating Equipment	Trucks				
	Type	Condition / comments			
Other infrastructure					
Sheds	None				
Buildings	NITWA office, 2 storey, Modified containers				45 m ²
	Administration building, 2 storey Modified containers				225 m ²
	Operations Office, 2 storey, 2 12' containers				15 m ²
	Changing rooms				25 m ²

2.8.8 KLT I.H. Brawal

- 2.8.8.1 Brawal provides support services to the Oil & Gas Sector. In the lease area Brawal has a container yard of around 2.4 ha which can store around 1200 TEU.
- 2.8.8.2 The lease also includes an NPA shed (warehouse) of 6000 m².
- 2.8.8.3 It seems that Brawal have sub-let an area of around 2500 m² to HydroDive
- 2.8.8.4 Inspection notes are given in the overview form after the pictures.

Figure 2-80: KLT I.H. Quay wall view from creek, North end



Source: CPCS site visit, January 2014

Figure 2-81: KLT I.H. Quay wall view from creek, Mid quay



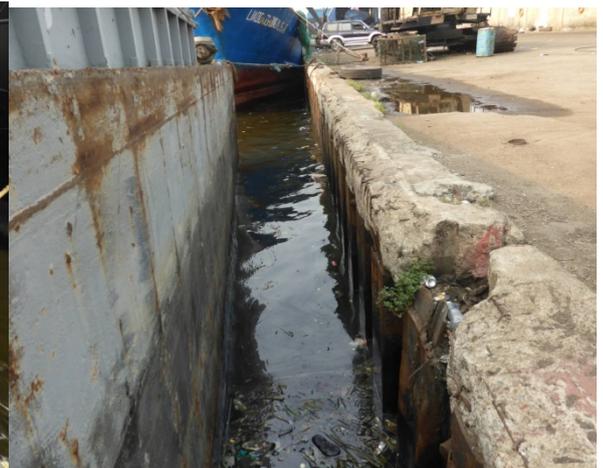
Source: CPCS site visit, January 2014

Figure 2-82: KLT I.H. Quay wall, Coping and apron. Some bollards



Source: CPCS site visit, January 2014

Figure 2-83: KLT I.H. Quay wall and coping



Source: CPCS site visit, January 2014

Figure 2-84: KLT I.H. Quay apron in front of shed



Source: CPCS site visit, January 2014

Figure 2-85: KLT I.H. Subsidence in quay apron due to washing out of sand through holes in quay wall



Source: CPCS site visit, January 2014

Figure 2-86: KLT I.H. Deteriorated paving surface in yard



Source: CPCS site visit, January 2014

Figure 2-87: KLT I.H. General Condition of paving – fair



Source: CPCS site visit, January 2014

Figure 2-88: KLT I.H. HydroDive Area



Source: CPCS site visit, January 2014

Figure 2-89: KLT I.H. Yard paving -fair, Container area with lightmasts



Source: CPCS site visit, January 2014

Figure 2-90: KLT I.H. Container yard. Light masts and drains



Source: CPCS site visit, January 2014

Figure 2-91: KLT I.H. Container yard paving. Fair to poor. Drainslabs partly missing



Source: CPCS site visit, January 2014

Figure 2-92: KLT I.H. NPA warehouse



Source: CPCS site visit, January 2014

Kirikiri Lighter Terminal Concessioning.		Infrastructure Engineering due diligence.		
Location	KLT_1_H			Inspection date: 2014-01-10
Leasee	Brawal			
Activities	Support Services for Oil & Gas Activities. Includes a small Container Yard			
Identification and Condition survey				
	Type	Condition / comments		
Quay structure	Tied back steel sheetpile wall.	4		Quay Length: 296 m
Retaining structure	Sheet pile wall. Z-piles.	4	Significant corrosion around mean water level. An additional steel sheet has been installed in front of wall to close holes at LWL.	
Coping	Concrete, reinforced	4-5	Many Damages at upper seaward corner. Cover layer gone, Severe corrosion of exposed rebars.	
Bollards	T-head, ~ 10 t.	3	A few bollards only	
Fenders	Timber fenders	4-5	very few, 200mm x 250mm	
Ladders	No			
Quay Apron	Concrete slabs. 150 mm	3-5	Apron concrete generally in fair condition, but some sinkholes are seen	
	Type	Condition / comments		
Operational Area	Oil & Ggas support services activities and Container yard: 400 GS, storage for 1200 TEU			Approx. Lease Area: 71 190 m ²
Access	Gate access from NPA common user access road			Apron Area: 5 920 m ²
Fencing	Concrete Block wall 2,5 to 3 m with barbed wire top.	3	ISPS compliant.	Operation Area: 59 270 m ²
Paving	Concrete slabs 150 mm	3-4	80% paved. Mostly fair condition	Paved Area: 47 416 m ²
Drainage	2 U drains along quay in operational area.	3-4	Seaward 50m drains to creek. U-drains have steel covers	
Lighting	Light on shed. Lightmasts in Container area.	3-4	Light masts are ok. Lights probably not working.	
Power	Own generator			
Water	Water tanks supplied by trucks			
Bunkering	No			
Operating Equipment	Trucks, Reach stackers			
	Type	Condition / comments		
Other infrastructure				
Sheds	NPA shed. 40m x 150 m	3	Fair Condition	6 000 m ²
Buildings	Brawal Container offices at shed.			90 m ²
	3 Other container offices			45 m ²
	HydroDive container offices. 5 nos. 40' Containers			125 m ²

2.8.9 KLT I.I. Underwater Engineering

2.8.9.1 Underwater engineering provides diving services and carries out rehabilitation/refurbishment of small vessels in the yard and at the quay side.

2.8.9.2 The area is quite small, only 1.1 ha

2.8.9.3 Inspection notes are given in the overview form after the pictures, which are intended to give an impression of general and particular conditions in the lease area.

Figure 2-93: KLT I.I. 20m Asphaltic paved access along south fence



Source: CPCS site visit, January 2014

Figure 2-94: KLT I.I. Yard towards North. Paving in good condition



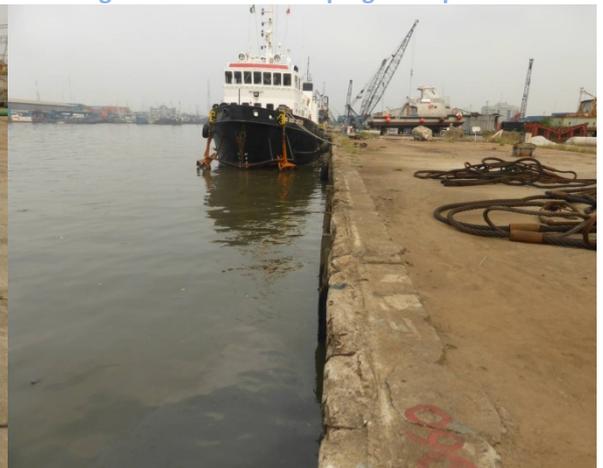
Source: CPCS site visit, January 2014

Figure 2-95: KLT I.I. Paving in yard and apron



Source: CPCS site visit, January 2014

Figure 2-96: KLT I.I. Coping and apron



Source: CPCS site visit, January 2014

Figure 2-97: KLT I.I. Quay wall and coping



Source: CPCS site visit, January 2014

Figure 2-98: KLT I.I. Quay front with timber fenders



Source: CPCS site visit, January 2014

Figure 2-99: KLT I.I. Overloaded 10 ton T-head bollard



Source: CPCS site visit, January 2014

Figure 2-100: KLT I.I. Quay wall and vessel servicing



Source: CPCS site visit, January 2014

Kirikiri Lighter Terminal Concessioning.			Infrastructure Engineering due diligence.		
Location	KLT 1. I		Inspection date:	2014-01-11	
Leasee	Underwater Engineering				
Activities	Diving Services and small vessel rehabilitation/maintenance				
Identification and Condition survey					
	Type	Condition / comments			
Quay structure	Tied back steel sheetpile wall.	4		Quay Length:	107 m
Retaining structure	Sheet pile wall. Z-piles.	4	Significant corrosion around mean water level. An additional steel sheet has been installed in front of wall to close holes at LWL.		
Coping	Concrete, reinforced	4-5	Many Damages at upper seaward corner. Rebars exposed to corrosion.		
Bollards	T-head, ~ 10 t.	3	4 to 5 bollards only. Fair condition		
Fenders	Timber fenders.	3	200 mm x 250 mm. South end (40%) of quay wall fendered,		
Ladders	None				
Quay Apron	Concrete slabs. 150 mm	2-3	Apron concrete in good to fair condition		
	Type	Condition / comments			
Operational Area	Vessel repairs.			Lease Area:	6 780 m ²
Access	Gate access from NPA common user access road			Apron Area:	2 140 m ²
Fencing	Concrete Block wall 2,5 to 3 m with barbed wire top.	2	ISPS compliant.		Operation Area
Paving	Concrete slabs 150 mm	2-3	100% paved. Mostly fair condition. 20 m wide asphalt paved Access road along S fence to coping		Paved Area:
Drainage	Direct drainage to creek and to NPA road. No drains in yard.	N/A	High point 50m from quay. Drainage pipe from NPA road passes through quay wall		
Lighting	1 small light mast in front of container office			Concrete paving	1 840 m ²
Power	Own generator			Asphalt Paving	2800 m ²
Water	Plastic Water tanks supplied by trucks				
Bunkering	No				
Operating Equipment	Trucks and up to 50 ton crawler cranes to lift vessels up on to quay apron				
	Type	Condition / comments			
Other infrastructure					
Sheds	None				
Buildings	Container office. 20'				15 m ²

2.8.10 KLT I.J. HBX Container Terminal. (Hull Blyth)

2.8.10.1 The area occupied by Hull Blyth serves as a regular off-dock container terminal, known as the HBX Container Terminal. The effective storage area is around 2,5 ha, allowing for around 400 GS with a total storage capacity of around 1200 TEU with Reach Stacker operation.

2.8.10.2 Inspection notes are given in the overview form after the pictures, which are intended to give impression of general and particular conditions in the lease area.

Figure 2-101: KLT I.J. Access Gate from NPA road



Source: CPCS site visit, January 2014

Figure 2-102: KLT I.J. Stacking area. Container offices to the left.



Source: CPCS site visit, January 2014

Figure 2-103: KLT I.J. Stacking area



Source: CPCS site visit, January 2014

Figure 2-104: KLT I.J. Desintegrated Paving slabs



Source: CPCS site visit, January 2014

Figure 2-105: : KLT I.J. Reinforcement in paving slab



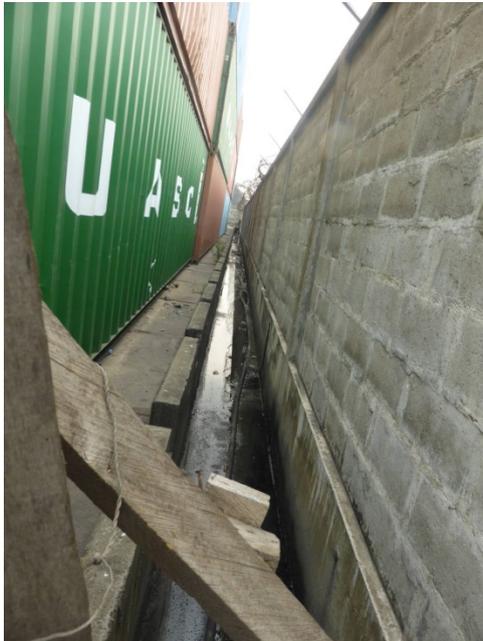
Source: CPCS site visit, January 2014

Figure 2-106: : KLT I.J. Reach Stacker on deteriorating paving slabs



Source: CPCS site visit, January 2014

Figure 2-107: : KLT I.J. Drain. Clean, well maintained



Source: CPCS site visit, January 2014

Figure 2-108: : KLT I.J. ISPS Fence



Source: CPCS site visit, January 2014

Figure 2-109: : KLT I.J. Power generators right



Source: CPCS site visit, January 2014

Figure 2-110: : KLT I.J. Water well bore and treatment equipment.



Source: CPCS site visit, January 2014

Kirikiri Lighter Terminal Concessioning.		Infrastructure Engineering due diligence.		
Location	KLT 1. J	Inspection date: 2014-01-11		
Lessee	HBX Container Terminal (Hull Blyth)			
Activities	Container Terminal			
Identification and Condition survey				
	Type	Condition / comments		
Quay structure		Quay Length: N/A m		
Retaining structure	No quay in this lease			
Coping				
Bollards				
Fenders				
Ladders				
Quay Apron				
	Type	Condition / comments		Approx.
Operational Area	Container Terminal. Approx. 450 GS and storage for 1300 TEU		Lease Area:	28 000 m ²
Access	Access gate is opposite the Brawal gate		Apron Area:	N/A m ²
Fencing	Concrete Block wall 2,5 to 3 m with barbed wire top.	2	ISPS compliant.	Operation Area 25 600 m ²
Paving	Concrete slabs 150 mm	3-4	35% poor or worse.	Paved Area: 25 600 m ²
Drainage	Concrete U-darins	2	Rain water runs to U-drains along the East and west side of the area. In good condition, clean	
Lighting	Ligths on buildings and at gate. + mobile light mast for night work			
Power	Own Generators, 2x100 KVA, for offices and mobile lighting mast			
Water	Own borehole water supply and treatment plant			
Bunkering	No			
Operating Equipment	Trucks, forklifts and Reach Stackers			
	Type	Condition / comments		
Other infrastructure				
Sheds	None			- m ²
Buildings	Admin area, Container offices			1 200 m ²
	Workshop area			1 200 m ²

2.8.11 KLT I. Areas K, L, M, N, O, P, Q, R

- 2.8.11.1 Areas A, B ... to K and Qw are the areas considered for concessioning development planning of KLT I. Qw is the western part of the Brawal area at the north end of KLT I.
- 2.8.11.2 Area K, which is included in the development plan, is made up of 3 part areas, all of which are undeveloped land. The total area is of $K_1 + K_2 + K_3$ is 34 300 m².
- 2.8.11.3 Area Q_w is also included in the concessioning development plan. It is designated for use by Brawal for miscellaneous ship repairs, although apparently at the moment the only activity is permanent mooring of (derelict?) barges and small vessels. The Q_w area is 21 500 m².
- 2.8.11.4 Areas L, Rahamaniya Oil, and M, Obat Petroleum, are long term leases with fixed infrastructure, mostly oil tank farms. These areas are not included in the concession development planning. These areas are respectively
- 2.8.11.5 Area N, Kris Oil, is around 1,40 ha and is used for oil and gas support services. It is assumed that the area will have its own separate concession or lease and as such is not included in the development planning.
- 2.8.11.6 Area O, Dee Jones Oil, is around 1,26 ha and is in use as a tank farm. It is assumed that the area will have its own separate concession or lease and as such is not included in the development planning.
- 2.8.11.7 Area P, Bua, is leased out as a factory area (flour mill). It is assumed that the area will have its own separate concession or lease and as such is not included in the development planning.
- 2.8.11.8 Area Q_E, the east part of area Q is on lease to Brawal and is a built up area of offices. It is assumed that the area will have its own separate concession or lease and as such is not included in the development planning.
- 2.8.11.9 Area R, is an office area which includes Maritime House, used by MTN. The area is around 1.60 ha. It is assumed that the area will have its own separate concession or lease and as such is not included in the development planning.

2.9 Condition Survey for KLT II Areas

2.9.1 KLT II.A. Union Dicon Salt

- 2.9.1.1 The intended activity in the lease area is purifying, drying and bagging of imported salt for various uses in Nigeria. At present there are no salt activities in the lease.

Previously, salt was brought to the site by truck, though it could have also have come by barge to the quay-- this option too, is presently not being utilized.

2.9.1.2 Inspection notes are given in the overview form after the pictures, which are intended to give impression of general and particular conditions in the lease area.

Figure 2-111: KLT II.A. Quay front, mid



Source: CPCS site visit, January 2014

Figure 2-112: KLT II.A. Quay front with drainage outlet



Source: CPCS site visit, January 2014

Figure 2-113: KLT II.A. Quay front and coping



Source: CPCS site visit, January 2014

Figure 2-114: KLT II.A. Deteriorated coping and quay wall



Source: CPCS site visit, January 2014

Figure 2-115: KLT II.A. Quay Apron



Source: CPCS site visit, January 2014

Figure 2-116: KLT II.A. Operational area in front of NPA shed



Source: CPCS site visit, January 2014

Figure 2-117: KLT II.A. Paving from yard to quay



Source: CPCS site visit, January 2014

Figure 2-118: KLT II.A. Lightmast in yard



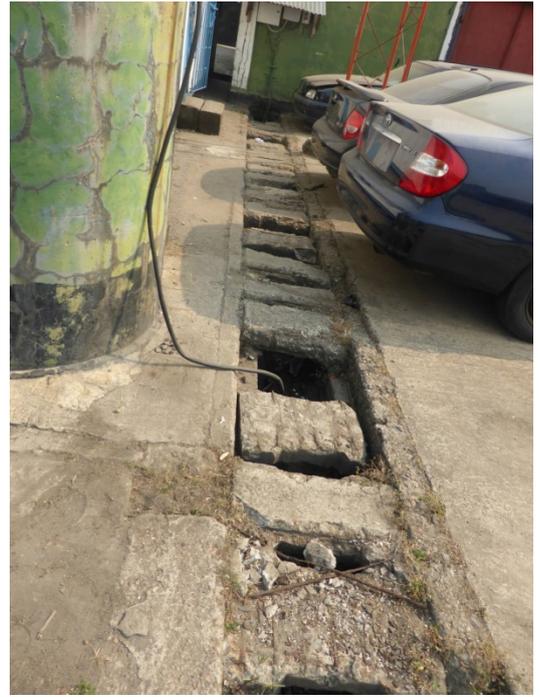
Source: CPCS site visit, January 2014

Figure 2-119: KLT II.A. Drain in



Source: CPCS site visit, January 2014

Figure 2-120: KLT II.A. U-Drain along NPA shed



Source: CPCS site visit, January 2014

Figure 2-121: KLT II.A. Well bore and water purifying



Source: CPCS site visit, January 2014

Figure 2-122: KLT II.A. Union Dicon shed



Source: CPCS site visit, January 2014

Figure 2-123: KLT II.A. NPA shed. Holes in part of roof



Source: CPCS site visit, January 2014

Kirikiri Lighter Terminal Concessioning.		Infrastructure Engineering due diligence.		
Location	KLT 2. A	Inspection date: 2014-01-11		
Leasee	Union Dicon Salt			
Activities	Salt import and bagging. No activity at time of site visit			
Identification and Condition survey				
	Type	Condition / comments		
Quay structure	Tied back steel sheetpile wall.	4		Quay Length: 194 m
Retaining structure	Sheet pile wall. Z-piles.	4	Significant corrosion in the tidal zone and above.	
Coping	Concrete, reinforced	4-5	Many Damages at upper seaward corner. Cover layer gone, Severe corrosion of exposed rebars.	
Bollards	T-head, ~10 t.	3	A few bollards only	
Fenders	Timber fenders	4-5	few, 200mm x 250mm	
Ladders	No			
Quay Apron	Concrete slabs. 150 mm	3-4	Apron concrete generally in fair condition, but around 30% Poor	
	Type	Condition / comments		
Operational Area	Salt import and bagging facility. No salt activity presently			Lease Area: 26 760 m ²
Access	Gate access from NPA common user access road			Apron Area: 3 880 m ²
Fencing	Concrete Block wall 2,5 to 3 m with barbed wire top.	3	ISPS compliant.	
Paving	Concrete slabs 150 mm	3-4	90% paved. Around 30% asphaltic paving. Mostly fair condition	
Drainage	2 U-drains along the area in operational area,	4-5	U-drains have concrete covers which are in poor condition	
Lighting	Light on shed. 1 Lightmast beteen the sheds	3	Light masts are ok. Mast lights are probably working.	
Power	Own generator			
Water	Water tanks supplied by own borehole and treatment plant			
Bunkering	No			
Operating Equipment	Trucks			
	Type	Condition / comments		
Other infrastructure				
Sheds	NPA shed. 40m x 150 m	3	Fair Condition	
Buildings	Dicon shed		1 350 m ²	
	Dicon Building NW	+ 2 nos container offices at gate		200 m ²
	Building zone North		900 m ²	

2.9.2 KLT II.B. SDV

- 2.9.2.1 SDV, a subsidiary of Bolloré, occupies a 3.0 ha off-dock container terminal area. The terminal does not have access to the quay. There are a few container offices in the yard, but no fixed assets.
- 2.9.2.2 The yard is paved with 150 mm concrete, probably reinforced; condition is 70% fair but in some places 30% poor.
- 2.9.2.3 Drainage is by U-drains in the area. These are partially blocked and the condition concrete drain covers are generally fair to poor.
- 2.9.2.4 Inspection notes are given in the overview form after the pictures, which are intended to give impression of general and particular conditions in the lease area.

Figure 2-124: KLT II.B. SDV gate and container offices



Source: CPCS site visit, January 2014

Figure 2-125: KLT II.B. Deteriorated paving in stacking area



Source: CPCS site visit, January 2014

Figure 2-126: KLT II.B. Workshop area, generator and drain



Source: CPCS site visit, January 2014

Figure 2-127: KLT II.B. Wooden drain covers



Source: CPCS site visit, January 2014

Figure 2-128: KLT II.B. Drain and Light Pole



Source: CPCS site visit, January 2014

Figure 2-129: KLT II.B. Stacking empties near Ceres shed



Source: CPCS site visit, January 2014

Kirikiri Lighter Terminal Concessioning.			Infrastructure Engineering due diligence.		
Location	KLT 2. B		Inspection date:	2014-01-13	
Leasee	SDV				
Activities	Container Terminal				
Identification and Condition survey					
	Type	Condition / comments			
Quay structure			Quay Length:	N/A	m
Retaining structure	No quay in this lease				
Coping					
Bollards					
Fenders					
Ladders					
Quay Apron					
	Type	Condition / comments			Approx.
Operational Area	Off-dock Container Terminal			Lease Area:	29 925 m ²
Access	Gate access from NPA common user access road			Apron Area:	0 m ²
Fencing	Concrete Block wall 2,5 to 3 m or 'container wall'.	3	ISPS compliant.		Operation Area: 29 745 m ²
Paving	Concrete slabs 150 mm	3-4	80% paved. Mostly fair condition		Paved Area: 29 745 m ²
Drainage	2 U drains along quay in operational area,	3-4	Seaward 50m drains to creek. U-drains have steel covers		
Lighting	Light on offices. 1 Lightmast in Container area.	4-5	Light masts are ok. Lightmast has been hit by reach stacker.		
Power	Own generator				
Water	Water tanks supplied by trucks				
Bunkering	No				
Operating Equipment	Trucks and Reach stackers				
	Type	Condition / comments			
Other infrastructure					
Sheds					
Buildings	Bollere Container offices at gate				60 m ²
	1 container offices at front yard (S)				120 m ²

2.9.3 KLT II.C1 Karflex, C2 Bridge Deck, C3 Master Marine, C4 Oshine, C5 Kpandu

- 2.9.3.1 This area is comprised of the strip of quay and apron seaward of the SDV Terminal area. The area has 5 temporary leases.
- 2.9.3.2 C1. Karflex Fishing has 62 m of quay and is a fisheries company. Fresh fish are landed at the quay side and marketed on the quay. Access from NPA common user access road.
- 2.9.3.3 C2. Bridge deck has 23 m of quay and is a vessel maintenance outfit. Access via C1.
- 2.9.3.4 C3. Master Marine has 43 m of quay and is a vessel maintenance outfit. Master Marine also has a floating dock moored to the quay. Access via C2.
- 2.9.3.5 C4. Oshine Resources Ventures has a quay length of 28m and does vessel maintenance. Access via C3.
- 2.9.3.6 C5. Kpandu has 32 m of quay and does vessel maintenance. At the time of the site visit a barge was being constructed. Access via C4.
- 2.9.3.7 Inspection notes are given in the overview form after the pictures, which are intended to give impression of general and particular conditions in the lease area.

Figure 2-130: KLT II.C-1. Access gate to Karflex Fishing



Source: CPCS site visit, January 2014

Figure 2-131: KLT II.C-2. C1.Quay wall and coping



Source: CPCS site visit, January 2014

Figure 2-132: KLT II.C-3. C1.Quay paving



Source: CPCS site visit, January 2014

Figure 2-133: KLT II.C-4. C1.Container offices



Source: CPCS site visit, January 2014

Figure 2-134: KLT II.C-5. Fish Market.



Source: CPCS site visit, January 2014

Figure 2-135: KLT II.C-6. Paving and container offices.



Source: CPCS site visit, January 2014

Figure 2-136: KLT II.C-7. Quay wall and coping.



Source: CPCS site visit, January 2014

Figure 2-137: KLT II.C-8. Floating dock.



Source: CPCS site visit, January 2014

Figure 2-138: KLT II.C-9. Quay wall and coping.



Source: CPCS site visit, January 2014

Figure 2-139: KLT II.C-10. Barge building.



Source: CPCS site visit, January 2014

Figure 2-140: KLT II. C-11. Quay wall view from creek. Drainage outlet and timber fenders in fair condition.



Source: CPCS site visit, January 2014

Kirikiri Lighter Terminal Concessioneing.		Infrastructure Engineering due diligence.			
Location	KLT 2, C			Inspection date:	2014-01-13
Leasee	C1 Karflex, C2 Bridge Deck, C3 Master Marine, C4 Oshine, C5 Kpandu				
Activities	C1: Fishery, Others: vessel repairs. Floating Dock at C4.				
Identification and Condition survey					
	Type	Condition / comments			
Quay structure	Tied back steel sheetpile wall.	4		Quay Length:	188 m
Retaining structure	Sheet pile wall. Z-piles.	4	Significant corrosion around mean water level. Holes in wall at HWL.		
Coping	Concrete, reinforced	4	Many Damages at upper seaward corner. Corrosion of exposed rebars		
Bollards	T-head 5 and 10 t.	3-4	Most bollards in fair condition		
Fenders	Timber fenders 70%	3	Timber fenders, when in place are in fair condition		
Ladders	None				
Quay Apron	Concrete slabs. 150 mm	3	Risk of subsidence due to holes in wall		
	Type	Condition / comments			Approx.
Operational Area	Fishery and ship repairs			Lease Area:	5 640 m ²
Access	Gate access to main compound and additional gates other leases			Apron Area:	5 640 m ²
Fencing	Back fence: Bolloré containers End wall: Block wall to Dicon	3	No barbed wire	Operation Area	0 m ²
Paving	Concrete slabs 150 mm	3	All paved. Fair condition	Paved Area:	5 200 m ²
Drainage	Direct run-off to creek	N/A			
Lighting	Liqths on buildings				
Power	Own generators in each yard				
Water	Water tanks supplied by tankers				
Bunkering	No				
Operating Equipment	Small trucks and occasionally small crawler cranes				
	Type	Condition / comments			
Other infrastructure					
Sheds					
Buildings	Many Container offices. No fixed assets.				

2.9.4 KLT II.D. Savol West Africa Ltd

2.9.4.1 Savol has an off-dock container terminal in this area. Presently there is no activity at all. 3 Reach Stackers are parked in the area, which is around 6.7 ha.

2.9.4.2 Inspection notes are given in the overview form after the pictures, which are intended to give impression of general and particular conditions in the lease area.

Figure 2-141: KLT II.D. Access gate and fence



Source: CPCS site visit, January 2014

Figure 2-142: KLT II.D. Container yard



Source: CPCS site visit, January 2014

Figure 2-143: KLT II.D. Broken 2x2 m paving slabs



Source: CPCS site visit, January 2014

Figure 2-144: KLT II.D. Fence and Drainage gutter with stagnant water



Source: CPCS site visit, January 2014

Figure 2-145: KLT II.D. Container office and gate house



Source: CPCS site visit, January 2014

Kirikiri Lighter Terminal Concessioning.		Infrastructure Engineering due diligence.		
Location	KLT 2. D		Inspection date:	2014-01-13
Leasee	Savol			
Activities	Off-Dock Container Terminal. Not presently in use			
Identification and Condition survey				
	Type	Condition / comments		
Quay structure			Quay Length:	N/A m
Retaining structure	No quay in this lease			
Coping				
Bollards				
Fenders				
Ladders				
Quay Apron				
	Type	Condition / comments		Approx.
Operational Area	Container yard		Lease Area:	6 664 m ²
Access	Gate access from NPA road		Apron Area:	0 m ²
Fencing	Concrete Block wall 2,5 to 3 m with barbed wire top.	2 ISPS compliant.	Operation Area:	6 664 m ²
Paving	Concrete slabs 150 mm	3-4 2x2 m slabs. Fair/poor condition 50/50	Paved Area:	6 664 m ²
Drainage	No drains.	N/A Drained directly to outside		
Lighting	Lights on container buildings			
Power	Own generator			
Water	Water tanks supplied by tankers			
Bunkering	No			
Operating Equipment	Trucks and Reach Stackers			
	Type	Condition / comments		
Other infrastructure				
Sheds				
Buildings	1 container office, 2 storey.	2 nos, 20' containers		
	1 gate house	1 no. 20' container		

2.9.5 KLT II.E. Ceres Nigeria Ltd.

- 2.9.5.1 The area occupied by Ceres was formerly used as a vegetable oil processing and bottling facility, but has now been idle some years. The total compound area is around 3,9 ha including an Ceres shed 20x135m. The yard was originally a container stacking yard.
- 2.9.5.2 Paving is mostly concrete slabs, which are generally in very good condition. A 20 m wide asphaltic paved road runs along the centre of the area end-to-end. The asphaltic paving is in fair condition, but with slight cracking, which means that it is ready for refurbishment.
- 2.9.5.3 Due to inactivity for some years grass and other vegetation has grown between paving slabs and in the drains. These weeds need to be removed to avoid damages to the paving slabs.
- 2.9.5.4 There are a couple of 30 m light masts in the area as well as the 3 quite large factory units.
- 2.9.5.5 Inspection notes are given in the overview form after the pictures, which are intended to give impression of general and particular conditions in the lease area.

Figure 2-146: KLT II.E. Ceres access gate from NPA road.



Source: CPCS site visit, January 2014

Figure 2-147: KLT II.E. Paved Yard. good paving road.



Source: CPCS site visit, January 2014

Figure 2-148: KLT II.E. Factory unit. Good paving.



Source: CPCS site visit, January 2014

Figure 2-149: KLT II.E. Factory unit. Good paving.



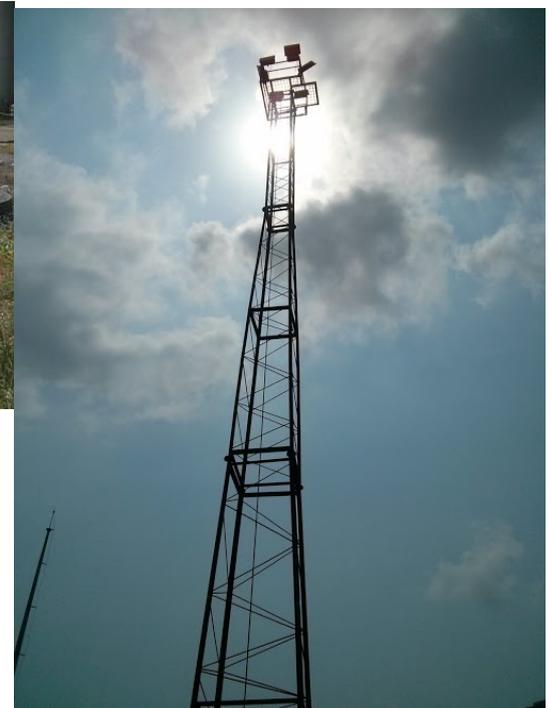
Source: CPCS site visit, January 2014

Figure 2-150: KLT II. E-5. Asphaltic pavement along center of yard.



Source: CPCS site visit, January 2014

Figure 2-151: KLT II.E. 30m Light mast



Source: CPCS site visit, January 2014

Figure 2-152: KLT II.E. Completely vegetated drain, left.



Source: CPCS site visit, January 2014

Figure 2-153: KLT II.E. NPA warehouse



Source: CPCS site visit, January 2014

Figure 2-154: KLT II.E. NPA warehouse



Source: CPCS site visit, January 2014

Kirikiri Lighter Terminal Concessioning.		Infrastructure Engineering due diligence.			
Location	KLT 1. E			Inspection date:	2014-01-24
Leasee	Ceres Nigeria Ltd.				
Activities	Vegetable oil bottling facility. No activity presently				
Identification and Condition survey					
	Type	Condition / comments			
Quay structure				Quay Length:	N/A m
Retaining structure	No quay in this lease				
Coping					
Bollards					
Fenders					
Ladders					
Quay Apron					
	Type	Condition / comments			Approx.
Operational Area	Juice bottling facility. No activity for past couple of years.			Lease Area:	38 700 m ²
Access	Gate access from NPA road			Apron Area:	0 m ²
Fencing	Concrete Block wall 2,5 to 3 m with barbed wire top.	2	ISPS compliant.	Operation Area	36 000 m ²
Paving	Concrete slabs 150 mm	2	Mostly very good condition.	Paved Area:	36 000 m ²
Drainage	Concrete U-darins, with concrete covers	3?	Vegetation needs to be removed		
Lighting	Liqhts on buildings and 30 m light masts. Condition of masts good.				
Power	Own generator				
Water	Water tanks, assumably supplied by tankers				
Bunkering	N/A				
Operating Equipment	Trucks and forklifts				
	Type	Condition / comments			
Other infrastructure					
Sheds	Ceres shed	3			2 700 m ²
Buildings	1 Processing unit				400 m ²
	1 Processing unit				350 m ²

2.9.6 KLT II.F.F1, F2 ORC Fishing & Food, C3 JZ Oliz

- 2.9.6.1 3 companies have leases on the quay side area from the Ceres factory. The width of the area is around 24 m.
- 2.9.6.2 The Company at F1 (name unknown) has a 30 m quay. We were unable to determine the scope of their activities during our visit. The quay here is used for mooring of vessels.
- 2.9.6.3 F2. ORC Fishing and Food Processing used for landing of frozen fish. ORC is a sister company to Master Marine. This area seems quite busy for its size. There are a number of container offices, but no fixed assets.
- 2.9.6.4 F3. JZ Oliz Maritime Services Ltd has 30 m quay. We were unable to exactly determine the scope of its activities during our visit.
- 2.9.6.5 Inspection notes are given in the overview form after the pictures, which are intended to give impression of general and particular conditions in the lease area.

Figure 2-155: KLT II.F2. Access gate



Source: CPCS site visit, January 2014

Figure 2-156: KLT II.F2. Yard pavement



Source: CPCS site visit, January 2014

Figure 2-157: KLT II.F2 ORC. Quay wall from creek.



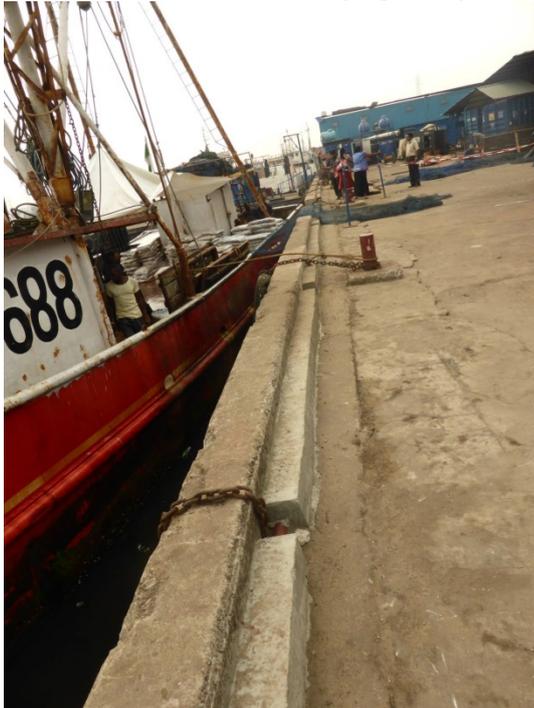
Source: CPCS site visit, January 2014

Figure 2-158: KLT II.F2 ORC. Quay wall from creek.



Source: CPCS site visit, January 2014

Figure 2-159: KLT II.F2. Coping and apron



Source: CPCS site visit, January 2014

Figure 2-160: KLT II.F2. Coping being repaired.



Source: CPCS site visit, January 2014

Figure 2-161: KLT II.F2. Container offices.



Source: CPCS site visit, January 2014

Figure 2-162: KLT II.F3. JZ Oliz Offices



Source: CPCS site visit, January 2014

Kirikiri Lighter Terminal Concessioning.		Infrastructure Engineering due diligence.			
Location	KLT 2. F			Inspection date:	2014-01-13
Leasee	F1 Unknown, F2 ORC Fishing & Food, C3 JZ Oliz				
Activities	F1. Mooring of vessels, F2. Fisheries & F3. maritime Services				
Identification and Condition survey					
	Type	Condition / comments			
Quay structure	Tied back steel sheetpile wall.	4		Quay Length:	137 m
Retaining structure	Sheet pile wall. Z-piles.	4	Significant corrosion around mean water level. Some holes in wall at HWL.		
Coping	Concrete, reinforced	4	Many Damages at upper seaward corner in original coping. Coping has been scantily repair on a running basis		
Bollards	T-head ~5 t.	2	Bollards seem new in F2 area		
Fenders	Timber fenders 50%	3	Timber fenders, when in place are in fair condition		
Ladders	None				
Quay Apron	Concrete slabs. 150 mm	2-3	deck due to washing out of sand fill through holes in sheet pile wall.		
	Type	Condition / comments			
Operational Area	Mainly Fisheries activities			Lease Area:	3 425 m ²
Access	Gate access to main compound and additional gate to quay			Apron Area:	0 m ²
Fencing	Wire mesh to road	2	ISPS compliant.		Operation Area:
Paving	Concrete slabs 150 mm	3	Fair condition		Paved Area:
Drainage	No drains. Direct run-off	N/A			
Lighting	Lights on buildings				
Power	Own generator				
Water	Water tanks supplied by tankers				
Bunkering	No				
Operating Equipment	Trucks				
	Type	Condition / comments			
Other infrastructure					
Sheds	1 store.				
Buildings	Many container offices in all 3 leases			No area assigned	

2.9.7 KLT II.G. Five Star Logistics

- 2.9.7.1 Five Star Logistics is operating a container yard on a temporary basis in this 1.2 ha area.
- 2.9.7.2 The containers are handled with reach stackers, which the pavement is not designed for. Therefore the paving as well as drains are being gradually run down and damaged.
- 2.9.7.3 Inspection notes are given in the overview form after the pictures, which are intended to give impression of general and particular conditions in the lease area.

Figure 2-163: KLT II.G. Access gate



Source: CPCS site visit, January 2014

Figure 2-164: KLT II.G. OK paving



Source: CPCS site visit, January 2014

Figure 2-165: KLT II.G. Surviving paving



Source: CPCS site visit, January 2014

Figure 2-166: KLT II.G. Damaged paving.



Source: CPCS site visit, January 2014

Figure 2-167: KLT II.G. Container stacking area and lightmast.



Source: CPCS site visit, January 2014

Figure 2-168:KLT II.G. Damaged paving and drain



Source: CPCS site visit, January 2014

Figure 2-169: KLT II.G. Equipment 'workshop' area.



Source: CPCS site visit, January 2014

Figure 2-170: KLT II.G. Container offices.



Source: CPCS site visit, January 2014

Kirikiri Lighter Terminal Concessioning.		Infrastructure Engineering due diligence.			
Location	KLT 2. G			Inspection date:	2014-01-13
Leasee	Five Star Logistics				
Activities	Container Terminal, no empties.				
Identification and Condition survey					
	Type	Condition / comments			
Quay structure				Quay Length:	N/A m
Retaining structure	No quay in this lease				
Coping					
Bollards					
Fenders					
Ladders					
Quay Apron					
	Type	Condition / comments		Approx.	
Operational Area	Container yard			Lease Area:	12 000 m ²
Access	Gate access to NPA road			Apron Area:	0 m ²
Fencing	Concrete Block wall 2,5 to 3 m with barbed wire top.	2	ISPS compliant. Concrete wall complemented by container wall	Operatio n Area	12 000 m ²
Paving	Concrete slabs 150 mm	3-4	40% fair, 60 Poor	Paved Area:	12 000 m ²
Drainage	Concrete U-darins, with concrete covers	4	U-drains in Reach Stacker oprational areas are being pushed down by the heavy loads		
Lighting	Lighths on buildings and Lightmasts	3			
Power	Own generator				
Water	Water tanks supplied by tankers				
Bunkering	No				
Operating Equipment	Trucks and Reach Stackers				
	Type	Condition / comments			
Other infrastructure					
Sheds					
Buildings	Around 10 Container offices along North fence.				

2.9.8 KLT II.H. NPA Terminal Area, not on lease

2.9.8.1 The southern end of the actual KLT II is kept by NPA.

2.9.8.2 The area has a quay length of 194 m and an operational area of around 1.0 ha. The quay at the moment is being used to berth vessels impounded by NIMASA and to berth Dredgers from Lagos Channel Management Co. Some of the yard area is used to store steel scrap and some empty containers.

2.9.8.3 Half of the shed is leased to Sageto for storage of building materials for NPA.

2.9.8.4 Inspection notes are given in the overview form after the pictures, which are intended to give impression of general and particular conditions in the lease area.

Figure 2-171: KLT II.H. NPA Quay Wall From creek



Source: CPCS site visit, January 2014

Figure 2-172: KLT II.H. NPA. South end of quay wall



Source: CPCS site visit, January 2014

Figure 2-173: Fig. KLT II.H. S end of KLT II sheet pile wall



Source: CPCS site visit, January 2014

Figure 2-174: KLT II.H. NPA Warehouse



Source: CPCS site visit, January 2014

Figure 2-175: KLT II.H. View to E.NPA Warehouse and Paving



Source: CPCS site visit, January 2014

Figure 2-176: KLT II.H. View to NW. NPA Warehouse



Source: CPCS site visit, January 2014

Figure 2-177: KLT II.H. View E. Access to Quay at S end of KLT II



Source: CPCS site visit, January 2014

Kirikiri Lighter Terminal Concessioneing.		Infrastructure Engineering due diligence.			
Location	KLT 2. H			Inspection date:	2014-01-13
Leasee	NPA Area				
Activities	Berthing for NIMASA impounded vessels at quay. Else scrapyard or nothing				
Identification and Condition survey					
	Type		Condition / comments		
Quay structure	Tied back steel sheetpile wall.	4		Quay Length:	194 m
Retaining structure	Sheet pile wall. Z-piles.	4	Significant corrosion around mean water level. Holes in wall at HWL.		
Coping	Concrete, reinforced	2-3	A new coping has been cast on top of the original. The integrity if the combined coping is not known		
Bollards	Some 10 ton T-head.	3	Usable bollards are in fair condition. They are fixed in the original coping		
Fenders	Timber fenders 50%	3	Timber fenders, when in place are in fair condition		
Ladders	None				
Quay Apron	Concrete slabs. 150 mm	3	Apron seems to be in fair condition		
	Type		Condition / comments		Approx.
Operational Area	Not specified			Lease Area:	24 580 m ²
Access	No gates, - common user area			Apron Area:	3 880 m ²
Fencing	Concrete Block wall 2,5 to 3 m with barbed wire on top	2	ISPS compliant. Walls only South and West		Operatio n Area
Paving	Concrete slabs 150? mm	3-4	All paved. Mostly fair condition		Paved Area:
Drainage	Open Concrete U-drain at W	3-4	Mostly fair condition		
Lighting	Light masts	3	2 Light masts along S fence. Working?		
Power	No, only to light masts				
Water	No				
Bunkering	No				
Operating Equipment	Trucks ,reach stackers and occasionall crawler cranes				
	Type		Condition / comments		
Other infrastructure					
Sheds	NPA shed 40x150m	3	Generally in fair condition		6 000 m ²
Buildings					

2.10 Overall Capacity and Utilisation of KLT

- 2.10.1.1 The Port Consultant has been left with the impression that the leases of KLT I and KLT II are utilised with a high variation from quite well utilized to totally non-utilized.

2.11 Existing ideas for the development of KLT

2.11.1 KLT II to be dedicated for Sub-regional (ECOWAS) trade.

- 2.11.1.1 The Association of Ship & Cargo Agents for West Africa (ASCA) has called on the Federal Government to create a maritime terminal for sub-regional trade in Nigeria. Prior to concessioning to ENL consortium in 2006 this regional trade was conducted at Apapa Quay 6 area.
- 2.11.1.2 ASCA highlight that since 2006 there has been no specific facility for West African cargo and passenger landing in Nigeria.
- 2.11.1.3 ASCA in 2009 suggested that part of KLT II would be very suitable for such activities. ASCA estimate the sub-regional trade to be over 300 000 tonnes per year, consisting of mainly break bulk in small consignments.

2.11.2 KLT to be developed as Fishing Terminal

- 2.11.2.1 Nigeria Trawler Owners Association (NITOA) in conjunction with the Ministry of Agriculture is requesting that the facilities should be given to it for the construction of a fish terminal, which, according to the association, will be known as the Lagos Fish Terminal.

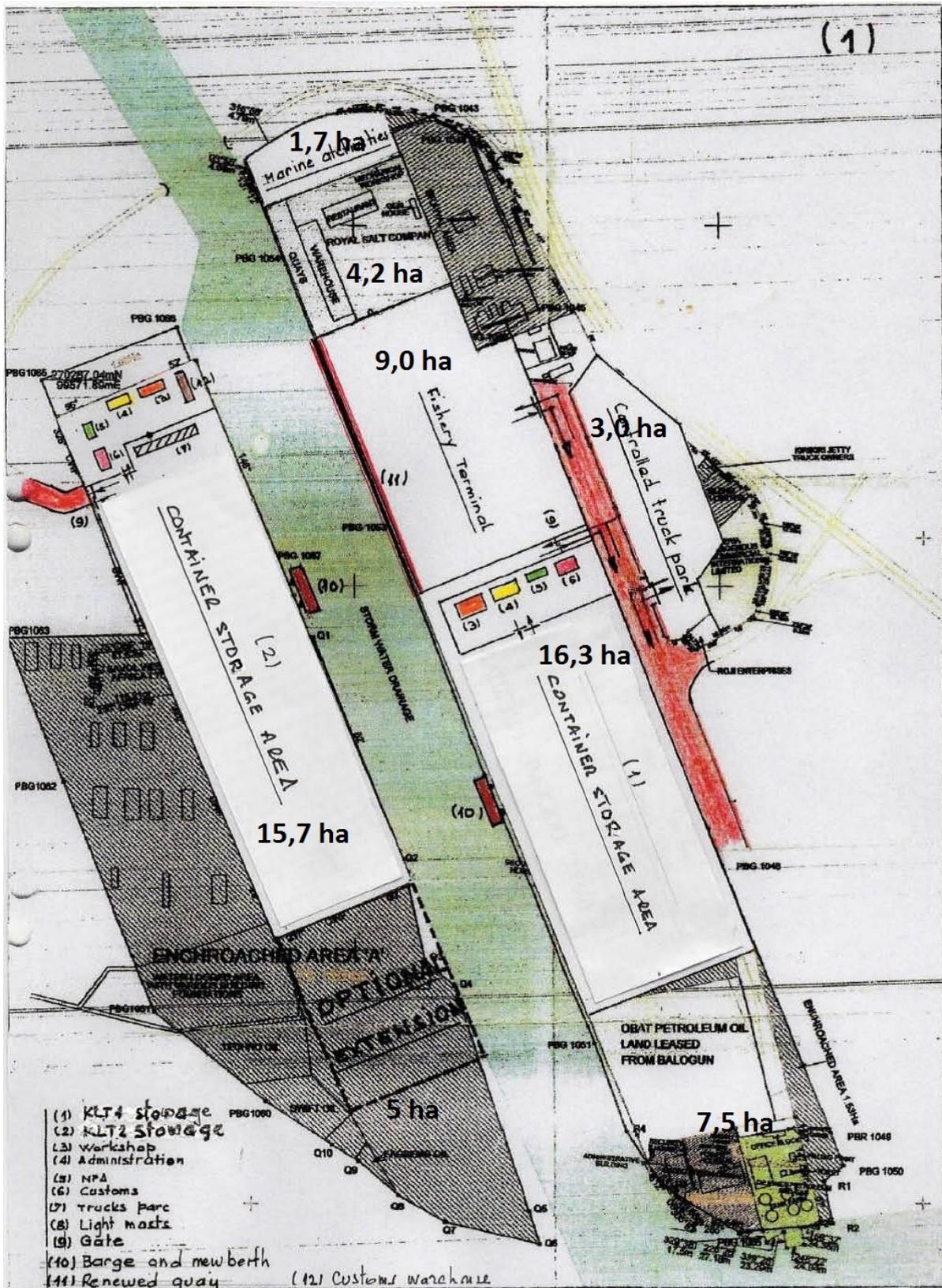
2.12 Existing Development plan for KLT

2.12.1 Existing Development plan by Axelcium Financial Engineering, 2012.

- 2.12.1.1 Axelcium carried out an Outline Business Case (OBC) study for NPA in 2012. The OBC report elaborated on the benefits for NPA and the needs of society and individual stakeholders of different business categories. Based on those considerations an outline development plan was made.
- 2.12.1.2 The Axelcium development plan, which was drawn up based on the existing situation at the time, is shown in the following figure.
- 2.12.1.3 Since 2012 some existing uses of the terminals have changed, but this should not affect basic planning for future use.

- 2.12.1.4 The considerations made by Axelcium are still quite valid but it seems that the oil and gas support services, vessel repairs and underwater engineering have not been adequately taken into account, considering the quite extensive use of KLT quays for this purpose.

Figure 2-178: Development Plan by Axelcium, 2012



2.13 New proposed development plan for KLT

2.13.1 Development plan criteria and planning basis

- 2.13.1.1 Below the needs and planning basis for different area and quay usage is discussed; the considered area requirements are partly based on the analyses by Axelcium and also on rough estimates based on general experience of the consultant. In the ultimate proposed development plan these criteria have been attempted to be met as well as possible.
- 2.13.1.2 **Factories.** Both the BUA factory and Royal Salt, including the generator area should stay where they are. No area development is required by NPA for these leases. Parking and access planning for trucks to Royal Salt is proposed as (part of) the QW area north of royal Salt. Royal Salt needs quay space for the import of salt by barges. The union Dicon Salt factory seems not to be in use and the area can be utilized better for other purposes.
- 2.13.1.3 **Existing tank farms.** All existing tank farms are left as they are - no new development for concessioning.
- 2.13.1.4 **Existing office plots.** These are NPA offices adjacent to Maritime House, the offices in the Brawal area Q_E, and the MTN plot, area R. Office plots will remain as they are.
- 2.13.1.5 **Fisheries.** Axelcium has proposed to create a large fisheries area at KLT I, in which all fishery activities are kept together. That is very sensible, as it can create some synergies between the different fishing companies. Whilst quay access is essential to fisheries, the area behind the quay, in our opinion, does not have to be more than 100 m as it is at present. The present total quay length occupied by fishing activities in KLT I and KLT II is 424 m. ORC are not fully utilizing their quay and at several of the other fishing quays berth space is taken up by fuel barges, which could be one shared fuel barge. To satisfy the socio-political desire to support fishing activities it is proposed to keep the fisheries quay length at around 420 m.
- 2.13.1.6 **Vessel Services & Support Services including diving.** In the Axelcium development plan only 70 m of shoreline at Q_W is allocated. At present these activities occupy a total of 760 m of quay. Some of these activities are support services to the fishing fleet. In the further planning it should be endeavoured to allocate at least 400 m of quay for these services if possible. These activities need quay length, but in general do not need more than around 50 m hinterland space behind the quay.
- 2.13.1.7 **Container Terminals.** Container terminals need workshops and terminal offices, these structures take up only around 0.2 ha in a medium sized terminal and around 20% of the terminal area is internal road network. Therefore the effective terminal area is roughly around 80% of the total allocated terminal area.
- 2.13.1.8 Axelcium has estimated that to optimize the Tin Can Island container terminals it is necessary to transfer around 260 000 TEU to off dock terminals, in this case to KLT. Assuming that container dwell time can be reduced to 12 days, the effective area

required for that throughput is 26 ha, which gives a total required terminal area of around 32 ha. It is proposed that the whole of KLT II is used as container terminal as the evacuation of containers by road is more convenient there than at KLT I.

- 2.13.1.9 Containers should preferably be transferred between KLT and Tin Can Island port terminals by barge to alleviate traffic on the roads and thereby easy traffic congestion. For a 12 to 15 ha container terminal it is estimated that berthing facilities should be provided for 4 nos. 50 m long barges, which would require around 300 m quay length.
- 2.13.1.10 **NPA management offices.** NPA would require an office plot for a general KLT administration office and NPA marine services personnel; this would require around 2000 m² to be allocated in KLT I. At KLT II the area requirement for NPA would be around 1000 m².
- 2.13.1.11 **Firefighting services** should be provided at both KLT I and KLT2. This requires around 400 m² at each terminal and would conveniently be located near the NPA offices.
- 2.13.1.12 **Customs Offices.** For customs services at both KLT I and KLT II an area of 1000 m² is necessary. In the detailed design of container terminals the possibility to include container scanners at a later stage should be considered.
- 2.13.1.13 **ECOWAS Trade: Break bulk terminal for Sub-regional trade.** This activity previously mainly utilized one berth at Apapa and affected traders have expressed the need for such a facility, which they have pointed out could favourably be located at KLT. The area requirement would be 200 x 80 = 16000 m² (=1.6 ha). A quay ware house would also be beneficial for such activity. A minimum of 2.2 ha area is therefore proposed, including an existing shed.
- 2.13.1.14 **Truck holding areas.** Axelcium have included a 3.0 ha area as a truck holding area at KLT I. This area is allocated not only for KLT I, but also for general decongestion of the access road to Tin Can Island and Apapa Ports. If possible in the planning it would be beneficial to include even more and also additional 0.5 ha dedicated for traffic to each of the terminals KLT I and KLT II.

2.13.2 Proposed development plan

- 2.13.2.1 The total areas to be developed for concessioning are 31.2 ha at KLT I and 16.0 ha at KLT II, including NPA areas and internal roads.
- 2.13.2.2 The table below shows the allocation of areas in the proposed development plan. The allocated areas are in fair agreement with the above requirements.
- 2.13.2.3 In the development plan it has been tried as much as possible to re-use existing internal access roads and terminal areas in order to keep the cost of the development as low as possible.
- 2.13.2.4 With a container dwell time of 12 days in the yards, the throughput capacity for KLT I Yards (effective Area 13 ha) will be around 130 000 TEU/year = 33 TEU/hour. 16 TEU/hour will be leaving the yard, which corresponds to around 11 trucks/hour.
- 2.13.2.5 With a container dwell time of 12 days in the yards the throughput capacity for KLT II Yards (effective Area 13 ha) will be around 75 000 TEU/year = 19 TEU/hour. 10 TEU/hour will be leaving the yard, which corresponds to around 6 trucks/hour.
- 2.13.2.6 A 12 hour working day has been assumed in the above estimates.
- 2.13.2.7 The proposed development plan is shown in fig. 2.69 on the following page.

Allocated areas in the proposed development plan for KLT						
Area Designation	KLT 1		KLT 2		KLT 1 + KLT 2	
	Area	Quay	Area	Quay	Area	Quay
	ha	Length (m)	ha	Length (m)	ha	Length (m)
Container Terminals or Yards	16,3	303	10,2	329	26,5	632
Fisheries	4	410	0	0	4	410
Vessel Services	2,9	260	1,2	240	4,1	500
Factory (Royal Salt parking)	0,7	188	0	0	0,7	188
ECOWAS Trade			2,5	194	2,5	194
Truck Parking	3,3	0	0,9	0	4,2	0
Total	27,2	1161	14,8	763	42	1924

LEGEND

- BUILDING AND OTHER ESTABLISHMENTS
- ROAD
- PLANNED DEVELOPMENT PARCEL
- BOUNDARY
- ACCESS GATE

Study Area
1:8,900

Image acquired by GeoEye satellite on April, 2010



Badagry Creek



2.13.3 CAPEX estimate for the proposed development plan

- 2.13.3.1 The Capital Expenses, CAPEX, envisaged for the upgrading of KLT depend on the extent of rehabilitation work. The scope of different main works is outlined below.
- 2.13.3.2 **Quays.** Due to poor condition resulting from the corrosion of the quays it will be necessary to rehabilitate all quays at both KLT I and KLT II. The tie rods are in good condition and can be re-used. The design depth at the berths should be 5.0 m as it is today to accommodate the foreseen use by barges and fishing vessels. It may be considered to plan for 7m design water depths at specific dedicated quays if desired at the outer berths of the channel. 160 m of new quay length is proposed.
- 2.13.3.3 **Coping and Quay Apron.** Existing copings will be demolished and quay aprons rehabilitated where necessary. New copings will be constructed for the new quay wall. Bollards and fendering will be supplied.
- 2.13.3.4 **Dredging.** Capital dredging for the rehabilitation of KLT should be included in the CAPEX, whilst maintenance dredging should be considered in the OPEX. The dredging should be carried out to the design depth of the berths.
- 2.13.3.5 **Paving.** Areas that are laid out for container terminals have to be provided with proper heavy duty paving to ensure durability. In other areas, not subject to reach stacker traffic, paving need not be rebuilt but only rehabilitated in areas where it is damaged.
- 2.13.3.6 **Drainage.** All drains, drain covers and outlet pipes should be brought to good condition by cleaning and/or rehabilitation.
- 2.13.3.7 **Water and Power supply** will be the responsibility of the concessionaires / lease holders.
- 2.13.3.8 **Area Lighting** should be provided by NPA in common user areas, otherwise by lease holders as deemed necessary.
- 2.13.3.9 The tables in the following pages provide the rough estimated CAPEX for the proposed KLT development.
- 2.13.3.10 Total cost for KLT I is around 72 mill. USD and for KLT II the total cost is around 44 mill. USD. Total cost estimate is around 116 mill. USD. A contingency sum of around 20% should be reckoned until a more comprehensive design is available.
- 2.13.3.11 Included in the above sums are the costs for the new and rehabilitated quay walls which amount to around 34 mill. USD of the total cost.
- 2.13.3.12 Dredging cost is not included but would probably amount to around 250 000 m³, which would cost around 1.5 mill USD to dredge.

Kirikiri Lighter Terminal		Concessioning of assets				
CAPEX estimate for rehabilitation for concessioning		Rough estimate				
KLT 1 & KLT 2						
work id.	work	unit	No. units	Unit cost USD	Item cost USD	
0.1	Rehabilitation of Quaywall: Incl. materials Demolish existing coping. Materials to be reused for fill. Supply and install new quaywall. Provisionally RZ 18 Provide and install waling Fix existing tie rods to new wall by coupling or similar. Construct new coping Backfill space between old and new wall Rehabilitate quay apron where necessary Install D 300 fenders Install new 15 ton bollards Provide and install cathodic protection (after 6 months)					
0.1	All quay rehabilitation works	m	1 664	18 000	29 952 000	
0.2	New quay wall: as above, plus	m		18 000		
	Provide and install anchor slabs, reinforced concrete	m		2 500		
	Provide and install waling	m		500		
	Construct 20 m wide quay apron, incl sublayers	m		4 000		
0.2	All works for new quay length	m	160	25 000	4 000 000	
KLT 1 Total development cost					71 969 600	
work id.	work	unit	No. units	Unit cost USD	Item cost USD	
Container terminals					41 234 000	
0.1	Rehabilitation of existing quay	m	203	18 000	3 654 000	
0.2	New quay construction	m	100	25 000	2 500 000	
1.0	Rehabilitation of paving to Heavy Duty Paving	m ²	163 000	200	32 600 000	
2.0	Rehabilitation of drains, 20% new drains otherwise repairs	m	1 800	300	540 000	
3.0	New Fencing and gates	m	500	300	150 000	
4.0	Ligthing	ha	16,3	100 000	1 630 000	
5.0	Offices	no.	3	40 000	120 000	
6.0	Workshop	no.	1	40 000	40 000	
Vessel Service areas					11 356 000	
0.1	Rehabilitation of existing quay	m	200	18 000	3 600 000	
0.2	New quay construction	m	60	25 000	1 500 000	
1.0	Rehabilitation of paving to Heavy Duty Paving	m ²	29 000	200	5 800 000	
2.0	Rehabilitation of drains, 20% new drains otherwise repairs	m	200	300	60 000	
3.0	New Fencing and gates	m	20	300	6 000	
4.0	Ligthing	ha	2,9	100 000	290 000	
5.0	Offices	no.	3	20 000	60 000	
6.0	Workshop	no.	2	20 000	40 000	
Fisheries areas					9 460 000	
0.1	Rehabilitation of existing quay	m	410	18 000	7 380 000	
1.0	Rehabilitation of paving (25% of area)	m ²	40 000	40	1 600 000	
2.0	Rehabilitation of drains, 20% new drains otherwise repairs	m	0	300	0	
3.0	Fencing and gates	m	0	300	0	
4.0	Ligthing	ha	4,0	100 000	400 000	
5.0	Offices	no.	3	20 000	60 000	
6.0	Workshop	no.	1	20 000	20 000	
Royal Salt					3 384 000	
0.1	Rehabilitation of existing quay	m	188	18 000	3 384 000	
xx	All other rehabltation to be financed by Royal Salt	-	0	0	0	
Truck parking					5 415 000	
1.1	Truck paving, medium duty	m ²	33000	150	4 950 000	
2.0	Rehabilitation of drains, 20% new drains otherwise repairs	m	450	300	135 000	
4.0	Ligthing	ha	3,3	100 000	330 000	
NPA common user					1 120 600	
1.1	Truck paving, medium duty	m ²	4	150	600	
2.0	Rehabilitation of drains, 20% new drains otherwise repairs	m	2 400	300	720 000	
4.0	Ligthing	ha	4	100 000	400 000	

Kirikiri Lighter Terminal		Concessioneing of assets			
CAPEX estimate for rehabilitation for concessioneing		Rough estimate			
work id.	work	unit	No. units	Unit cost USD	Item cost USD
0.1	Rehabilitation of Quaywall: Incl. materials Demolish existing coping. Materials to be reused for fill. Supply and install new quaywall. Provisionally RZ 18 Provide and install waling Fix existing tie rods to new wall by cpoupling or similar. Construct new coping Backfill space between old and new wall Rehabilitate quay apron where necessary Install D 300 fenders Install new 15 ton bollards Provide and install cathodic protection (after 6 months)				
0.1	All quay rehabilitation works	m	1 664	18 000	29 952 000
0.2	New quay wall: as above, plus Provide and install anchor slabs, reinforced concrete Provide and install waling Construct 20 m wide quay apron, incl sublayers	m		18 000	
		m		2 500	
		m		500	
		m		4 000	
0.2	All works for new quay length	m	160	25 000	4 000 000
KLT 2	Total devepoment cost				43 560 000
work id.	work	unit	No. units	Unit cost USD	Item cost USD
	Container terminals				28 012 000
0.1	Rehabilitation of existing quay	m	329	18 000	5 922 000
1.0	Rehabilitation of paving to Heavy Duty Paving	m ²	102 000	200	20 400 000
2.0	Rehabilitation of drains, 20% new drains otherwise repairs	m	1 200	300	360 000
3.0	New Fencing and gates	m	500	300	150 000
4.0	Ligthing	ha	10,2	100 000	1 020 000
5.0	Offices	no.	3	40 000	120 000
6.0	Workshop	no.	1	40 000	40 000
	Vessel Service areas				7 012 000
0.1	Rehabilitation of existing quay	m	240	18 000	4 320 000
1.0	Rehabilitation of paving to Heavy Duty Paving	m ²	12 000	200	2 400 000
2.0	Rehabilitation of drains, 20% new drains otherwise repairs	m	0	300	0
3.0	New Fencing and gates	m	240	300	72 000
4.0	Ligthing	ha	1,2	100 000	120 000
5.0	Offices	no.	3	20 000	60 000
6.0	Workshop	no.	2	20 000	40 000
	ECOWAS Trade Quay				4 936 000
0.1	Rehabilitation of existing quay	m	194	18 000	3 492 000
1.0	Rehabilitation of paving (25% of area)	m ²	25 000	40	1 000 000
2.0	Rehabilitation of drains, 20% new drains otherwise repairs	m	280	300	84 000
3.0	Fencing and gates	m	100	300	30 000
4.0	Ligthing	ha	2,5	100 000	250 000
5.0	Offices	no.	3	20 000	60 000
6.0	Workshop	no.	1	20 000	20 000
	Truck parking				1 440 000
1.1	Truck paving, medium duty	m ²	9000	150	1 350 000
2.0	Rehabilitation of drains, 20% new drains otherwise repairs	m	0	300	0
4.0	Ligthing	ha	0,9	100 000	90 000
	NPA common user				2 160 000
1.1	Truck paving, medium duty	m ²	12000	150	1 800 000
2.0	Rehabilitation of drains, 20% new drains otherwise repairs	m	800	300	240 000

2.13.4 OPEX estimate for the proposed development plan

2.13.4.1 OPEX, operating expenses concern terminal running costs which are made up of personnel cost, infrastructure maintenance and equipment maintenance. In this case we are only considering the infrastructure maintenance.

2.13.4.2 Infrastructure OPEX (maintenance) is usually estimated roughly as 5% of the capital cost for all of the assets. The CAPEX of all new assets would probably be around twice the cost of bringing the terminal up to fair condition (rehabilitation works).

Kirikiri Lighter Terminal		Concessioneing of assets		
Infrastructure OPEX estimate				
KLT 1		Rehabilitation CAPEX	CAPEX for new	Infrastructure OPEX
	Factor		2,0	5%
		USD	USD	USD/year
Container Terminals		41 234 000	82 468 000	4 123 400
Vessel Services		11 356 000	22 712 000	1 135 600
Fisheries		9 460 000	18 920 000	946 000
Royal Salt		3 384 000	6 768 000	338 400
Truck Park		5 415 000	10 830 000	541 500
NPA and common user areas		1 120 600	2 241 200	112 060
TOTAL KLT 1		71 969 600		7 196 960
KLT 2		Rehabilitation CAPEX	CAPEX for new	Infrastructure OPEX
	Factor		2,0	5%
		USD	USD	USD/year
Container Terminals		28 012 000	56 024 000	2 801 200
Vessel Services		7 012 000	14 024 000	701 200
Fisheries		0	0	0
ECOWAS Trade Quay		4 936 000	9 872 000	493 600
Truck Park		1 440 000	2 880 000	144 000
NPA and common user areas		2 160 000	4 320 000	216 000
TOTAL KLT 2		43 560 000		4 356 000

3

Environmental and Social Due Diligence

Key Messages

- This Chapter provides a review of the environmental audit conducted on KLT in 2012. The audit was executed with global best practices, in accordance with the regulatory frame work and environmental laws of Lagos State, EIA Act No. 86 of 1992, NESREA Act of 2007 and International Convention and Protocols.
- It also provides a detailed review of the existing environmental and social issues at KLT I and II, as well as issues likely to emerge as a result of the concession.
- Perhaps the most notable issue likely to emerge during the restructuring of KLT lies with the level of development that has taken place, and still is taking place in the encroached area around KLT II, especially in the northern part (towards the operational part of the terminal). The eventual reclamation of this area for concessioning may be daunting and will likely require a significant resettlement and/or relocation.

3.1 Review of the Environmental Audit Report

- 3.1.1.1 This sub-section aims to present a summary of the review of the environmental audit that was conducted on Kirikiri lighter terminal. It also attempts to comment on the critical findings of the report.
- 3.1.1.2 The environmental audit covered the phases 1 and 2 of the Kirikiri Lighter Terminal. The audit was carried out in 2012 as a prelude to the planned concession of the Kirikiri Lighter Terminals. The exercise was executed with global best practices, in accordance with the regulatory frame work and environmental laws of Lagos State, EIA Act No. 86 of 1992, NESREA Act of 2007 and International Convention and Protocols.
- 3.1.1.3 The objectives of the environmental audit were, among other things to: lead to the improvement of the KLT I & 2 facilities' Environmental, Health and Safety Management (EHSM); ensure that the proposed concession of KLT I & 2 is carried out in line with international best practices, including Nigerian environmental laws and World Bank safeguards policies. The audit also covered a wide range of activities based on formal evaluation of facilities' performance at KLT I & 2 which includes a systematic, documented, periodic, and objective review of the facilities' operations and practices to meet the requirements for the proposed concessioning of the terminals.
- 3.1.1.4 The Terms of Reference were to:
- Assess the facilities' environmental, safety and health policies (if any) in line with government regulations and standards,
 - Assess the facilities' existing internal environmental management arrangement for safety, healthcare, sanitation, aesthetics and pollution control,
 - Establish compliance with existing environmental standards set by the Federal Ministry of Environment (FMEnv) for liquid effluent discharges, solid wastes generated and noise,
 - Examine the companies' operational processes and technology and assess the efficiency of their operations,
 - Examine sources of waste, existing waste disposal strategy and waste recycling/minimization/reduction/prevention options.
- 3.1.1.5 The report highlighted the relevant national and international environmental regulations that guided the study. The regulations included both the Federal, Lagos state and international environmental regulations. However, while some Lagos State regulations (Lagos State Environmental sanitation law, 1989, Lagos state environmental pollution law, 1989, Lagos state waste management authority law, 1991) were highlighted, the Lagos State ministry of Environment and Lagos State Environmental Protection Agency (LASEPA) were omitted. The ministry and the

agency are the custodian of environmental management in Lagos State. It would have therefore been expected that this audit is among other regulations, guided by these relevant state regulations.

3.1.1.6 The second chapter presented a description of the Kirikiri Terminals. It described the process of technology at the terminals.

3.1.1.7 Some of the observed environmental issues include:

Housekeeping/Refuse dumps

3.1.1.8 In the section on Maintenance and Housekeeping, the audit reported generally poor housekeeping in both terminals as revealed by refuse dumps and un-kept premises, which was more pronounced in KLT II.

Drainage

3.1.1.9 Section 2.3.4-14 presented information on drainage system. The audit reported channelization of water into the lagoon after aggregation from the drainages in KLT I. In addition, the drainage construction was reported to be poor as indicated by the restriction of free water flow in the drains. Most of the drains are blocked, which typifies poor environmental practices. This is expected to be addressed in the concessioning programme.

3.1.1.10 In the case of KLT II, the drainages were reportedly blocked with metallic and non-metallic materials, which impeded the free flow of water into the lagoon. This blockage gave, and continues to give rise to serious flooding when it rains.

Scrap Dump

3.1.1.11 Section 2.4.2-13 reported the presence of massive scrap dump site by five star logistics. The scraps, which are primarily ship debris, were recovered from abandoned ship wrecks along different waterways within and around Lagos. Another set of scraps were vehicles, particularly trucks. These were vehicles abandoned along the NPA right of way across Lagos and brought in from Tin Can, Apapa and other NPA routes. These recovered trucks were kept beside the recovered ship wrecks.

3.1.1.12 Other issues of concern were the repair of vehicles at non designated areas such as along the road within the terminal. This was particularly noticed opposite the five star logistics yard and the space where ship wrecks and vehicles were kept. This led to the indiscriminate disposal of diesel and waste oil around the terminal especially the drainage. Two abandoned ferry boats owned and brought in by NIWA for maintenance over 20 years were seen around the wrecks yard.

3.1.1.13 It is important to note some of the above highlighted issues continue to persist at the time of this due diligence assessment. However, the concessioning is expected to remedy some of these environmental flaws.

Water Pollution

- 3.1.1.14 The presence of tank farms surrounding the facility and the presence of squatting settlements were reported to have seriously contributed to the compromise of the environmental integrity of the waters within and around the facilities. Therefore, there is an overwhelming presence of floating non-biodegradable substances and oil in the waters.

Terminal Operations

- 3.1.1.15 The various terminal operators whose activities were reported to potentially have a direct or indirect impact on the environment include: Atlantic Shrimpers Ltd, ORC Fishing and Food Processing Ltd, Master Marine Services Ltd, Royal Salt Ltd, Sea Gold Fishing Company Nig. Ltd, Union Dicon Salt Plc, Karflex Fisheries Ltd, Banarly Nigeria Limited, Underwater Engineering Limited, Brawal Shipping Limited, SDV, Five Star Logistics and Savol West Africa Limited. Most of these companies and/or operators, with the exception of the container terminals engage in quay and berthing operations, which is reportedly operated without compliance to environmental management.
- 3.1.1.16 In most cases, the quay and berth areas were reported to be dirty and polluted with oil believed to be from the storage barges. Solid waste management by the companies were in compliance with good environmental practices as regular (weekly) evacuation was carried out by LAWMA, which is the regulatory agency saddled with the responsibility of waste management in Lagos State.

Environmental Management Systems

- 3.1.1.17 The overall environmental management at the Kirikiri terminal is overseen by the Tin Can Island Port Complex Environmental Control Manager. The audit reported that the terminals do not have written environmental management procedures. A weak link still exists between the environmental operators at Tin Can Island and KLT. The audit recommended a solid bridge to the link by engaging an Environmental Desk Officer at KLT who will liaise with Tin Can for all issues concerning environmental management.

Terminal Development Activities and Potential Environmental Impacts

- 3.1.1.18 The following were reported as some of the potential impacts that possible terminal development may engender:
- Dredging – Impacts include: potential reduction in oxygen available in surface water due to increased sedimentation and turbidity, which may result to suffocation of aquatic organisms. It could reduce the use of water for other domestic purposes such as washing and bathing. In addition, dredging could lead to removal of some organisms especially those that live at the surface of the sediments. Indiscriminate disposal of dredged spoils could bury important soil or aquatic organisms. Uncontrolled dredging could result to erosion due to increased water volume. Depending on local current and proximity of the

dredged area to the coast, suspended solids may lead to increased turbidity. Dredging could lead to increased noise that may result in psychological stress to nearby residential environment.

- Construction of water structure – Pilling could lead to vertical movement of saline water or contaminants. It could also bring about noise and vibration to the aquatic environment, which could result in migration of noise - sensitive organisms. The presence of new structures in navigable waterways, particularly paved surfaces and quay sides will (in the absence of interceptors) accelerate the release of contaminants and debris into the water. The use of wood structures could release preservatives and pesticides into the water.

Demolition/Erection of Buildings and Structures

3.1.1.19 The following impacts were envisioned with respect to the demolition/ erection of buildings and structures:

- Demolition might lead to introduction of contaminants into surface water through run offs.
- Building and other structural foundations may puncture old and buried underground storage facilities, which may lead to the release of contaminants into the aquifer. Depending on the depth of the water table, foundations could change the flow of ground water especially in the case of deep foundations.
- Landscaping could impair drainage with consequent increased flooding and possible erosion. Paving without the appropriate drainage/water interception measures will result in increased water runoff with the potential to introduce contaminants into the water course.
- Digging/excavating for roads, rail and pipelines could disrupt the water table, drainage pattern, and remove habitats. The presence of roads/rail/pipelines could interfere with the migration routes of wildlife.
- The demolition of old buildings might make certain material airborne, including asbestos fibres. The demolition of dry bulk storage buildings/structures could release into the atmosphere various fugitive emissions, such as dust. Breaking of refrigerating equipment as part of the demolition process will release CFCs into the atmosphere.
- Increased vehicular traffic during the building activities could temporarily increase the exhaust fumes released into the atmosphere.

Terminal Operational Activities and Potential Impacts

3.1.1.20 This highlighted the potential environmental and social impacts that might be engendered by the operations of the terminals. Some of these activities include:

- Fuelling and Bunkering

- Building and open area maintenance
- Vehicles storage and transport in car terminals
- Ship and shore solid waste generation
- Shipping/vessel movement
- Transshipment (transportation of containers)
- Ship breaking
- Vessel and equipment repairs and maintenance
- Maintenance dredging and disposal

- 3.1.1.21 While the audit did not present clear cut mitigation measures for each of the identified impacts, chapter 6- environmental management plan highlights the measures required to mitigate the impacts identified. Table 6.20 presents the environmental monitoring schedule with frequency, monitoring equipment and responsible parties.
- 3.1.1.22 Summarily, the audit comprehensively highlighted the operational activities at the terminals, identifying the environmental issues with highlights on practices that were not in compliance with best environmental practices. It also identified potential impacts that might be engendered in the event of possible future concessioning.
- 3.1.1.23 It is therefore expected that with the concessioning and in line with the statutory guidelines similar audits for the terminals would be conducted as and when due. Purpose of this Section

3.2 Approach and Implementation Strategy

- 3.2.1.1 This section aims to present the strategy adopted for the environmental and social due diligence.
- 3.2.1.2 The environmental, safety and social due diligence of KLT I and II involved a multidimensional approach of data gathering. This included:
- Site inspections,
 - Interviews and discussions
 - Consultations with relevant stakeholders

3.2.2 Terminal Inspection

- 3.2.2.1 The site inspection involved a visit to Kirikiri lighter terminals I and II with a view to obtaining first hand and on the spot assessments of the environmental and social

situation of the terminals. The visit also covered assessments of the terminal operators which include; fishing, container, logistics, salt processing companies and tank farms. Other areas within the terminals of environmental and social importance such as the wrecks yard, the NPA police quarters, and a mosque were also assessed. In addition, certain environmental issues such as solid and liquid waste management were also examined.

3.2.3 Interviews and Discussions

3.2.3.1 Oral interviews and discussions were held with officials of the terminals operators at the KLT I and II. The objective, among others was to obtain the status of the terminal operational activities, environmental and social issues that may not be readily observed during the on the terminal assessment, challenges and fears. This also incorporated relevant questions regarding environmental management and social issues within and around the terminal operations.

3.2.4 Stakeholders' Consultation

3.2.4.1 To further authenticate the information obtained during the terminal inspection, relevant stakeholders were also consulted for additional information on the environmental and social issues facing the operations of the terminals. This was done with a view to obtaining independent opinions on the best practical mitigation measures for the social and environmental challenges affecting the terminal operations.

3.3 Current Environmental and Social Issues at KLT I and II

3.3.1.1 The purpose of this sub-section is to present the current situation especially as it relates to environmental and social issues at KLT I and II.

3.3.1.2 For the purpose of better presentation, each terminal (Phase I and II) are treated separately. To this end, the current environmental and social issues as it relates to the activity of each terminal operator in both Phases I and II are presented.

3.3.2 Environmental and Social Issues in KLT I

3.3.2.1 KLT I has a number of terminal operators, a significant number of which are in the shrimping business. The following are the operators in KLT I:

- Royal Salt Limited
- Atlantic Shrimpers
- Banarly Shrimps
- Hensmor
- Honeywell Fishing (Tikko Marine)

- Ladol
- Seagold Fishing
- Brawal
- Underwater Engineering
- Confluence
- Glantre
- Electra Holdings
- Kris Oil
- De Jones Petroleum and Gas
- HBX Container Terminal, and
- BUA (formerly N.I.C.E.)

3.3.2.2 Apart from these terminal operators, the other structures in KLT I are occupied by the NPA, either as offices, quarters, mosques or open spaces that are not put to any form of use.

Royal Salt Limited

3.3.2.3 Royal Salt Limited is one of the facilities in KLT I where raw salt is processed into consumable form.

3.3.2.4 The HSE policy—though conspicuously placed at the security post—seemed to be poorly followed as certain operations in the factory were observed to be conducted without recourse to it. An example is the dusty compound occasioned by a number of failed portions at the premises, which leads to the generation of dust particles, particularly during the dry season and windy conditions.

3.3.2.5 Royal salt is one of the largest operators in KLT1. To this end, a number of people (about 115) are under its employ. The implication of having such a large number of employees is that during concessioning, especially if production may need to be suspended or permanently halted, there would be a tremendous loss of employment and income to some of the workers.

Figure 3-1: Unpaved Surface



Source: CPCS site visit, January 2014

Figure 3-2: Factory Workers



Source: CPCS site visit, January 2014;

- 3.3.2.6 Royal Salt follows good waste management practices. Two major waste types generated are normal solid waste (papers, plastics, metals etc.); and salt waste. Normal solid wastes are collected in receptacles (Figure 3-3) placed at strategic locations within the premise and emptied into a central dumpsite (Figure 3-4). While the normal wastes are collected and evacuated by the Lagos State Waste Management Authority (LAWMA) on a weekly basis, the salt waste - residue of the processed raw salt, is used as an important raw material by tanneries. Figure 3-5 shows a heap of salt waste.
- 3.3.2.7 Some of the drainages are already collapsing and in some cases covering up. This may lead to flooding especially after a heavy downpour.
- 3.3.2.8 The quay area looks dirty with oil pollution and the collection of debris (plastics, polythene, pieces of dead wood etc.) on the water surface (Figure 3-6). While the reason for this pollution may not be readily determined, it may be connected with the spillages occasioned by fuel pilfering by miscreants at night and the regular fuelling of vessels from the numerous fuel storage barges around the berth areas of KLT I—the oily slick by the quayside is likely to have been transported by water current to the quay areas. In addition, some debris may be a collection of dead water hyacinth on the water surface. These dead hyacinths, when aggregated, may be transported by water current and waves to areas of impedance such as the quay.

Figure 3-3: Waste Receptacle



Source: CPCS site visit, January 2014

Figure 3-4: Central Refuse dumpsite



Source: CPCS site visit, January 2014

Figure 3-5: Heap of Salt Waste



Source: CPCS site visit, January 2014

Figure 3-6: Oil and debris on water surface



Source: CPCS site visit, January 2014

Atlantic Shrimpers

- 3.3.2.9 Atlantic Shrimpers is one of the busiest operators at KLT in terms of activity. The company, which is reputed for fishing, has about seventy fishing trawlers and total staff strength of about 1,300 employees. Apart from fish, prawns are also major part of the catch.
- 3.3.2.10 Atlantic Shrimpers has a number of customers (major distributors) who come to the terminal to purchase fish as soon as it arrives at the quay. Apart from these direct customers, the company also operates its own retail outlets around Lagos.
- 3.3.2.11 Atlantic Shrimpers maintain a fairly clean environment (Figure 3-7).

Figure 3-7: Fairly Clean Atlantic Shrimpers Facility



Source: CPCS site visit, January 2014

- 3.3.2.12 The quay side/ berth area is in need of a cleanup. The surface water is polluted with oil and plant debris (Figure 3-8).

Figure 3-8: Oil Sheen on Water Surface



Source: CPCS site visit, January 2014

- 3.3.2.13 It is likely that this pollution may not be entirely as a result of the activities of Atlantic shrimpers. A larger proportion may be as a result of other water operations such as fuelling (from barges and operations neighbouring tank farms),

indiscriminate waste disposal and the contribution of dead water hyacinth transported by current to the quay area.

- 3.3.2.14 Given the number of persons that depend on products (fish and prawns) from Atlantic Shrimpers for livelihood, the eventual concessioning of the terminal, especially where the activity of the company is either suspended or totally discontinued may lead to a loss of jobs and income to the over 1,000 workers, fish distributors and retailers who eke out their living from the fishing company.

Banarly Shrimps

- 3.3.2.15 Banarly Shrimps is also into the fishing business. It is relatively clean. The HSE policy was seen conspicuously pasted at the entrance of the terminal outside. However, the quay area is littered with debris, while the water surface is polluted with diesel and waste oil as well as plant debris (Figure 3-10). It is important to note that this pollution might not be solely and directly attributed to the operations of Banarly as the effect of water currents may have contributed to the drifting of the debris (plants, plastics, polythene etc) and oil sheen to the quay. There is therefore every need to clean up both the quay and the entire surface water.

Figure 3-9: Banarly Quayside



Source: CPCS site visit, January 2014

Figure 3-10: Oil Sheen and Plant debris on water Surface around Banarly Quay



Source: CPCS site visit, January 2014

Figure 3-11: Diesel Storage Barge at Barnarly



Source: CPCS site visit, January 2014

- 3.3.2.16 At the quay is a diesel storage tank for the fuelling of the fishing vessels (Figure 3-11). Though pollution of the quay seemed to have been contributed by the water current, which caused the movement of the debris and oil sheen towards the quay, it is important to ensure that routine fuelling of the vessels are carried out in a manner that prevents it from coming in contact with the surface water.
- 3.3.2.17 With about 23 fishing vessels, Banarly has about 300 workers including floating staff (those who work on the fishing trawlers) on its employ. The implication is that possible suspension or termination of fishing operations as a result of concessioning, may lead to the temporary or permanent loss of jobs and income to some workers and fish distributors who rely on Banarly operations for their sustenance.

Hensmore

- 3.3.2.18 The Hensmore facility is currently used to provide general marine services for the oil and gas industry. At the moment, the facility looked almost entirely vacant and nonoperational. Though the area does not appear to accommodate any form of full – time operations, the premises were observed to be relatively dirty as debris and other forms of wastes litter the area (Figure 3-12 and Figure 3-13). The quay area was also polluted with oil and plant debris and will need to be cleaned. The present inoperative status of the Hensmore facility may underscore the impact of water current in movement of oil and debris to the quay area as well as activities elsewhere around the lagoon.

Figure 3-12: Oil Sheen and Plant debris on water Surface



Source: CPCS site visit, January 2014

Figure 3-13: Waste dump at the Hensmore Facility



Source: CPCS site visit, January 2014

Honeywell Fishing

3.3.2.19 The Honeywell fishing area has not been involved in fishing activities for at least two years. The facility presently appears to be used for shipping out various building materials and/or support items for the oil and gas sector. The compound looks dirty with indiscriminately kept scrap metals (Figure 3-14 and Figure 3-15). Waste bins were observed to be filled, but yet to be disposed (Figure 3-16). Furthermore, the quay area was polluted with waste oil and debris (Figure 3-17) floating on the water surface. This pollution at the quay area may be due to the effect of water current that move debris and waste oil deposited on the water from other sources.

Figure 3-14: Indiscriminately kept scrap metals at Honeywell



Source: CPCS site visit, January 2014

Figure 3-15: Indiscriminately kept scrap metals at Honeywell



Source: CPCS site visit, January 2014

Figure 3-16: Full Waste Bins



Source: CPCS site visit, January 2014

Figure 3-17: Oil pollution and Plant debris on water Surface at Honeywell



Source: CPCS site visit, January 2014

Ladol

- 3.3.2.20 This name is coined from its function, which is Lagos Deep Offshore Logistics Base. Ladol has not been operational for in recent years. However, the terminal is primarily used as meeting place for transportation of Ladol workers to the main Ladol site, South of Apapa Port Complex. The premise is relatively empty with no form of ongoing activity (Figure 3-18).

Figure 3-18: Relatively clean and vacant Ladol terminal



Source: CPCS site visit, January 2014

- 3.3.2.21 In spite of having little or no activity, the eventual concessioning of the Ladol area is expected to engender a number of environmental and social impacts (discussed later in this section) amongst which will be increased waste generation due to

increased activity. The increased activity may however on the positive side, lead to increased employment opportunities as more people may be employed at the facility.

- 3.3.2.22 Though the area is presently inactive, the quay area was still observed to be dirty as a result of oil pollution, plastics, polythene papers and plant debris on the water surface (Figure 3-19). This highlights the potential effect of other activities and the water current on the cleanliness of the quayside.

Figure 3-19: Pollution at the Quay area of Ladol



Source: CPCS site visit, January 2014

Seagold Fishing Company Limited (also known as Seabless)

- 3.3.2.23 As the name implies, the Seagold Fishing Company is yet another fisheries operator in KLT I. It receives frozen packaged shrimps via the quay.
- 3.3.2.24 The premise of Seagold is not very clean, nor is its quay area, which (like all other facilities at KLT I), suffers from a polluted water surface (oil, plastics, polythene, plant debris) expected to be majorly caused by movement of debris and oil sheen on water by the prevailing water current to the quay area.
- 3.3.2.25 Metals and generator service parts were indiscriminately disposed (Figure 3-21). Waste bins need to be regularly cleared to avoid spillage. Furthermore, the mechanical workshop had waste oil spilled on the floor, which could be washed into the surface water during routine cleaning (Figure 3-23).
- 3.3.2.26 Seagold is patronized by a number of fish distributors who eke out their living simply on fishing business. Therefore, possible suspension or termination of the fishing operations as a result of the concessioning may lead to temporary or permanent loss of income and jobs to some distributors and workers.

Figure 3-20: Polluted Surface around Seabless quay area



Source: CPCS site visit, January 2014

Figure 3-21: Indiscriminately disposed Batteries and Service part



Source: CPCS site visit, January 2014

Figure 3-22: Overfull waste bin at Seabless



Source: CPCS site visit, January 2014

Figure 3-23: Waste Oil spill on floor of Mechanical workshop



Source: CPCS site visit, January 2014

Brawal

3.3.2.27 Brawal provides support services to the oil & gas sector. A section was also seen to accommodate containers (Figure 3-24). On the other side are a number of broken down vehicles and equipment (Figure 3-25).

3.3.2.28 The terminal appears to also serve as a berthing facility for various independent fishing vessels. It is important to note that the quayside looked dirty as oil was seen dripping down from a broken down crane parked at the quay area (Figure 24). It is likely that the waste oil could contaminate the water, particularly in the event of a washout from rains. As is the case at other facilities within KLT, the water around the Brawal quay area is polluted with oil, plastics, polythene and plant debris.

Figure 3-24: Stack of Containers



Source: CPCS site visit, January 2014

Figure 3-25: Abandoned Vehicles at Brawal



Source: CPCS site visit, January 2014

Figure 3-26: Oil pollution from broken down crane at Quay area



Source: CPCS site visit, January 2014

HBX Container Terminal

- 3.3.2.29 HBX is a container terminal in KLT I. HBX does not handle any empties; rather, it receives full imported containers from the Tin Can Island Port Complex (Tin Can Island Container Terminal) and the Lagos Port Complex (APMT Terminal).
- 3.3.2.30 Containers are well arranged. However, there exist a number of failed portions of the surface (Figure 3-27), which are hazardous to both, workers and truck operators.
- 3.3.2.31 It was also observed that some of the trucks that come in to load may not meet the minimum environmental and safety standards for such operations. A broken down truck carrying a container was seen with waste oil dripping out from underneath

(Figure 3-28). This oil has the tendency of contaminating both the soil and surface water especially during run offs. It would be advisable to ensure that only trailers that meet the minimum performance standards are allowed into the area to load. This amongst other is to avoid incidences of falling of containers and break downs of container-conveying trailers on major roads.

3.3.2.32 Common wastes generated at the terminal include papers, plastics and sometime metals. These wastes are collected and deposited on the NPA central dump site outside the HBX area where it is disposed by LAWMA. However, the dump in some cases expels bad odour especially when the evacuation is delayed. Waste oil from routine maintenance of operational equipments/machines such as cranes and vehicles is taken care of by the technical department of HXB located at Kirikiri Prison Road.

3.3.2.33 There is no HSE officer at the terminal. Issues of HSE are dealt with at the head office in Apapa.

Figure 3-27: Failed Portions at HBX Terminal



Source: CPCS site visit, January 2014

Figure 3-28: Oil leakage from Spoilt Container Truck



Source: CPCS site visit, January 2014

Kris Oil

3.3.2.34 Kris oil provides logistics services to the oil and gas sector. The company has waste collection facilities (Figure 3-29), which were observed to be virtually empty at the time of inspection.

3.3.2.35 Though the company has a dedicated section for hazardous wastes, it was observed that the portion was not condoned off and protected to prevent possible escape of hazardous wastes. Collected wastes are disposed by LAWMA on a weekly basis, but could also be called upon during times of increased waste generation (especially when activity at the company is high).

3.3.2.36 The company looks relatively clean – may be attributed to the little or no activity at the time of site inspection (Figure 3-30).

Figure 3-29: Waste Collection Point



Source: CPCS site visit, January 2014

Figure 3-30: Relatively Clean Kris Oil



Source: CPCS site visit, January 2014

Areas with Social Issues in KLT I

- 3.3.2.37 Apart from the activities of the operators highlighted above, other residual areas within KLT I also warrant scrutiny. This includes an area around the NPA mosque and police quarters. The area previously used as a waste dump site and parking space for tankers and trailers. Though the waste was recently cleared by NPA Management, the vacant nature of this portion is fast turning it into a parking space.
- 3.3.2.38 Beside the vacant area, a number of young men squat around the mosque. The number of these squatters could not be immediately determined as it varies from time to time. The current loose security of the terminal may have exacerbated this situation (use of the mosque area for squatting). This may pose a social threat as most of these male youths may not be currently employed. In addition, the activity of these squatters has resulted in litters of papers and other waste materials around the mosque.

Figure 3-31: Open vacant space around NPA mosque



Source: CPCS site visit, January 2014

Figure 3-32: Open Space turned into Trailer Parking space



Source: CPCS site visit, January 2014

3.3.2.39 The NPA Police quarters within the area are in a poor state of maintenance (Figure 3-33). Though the quarters are meant to accommodate men and families of the police force attached to the NPA, the area appears to have suddenly become a haven for squatters.

3.3.2.40 The toilet and bathing facilities (Figure 3-34) are also in poor shape. It is expected that this area will require significant focus during concessioning, as the odour from the toilets is already negatively impacting the ambient air quality of the area.

Figure 3-33: One of NPA Police Quarters



Source: CPCS site visit, January 2014

Figure 3-34: Deplorable Toilet Facilities



Source: CPCS site visit, January 2014

3.3.3 Environmental and Social Issues in KLT II

3.3.3.1 Phase 2 of the Kirikiri terminal accommodates fishing activities, containers, manufacturing companies and tank farms. The terminal operators include:

- Union Dicon Salt
- Master Marine
- Karflex

- Bollore (SDV)
- ORC
- Savol Africa Limited
- Ceres Nigeria Limited
- Five Star Container Terminal, and
- Tank Farms such as Techno Oil, Index Oil, Swift Oil, Bovas and Fagbems Oil.

Union Dicon Salt

3.3.3.2 The intended activity in the lease area is purifying, drying and bagging of imported salt for various uses in Nigeria. At the moment, there are no salt activities in this area. As a result, most of the production infrastructures have become dilapidated over time (Figure 3-35) which has added to the debris on the area.

3.3.3.3 The area is currently subleased to five star containers who use it as warehouse for their imported used vehicles (Figure 3-36). The area including the quay looks dirty. The floor of the generator house is polluted with waste oil (Figure 3-37), which has the potential of been washed into the lagoon. The underground drainage at the quay area may serve as a channel of pollution of the surface water especially during run offs (Figure 3-38) as it empties into the lagoon.

Figure 3-35: Dilapidated UDS Factory



Source: CPCS site visit, January 2014

Figure 3-36: Imported Used Vehicles



Source: CPCS site visit, January 2014

Figure 3-37: Waste Oil polluted floor at the generator house



Source: CPCS site visit, January 2014

Figure 3-38: Quay area with underground drainage



Source: CPCS site visit, January 2014

Master Marine

3.3.3.4 Master marine carries out the dry docking of vessels of up to 35mm (Figure 3-39). They essentially provide support on all mechanical areas (welding, motor rebuilding, etc.).

3.3.3.5 One notable activity in Master Marine is the sand blasting of vessels (Figure 3-40). This is a maintenance service required for vessels that have a lot of organisms attached to it due to the long stay of the vessel in water. If this continues unabated over a period of time, the organisms begin to hinder the movement of the vessel. Master Marine de-fowls these vessels by sandblasting them. It is important to note however, that because of the generation of particulate during sand blasting, this operation is best carried out some distance away from other operations such as fishing activities.

Figure 3-39: Master Marine Dock



Source: CPCS site visit, January 2014

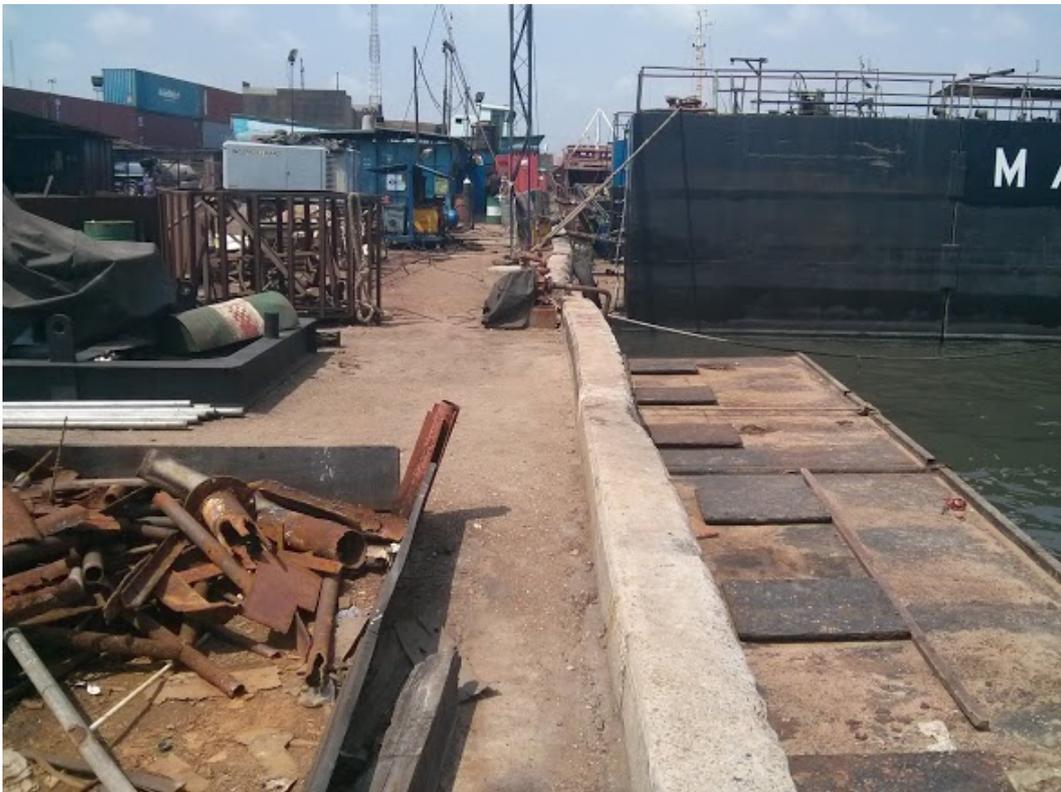
Figure 3-40: Sandblasting Area



Source: CPCS site visit, January 2014

- 3.3.3.6 Master marine primarily services fishing vessels. It also services vessels for a government agency in charge of safeguarding the environment from oil spills. Typically about two vessels are docked per month and it takes up to 3 weeks to successfully repair a vessel. It is expected that during sandblasting, sand and metal particles may be released, which may find their way into the water.
- 3.3.3.7 The primary waste generated by master marine apart from the normal office waste, such as papers, plastic and scrap metals is forking organisms from underwater portion of the vessels. These wastes are collected for disposal by LAWMA.
- 3.3.3.8 Master Marine has a fairly improved HSE programme and policy, which is conspicuously displayed at appropriate locations. However, the area is littered with ill arranged operational materials such as scrap metals (Figure 3-41).

Figure 3-41: Indiscriminately kept Pieces of Metals



Source: CPCS site visit, January 2014

Karflex Fisheries Limited

- 3.3.3.9 Karflex is a fishing operator in KLT II. The operator has a total of about 280 staff members, out of which, almost 200 workers are on the fishing vessels. Furthermore, an estimated 100 fish distributors (almost all of whom are women) buy fish from Karflex.

- 3.3.3.10 Fish is sold locally to the Company’s roster of 100 distributors on a daily basis. Depending on the season, each distributor comes anywhere between one to three times per month, picking up an average of 450 kg per trip. Prawns are primarily destined for export, though a notable proportion is also consumed locally—that consumed locally is typically delivered to major distributors who subsequently sell it to hotels and restaurants. Karlflex also has three retail shops within Lagos.
- 3.3.3.11 Common waste generated by Karlflex includes, cartons, paper, worn-out fishing nets, metals and wood. Collected wastes are deposited in a central dumpsite within the terminal where it is evacuated by LAWMA on a weekly basis. While the responsibility of waste disposal, as contained in lease agreements with some operators at KLT is supposed to be that of the NPA, this is not the case at Karlflex. This likely has to do with the fact that at present, Karlflex is operating on a temporary basis (TOL).
- 3.3.3.12 Karlflex appears to always experience high human traffic within its facility. This traffic is primarily comprised of the above discussed distributors, most of whom are women, and indeed, the breadwinners in their families—they are either widows, or their husband’s are either unemployed or underemployed.
- 3.3.3.13 Given the above, the possible concessioning of this area, particularly if it hampers/ puts a halt to Karlflex’s operations will engender a significant ripple effect on the many women who serve as fish distributors, Karlflex’s own 280 employees, and to an extent, those who consume its fish.

Figure 3-42: Some of Karlflex’s Customers



Source: CPCS site visit, January 2014

Figure 3-43: Mobile Cold facilities



Source: CPCS site visit, January 2014

Ceres Nigeria Limited

- 3.3.3.14 Ceres is supposed to be a vegetable oil processing facility. Unfortunately, there is no form of operational activity going on at the time of the inspection visit to the facility. The present inactivity in Ceres area has resulted in the growth of grass and other vegetation between paving slabs and in the drains. The area is replete with heaps of rubbles in the form of used tires, wood and dilapidated oil processing

machinery parts (see below figures). These rubbles are expected to be removed during concessioning.

Figure 3-44: Non functional Vegetable Oil Processing Plant



Source: CPCS site visit, January 2014

Figure 3-45: Parts of Broken-down Vegetable oil processing plant



Source: CPCS site visit, January 2014

Figure 3-46: Rubble of used tires



Source: CPCS site visit, January 2014

Figure 3-47: Rubble of wood



Source: CPCS site visit, January 2014

Five Star Logistics

- 3.3.3.15 This terminal receives laden containers from import operations. The area has a number of failed surfaces that will require proper reinstatement during eventual concessioning. The uneven nature of the surface has sometimes led to damage of goods during loading operations.
- 3.3.3.16 Wastes generated - papers, woods, plastics and sometimes metals are deposited at the NPA dump site where LAWMA collects them for appropriate disposal. The current practice is expected to improve during concessioning as appropriate waste management programmes would be put in place.
- 3.3.3.17 Five star logistics tries as much as possible to ensure no breakdown vehicle is left abandoned at the terminal. Any break down is immediately towed outside the terminal to reduce possible congestion and waste oil spill. This is a control measure

to ensure that no broken down trailer (which could lead to oil spill during repairs) is left to obstruct operational activities at the area. However, the generator section of the area is polluted with waste oil and diesel (Figure 47-48).

Figure 3-48: Failed portion of the paving



Source: CPCS site visit, January 2014

Figure 3-49: Stacked Containers on a good Surface



Source: CPCS site visit, January 2014

Figure 3-50: Diesel and Oil spill around generator house



Source: CPCS site visit, January 2014

Figure 3-51: Oil pollution portion of 5- star logistics



Source: CPCS site visit, January 2014

Bollore (SDV)

3.3.3.18 Bollore is a laden container company. In some areas of the terminal, the pavement has collapsed. The drainage that runs through the terminal is completely blocked and flooding of the terminal when it rains is a common occurrence (Figure 3-52). The uneven surface of the terminal (Figure 3-53) has led to accidents in the past – damage of loading equipment and sometimes goods contained in the container during loading operations.

3.3.3.19 Wastes are collected in Bollore into a waste container that is carted away by LAWMA weekly. Figure 3-54 shows a completely filled and spilled over waste collection tank in the terminal.

Figure 3-52: Completely Blocked Drain



Source: CPCS site visit, January 2014

Figure 3-53: Failed surfaces at Bollore



Source: CPCS site visit, January 2014

Figure 3-54: Solid waste Collection tank



Source: CPCS site visit, January 2014

SDV/Wrecks Holding Bay

- 3.3.3.20 This is a bay primarily used as a storage facility for empty containers from Bollore. The area also accommodates wrecks recovered by both NIMASA and the NPA (Figure 3-55 & Figure 3-56). These wrecks are sold to metal companies for recycling.

Figure 3-55: NIMASA Recovered Wreck



Source: CPCS site visit, January 2014

Figure 3-56: Wreck in water



Source: CPCS site visit, January 2014

3.3.3.21 The process of recovering these wrecks agitates the water column, thereby resulting in increased turbidity, which temporarily impairs the water for other possible uses. While wreck recovery and its impacts are not expected to stop with concessioning, it is likely to be enhanced by it.

ORC Fishing and Food Processing

3.3.3.22 ORC is another fishing company in KLT II. The company is relatively clean and tends to have well above par HSE practices relative to the others. The operator has a fire plan (Figure 4-57) and a number of safety signs and guidelines were seen around strategic locations in the terminal.

3.3.3.23 Wastes generated include papers, metals-used as parts of fishing trawl, wood, bad fishing nets etc. Solid waste is collected in a central dumpsite within the premise of the company and is regularly disposed by LAWMA (Figure 4-58). Waste oil from vessels and generators are taken to their head office – Chi Nigeria limited located at Ajao estate, Oshodi to fire the burners used in the factory.

Figure 3-57: ORC Fire Plan



Source: CPCS site visit, January 2014

Figure 3-58: Solid waste collection point



Source: CPCS site visit, January 2014

- 3.3.3.24 ORC has about 350 staff in its employ, and about 75 customers, whom are primarily distributors serviced by ORC.
- 3.3.3.25 The implication is suspension or termination of fishing operations as a result of concessioning may render most of these staff jobless. In addition, it may have some significant ripple effect on the fish distributors and to an extent those who consume the fish from ORC.

Savol Limited

- 3.3.3.26 Savol is vacant and non-operational at the moment (Figure 3-59). Concessioning of the terminal will no doubt attract operators to the area as well as contribute to the employment of workers. However, increased activity would also engender increased waste generation, increased air emission from the movement of trailers and vehicles in and out of the area.
- 3.3.3.27 Because Savol does not engage in quay operations, it is not likely that the eventual concessioning would have any direct impact on water quality.

Figure 3-59: Vacant Savol Terminal



Source: CPCS site visit, January 2014

Nakem Jetty/Tank Farm

- 3.3.3.28 Nakem is a tank farm under construction by private investor. It is located in the encroached area of KLT II (Figure 3-60 & Figure 3-61). Although it has yet to become operational, there are a number of people presently involved in its construction. The only observed impact presently engendered by this farm is noise from construction activities, which does not seem to be above the regulatory threshold for daytime operation.

Figure 3-60: Under Construction Nakem Tank Farm



Source: CPCS site visit, January 2014

Figure 3-61: Under Construction Nakem Tank Farm



Source: CPCS site visit, January 2014

Encroached Area

- 3.3.3.29 Over sixty five percent of the area considered to be encroached is fully built up with a number of residential and commercial structures. The southern part of this area has limited structures. The encroached area accommodates varying structures ranging from residential estates (Kirikiri creek town residents association), a trailer park, bakery etc.
- 3.3.3.30 With the level of development that has taken place, and still is taking place in this area, especially in the northern part (towards the operational part of the terminal), eventual reclamation of this area for concessioning may be daunting and would require a huge resettlement and/or relocation.
- 3.3.3.31 Apart from Nakem discussed above, the below figures demonstrate portions of the encroached area at different levels of development.

Figure 3-62: Structures fast spring up towards the northern part of the area



Source: CPCS site visit, January 2014

Figure 3-63: Structures fast spring up towards the northern part of the area



Source: CPCS site visit, January 2014

Figure 3-64: Limited Development at Southern part of the area



Source: CPCS site visit, January 2014

Figure 3-65: Limited Development at Southern part of the area



Source: CPCS site visit, January 2014

3.4 Potential Environment and Social Impacts Associated with the Restructuring of KLT I and II, Mitigation Measures, and Related Costs

3.4.1.1 This section identifies the likely impacts of the proposed project during construction and operation stages of the proposed terminal restructuring. The impact identification process uses a project environment interaction approach where each phase of the proposed project implementation that is likely to interact with environmental and social attributes is accentuated. The essence is to provide an overview of the impacts of the restructuring, with a view to recommending practical mitigation measures and outlining the estimated cost of implementing the mitigation.

3.4.1.2 For the purpose of easy comprehension, potential associated positive impacts are discussed separately from the negative.

3.4.2 Associated Potential Positive Impacts

3.4.2.1 A number of the identified potential positive impacts are social. Potential positive impacts for the construction and operation phases of the terminal improvement are presented below. These impacts are therefore expected to be enhanced by the proposed Kirikiri Terminal restructuring project.

Construction Phase

3.4.2.2 The eventual construction of the terminals will lead to increased employment opportunities for a number of qualified youths (especially Kirikiri residents), thereby leading to improved income and standard of living.

3.4.2.3 Clearing and removal of grasses from pavements, debris and other materials such as broken down vehicles all around the terminal will improve the aesthetics.

Operation Phase

- 3.4.2.4 Concessioning agreements will necessitate increased environmental awareness, which may result in the creation of a vibrant HSE unit that will be saddled with the responsibility of managing environmental issues. To this end, eventual concessioning may engender improved environmental compliance at the terminals and by terminal operators.
- 3.4.2.5 The present delays in traffic due to the operations of trailers and tankers from the terminal may result to psychological stress among road users. The concessioning is expected to encourage movement of traffic in and out of the terminal with minimal delays. This would lead to reduction in man hour losses on the road and the psychological stress due to traffic congestion.
- 3.4.2.6 Terminal concessioning may engender improved power supply, which will lead to a reduced cost of doing business at the terminal and therefore, a reduction in cost of goods. E.g. the fishing companies may not need to spend so much on diesel to preserve their catches.
- 3.4.2.7 Terminal restructuring may eventually facilitate the effective linkage of the terminal to rail lines, which will ease the movement of cargoes and decongest the use of roads for the movement of certain cargoes. This will in effect reduce road carnages and increase the life span of the roads.
- 3.4.2.8 Concessioning may engender technology transfer, capacity building and employment opportunities to Nigerian ports and Nigerians in general.
- 3.4.2.9 Potential efficient waste management and improved environmental compliance in the terminal operations even among the lease holders.

3.4.3 Associated Potential Negative Impacts, Proposed Mitigations and Their Estimated Costs

- 3.4.3.1 The associated potential negative impacts, practical recommended mitigation measures and estimated cost of mitigating the impact of the proposed KLT restructuring on various environmental and social components is presented in XYZ. The presentation is based on specific environmental or social issues/impacts that may be engendered during the construction and operational phases of the concessioning. For the purpose of easy understanding, operators with similar issues or impacts are presented together.

Figure 3-66: Potential Negative Impacts Recommended mitigation Measures and estimated cost of mitigation of the proposed terminal restructuring project

Issue	Affected Area	Mitigation Measure	Cost
<p>CONSTRUCTION PHASE This presents the issues/impacts that may be elicited as a result of the construction activities of the concessioning programme.</p>			
<p>Clearance of vacant areas. This may result in:</p> <ul style="list-style-type: none"> • Dust emissions • Noise • accidents 	<ul style="list-style-type: none"> • Wrecks yard • NPA mosque and surrounding areas • Vacant operational areas (Ceres, Savol, illegal parking spaces) 	<ul style="list-style-type: none"> • Sprinkle water on the surface to reduce possible dust generation. • Provide relevant PPEs. 	<ul style="list-style-type: none"> • About 4,000litres of water = N1,700 • About N25,000 per person for complete PPE.
<p>Demolition of fences and structures may lead to:</p> <ul style="list-style-type: none"> • Injuries • Increased dust emission • Loss of jobs and income • Increase in noise and vibration 	<ul style="list-style-type: none"> • All terminal operators 	<ul style="list-style-type: none"> • Provide appropriate PPEs to reduce health impact and accidents. • Sprinkle water on surface to reduce dust emission. • Discuss with current lease holders to ensure minimal impact on regular operations. • Carry out exhaustive enlightenment campaign to educate terminal operators of the benefits and costs of concessioning. • Carry out systematic demolition and ensure no total business close down for a considerable period. • Provide ear plugs/muffs and ensure total compliance. In addition, ensure maintenance of minimum limit for ambient noise emission at all times. • Initiate demolition from the top to reduce possible vibration effect on the environment. 	<ul style="list-style-type: none"> • About N25,000 per person for complete PPE. • About 4,000litres of water = N1,700
<p>Potential demolition of Quay area may engender the following:</p>	<ul style="list-style-type: none"> • All quayside operators 	<ul style="list-style-type: none"> • Consider the option of quay rehabilitation against complete demolition. • Carry out public consultation 	

Issue	Affected Area	Mitigation Measure	Cost
<ul style="list-style-type: none"> • Water pollution • Flooding • Stoppage of quay operations • Loss of income (estimated between ₦3,000 and ₦10,000 per day) 		<ul style="list-style-type: none"> • to inform terminal operators and riparian users of the temporary close-up of the quay operations as well as the temporary increased turbidity increase in surface water. • Ensure adequate casing and water breaks to prevent possible flooding. • Phase possible quay demolition to allow temporal use of next and nearby available quays. 	
<p>Potential drainage repairs/construction may lead to the following:</p> <ul style="list-style-type: none"> • Increased dust emission • Flooding • Accidents 	<ul style="list-style-type: none"> • All drainages especially those that are broken or blocked 	<ul style="list-style-type: none"> • Sprinkle water on construction surface especially if this is carried out during the dry/dusty season. • Create temporary channel for runoffs. • Provide appropriate PPEs to all workers and enforce use. 	<ul style="list-style-type: none"> • About 4,000litres of water = N1,700 • About N25,000 per person for complete PPE
<p>Potential increased waste generation. Improper management of generated waste during construction may elicit the following:</p> <ul style="list-style-type: none"> • Soil, Surface and underground water pollution • Foul odour • Reduction in general aesthetics of the terminals 	<ul style="list-style-type: none"> • All areas affected by the restructuring. 	<ul style="list-style-type: none"> • Provide waste receptacles with well fitted lids at strategic locations around the construction areas. • Ensure proper containment of waste oil for safe evacuation by LAWMA. • Engage LAWMA and ensure efficient and timely evacuation and disposal of generated wastes. • Provide mobile toilet facilities around construction areas and ensure timely evacuation by the service provider. • Ensure that the restructuring engineer adhere strictly to efficient waste management procedures. 	<ul style="list-style-type: none"> • N10,000 per bin • About N30,000/trip (depending on negotiation) • N10,000/mobile toilet/week
<p>Potential dredging may result in:</p> <ul style="list-style-type: none"> • Flooding • Loss of benthic organisms • Increased turbidity of water column 	<ul style="list-style-type: none"> • All areas with quay operations. 	<ul style="list-style-type: none"> • Restrict dredging to affected area only. • Avoid disposal of dredged spoils in water. • Contain dredged spoil against possible contamination with the 	

Issue	Affected Area	Mitigation Measure	Cost
<ul style="list-style-type: none"> contamination 		surroundings. <ul style="list-style-type: none"> Ensure gradual dredging to give enough time for some benthic organisms to migrate away from area of activity. 	
Piling may give rise to the following: <ul style="list-style-type: none"> Disturbance (Noise and vibration) 	<ul style="list-style-type: none"> Around quay areas 	<ul style="list-style-type: none"> Provide and enforce the use of appropriate PPEs such as ear muffs to all workers. Carry out piling activities after the normal official hours at the terminal to reduce possible noise impact on terminal operators. 	<ul style="list-style-type: none"> About N25,000 per worker
Movement and operations of construction vehicles and machines. This will engender the following: <ul style="list-style-type: none"> Noise Increase dust and noxious particles. Accidents Traffic congestion especially along the access road to the terminal 	<ul style="list-style-type: none"> Around the terminals 	<ul style="list-style-type: none"> Educate drivers on safe driving. Sprinkle water on dusty surface. Duly and regularly service construction vehicles/machines and lubricate friction parts. Liaise with traffic managers to manage traffic on affected roads 	<ul style="list-style-type: none"> About 4,000litres of water = N1,700 N30,000/construction vehicle and machine. Discussion with LASTMA
Land reclamation will engender: <ul style="list-style-type: none"> Resettlement Relocation Forceful ejection Conflict and unrest 	<ul style="list-style-type: none"> Encroached areas 	<ul style="list-style-type: none"> Ascertain the right of occupancy of present occupants. Carry out consultation with present occupants including resident association. Relocate/resettlement present occupants 	<ul style="list-style-type: none"> Regular and exhaustive consultation with present land occupants. With the present development at the encroached area, the cost of possible or resettlement may be in excess of ₦400m
<p>OPERATION This highlights all the issues/impacts that may be triggered by the operational phase of the terminal concessioning.</p>			
Transportation and Storage of Containers. This may lead to the following: <ul style="list-style-type: none"> Increase in noise Accidents Air emission Impedance to free flow of movement 	<ul style="list-style-type: none"> All container companies 	<ul style="list-style-type: none"> Ensure all trailers and loading machines are duly services and friction part lubricated. Ensure that the drivers/operators of the trailers/loading equipment are trained on safe driving. Maintain minimum speed limit of 10km/hr within the 	

Issue	Affected Area	Mitigation Measure	Cost
		terminals. • Create walkways within the terminals	
Fishing operations may engender the following: • Solid waste generation and management • Water pollution	• All fishing companies	• The concessionaire should provide waste bins with lids on fishing vessels and at strategic locations in operational area. • The concessionaire should ensure that a central dump of not less than 15,000 litres is provided at the operational area. This central dump should be easily accessed. • Engage LAWMA to evacuate solid waste for safe disposal at least every week, depending on rate of generation. • NPA should also engage the services of African Circle or an equivalent company to manage wastes generated from the fishing vessels like the other ports and terminals around the country. • The concessionaire must ensure that no waste material is dumped in water especially during fishing operations.	• Fishing vessel – N7,500 per bin. • Central dump – ₦50,000 • LAWMA - ₦30,000 per trip • Leverage on NPA existing contract with African circle.
Routine maintenance of vessels, vehicles, machines and generators. The following may be triggered: • Water and soil pollution • Solid waste generation	• All operational areas.	• The concessionaire must ensure strict adherence to MARPOL 78 convention. • The concessionaire should educate all operators of the dangers in polluting water with waste oil and other used service parts. • Store all used oil in secured drums for safe evacuation by LAWMA.	Secured drums – N10,000 per drum
Maintenance dredging. This activity may result to the following: • Water pollution – increased turbidity • Destruction of	• All quay operating terminal areas.	• The concessionaire/NPA should adopt the sweeping method of dredging to reduce the potential of burying benthic organisms with the dredged material.	About USD100/m ³

Issue	Affected Area	Mitigation Measure	Cost
benthic organisms		<ul style="list-style-type: none"> • Avoid disposal of dredged material in water. 	
Jetty and Quay Operations. This may bring about: <ul style="list-style-type: none"> • Potential pollution of surface waters especially around the berth and quay 	<ul style="list-style-type: none"> • Companies that has quay as part of its operational area. 	<ul style="list-style-type: none"> • Ensure total compliance to MARPOL regulations in all jetties and quay operations. • Engage the services of African circle to clean up the berth and quay areas. 	Leverage on NPA existing contract with African Circle.

3.4.4 Available Financial support

3.4.4.1 A number of potential donor partners exist that may be relevant to the concessioning project. Interestingly, some of these potential partners also have offices in Nigeria. To this end, early contact with the partners of interest with the relevant project information (as required by the potential donor) would foster speedy assessment and process of possible funding. Details of the identified relevant potential donors are presented below.

Nigeria Infrastructure Advisory Facility (NIAF)

3.4.4.2 The Nigeria Infrastructure Advisory Facility (NIAF) is an award-winning technical advisory facility funded by the UK Department for International Development (DFID). NIAF’s goal is to increase access to improved, reliable and affordable infrastructure services. NIAF’s purpose is to enhance the Government of Nigeria’s capacity to better plan, finance and operate infrastructure delivery at the Federal and State level.

3.4.4.3 The DFID financed NIAF was designed to provide access to rapid and flexible consulting expertise to help Nigeria improve its infrastructure through policy and strategy formulation, planning, project implementation and private sector investment.

3.4.4.4 In its current phase, NIAF is designed to implement projects in power, transport, major infrastructure, climate change and cities (urban planning and development).

3.4.4.5 Some of the main activities that NIAF has been involved in as part of its contribution to capital projects include:

- Community Services Program: Graduate Interns Scheme (FMoF, SURE-P)
- Community Services Program: Women and Youth Employment public works (FMoF, SURE-P)
- Priority Federal Roads Completions x5 (SURE-P)
- Priority Rail Line Completions x 3 (SURE-P)

- Federal Roads Preventative Maintenance (SURE-P, FERMA)
- District Roads Repair and Maintenance (SURE-P, FERMA)
- PPP Transaction Advice (ICRC, Lagos State)
- Embedded high-level (Nigerian) professionals (Key federal MDAs)
- Renewable energy technology market development (REA, Northern states)

3.4.4.6 NIAF is located at No. 49 Agadez Street, Off Aminu Kano Crescent, Wuse II, Abuja, FCT. Telephone: +234 (0)9 870-3499; Email: info@niafng.org; Website: niafng.org

Global Environment Facility

3.4.4.7 The Global Environment Facility was established in October 1991 as a \$1 billion pilot program in the World Bank to assist in the protection of the global environment and to promote environmental sustainable development. GEF provides new and additional grants and concessional funding to cover the "incremental" or additional costs associated with transforming a project with national benefits into one with global environmental benefits.

3.4.4.8 The United Nations Development Programme, the United Nations Environment Program, and the World Bank were the three initial partners implementing GEF projects.

3.4.4.9 In 1994, at the Rio Earth Summit, the GEF was restructured and moved out of the World Bank system to become a permanent, separate institution. The decision to make the GEF an independent organization enhanced the involvement of developing countries in the decision-making process and in implementation of the projects.

3.4.4.10 The GEF funds projects are in four focal areas; biodiversity, climate change, international, waters and ozone. Projects to address land degradation as it relate to the above four focal areas are also eligible.

3.4.4.11 The GEF Operational Focal Point in Nigeria since November 4, 2013 is presented below:

Mr. Abu-Bakr Sulayman
(Operational Focal Point) since November 04, 2013
Director, Planning, Research and Statistics Department
Federal Ministry of Environment
Shehu Musa Yar'Adua Road Mabushi
Abuja, Federal Capital Territory
Nigeria
Tel: + 234 807 277 0070. + 234 809 605 6098
Email: wambai_lapai@yaoo.com

3.4.4.12 The Nigerian Advisor since August 24, 2011 is as follows:

Mrs. Halima Kolo MOHAMMED
(GEF Advisor) for Nigeria since August 24, 2011
GEF Desk Officer, Chief Environmental Scientist
Federal Ministry of Environment
Shehu Musa Yaradua Road Mabushi
Abuja, Federal Capital Territory
Nigeria
Tel: + 234 803 786 0383
Email: halmohammedus2000@yahoo.com
Website: http://www.thegef.org/gef/focal_points_list/N

Japan International Cooperation Agency (JICA)

3.4.4.13 JICA is responsible for the technical cooperation aspect of Japan's ODA programs. Technical Cooperation is aimed at the transfer of technology and knowledge that can serve the socioeconomic development of developing countries including Nigeria. JICA carries out a variety of programs to support the nation-building of developing countries, through such technical cooperation.

3.4.4.14 JICA which was established in 1974 as a 'Special Public Institution' of the government has now become an independent administrative institution since October 1, 2003, as a result of Japan's reform plan.

3.4.4.15 Its programs include:

- Technical Cooperation
 - Training in Japan
 - Dispatch of Experts
 - Provision of Equipment
 - Project-type technical cooperation
 - Development study
- Dispatch of Japan Overseas Cooperation Volunteers (JOCV)
- Training and Recruitment of Qualified Personnel for Technical Cooperation
- Development Investment and Financing
- Support for Japanese Emigrants
- Disaster Relief

3.4.4.16 In Nigeria JICA is located at:

3rd Floor, Oakland Center, Aguiyi Ironsi Street, Maitama, Abuja, Nigeria
Mailing Address: P.M.B. 5090, Wuse, Abuja, Nigeria
Tel : (234-9) 413-6510, (234-9) 461-2660, (234-9) 461-2662
Fax : (234-9) 461-2661

Website: <http://www.jica.go.jp/nigeria/english/office>

The World Bank

- 3.4.4.17 Founded in 1944, the World Bank Group consists of five closely associated institutions International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), (The Multilateral Investment Guarantee Agency (MIGA), The International Finance Corporation (IFC) and the International Centre for Settlement of Investment Disputes (ICSID).
- The International Bank for Reconstruction and Development (IBRD) lends to governments of middle-income and creditworthy low-income countries.
 - The International Development Association (IDA) provides interest-free loans—called credits— and grants to governments of the poorest countries.
 - The International Finance Corporation (IFC), a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector. It helps developing countries achieve sustainable growth by financing investment, mobilizing capital in international financial markets, and providing advisory services to businesses and governments.
 - The Multilateral Investment Guarantee Agency (MIGA) was created in 1988 as a member of the World Bank Group to promote foreign direct investment into developing countries to support economic growth, reduce poverty, and improve people’s lives. MIGA fulfills this mandate by offering political risk insurance (guarantees) to investors and lenders.
 - The International Centre for Settlement of Investment Disputes (ICSID) provides international facilities for conciliation and arbitration of investment disputes.
- 3.4.4.18 The mission of the World Bank is to fight poverty for lasting results and to help people help themselves and their environment by providing resources, sharing knowledge, building capacity, and forging partnerships in the public and private sectors.
- 3.4.4.19 The Bank operates in about 110 country-offices and counts over nearly 10,000 employees.
- 3.4.4.20 The World Bank Group is the world's largest source of development assistance. It works in more than 100 developing economies including Nigeria, with the primary focus of helping the poorest people and the poorest countries. For all its clients the Bank emphasizes the need for:
- Investing in people, particularly through basic health and education
 - Focusing on social development, inclusion, governance, and institution-building as key elements of poverty reduction

- Strengthening the ability of the governments to deliver quality-services, efficiently and transparently
- Protecting the environment
- Supporting and encouraging private business development; Promoting reforms to create a stable macroeconomic environment, conducive to investment and long-term planning.

3.4.4.21 The World Bank can be accessed in Nigeria through its country office located at:

102 Yakubu Gowon Crescent
Opposite ECOWAS Secretariat
P.O. Box 2826, Garki
Abuja, Nigeria
Email: otohomdet@worldbank.org
Website: <http://www.worldbank.org/en/country/nigeria>

The African Development Bank Group (AfDB)

- 3.4.4.22 AfDB is a multilateral development finance institution established to contribute to the economic development and social progress of African countries. The AfDB was founded in 1964 and comprises three entities: The African Development Bank, the African Development Fund and the Nigeria Trust Fund.
- 3.4.4.23 The AfDB’s mission is to fight poverty and improve living conditions on the continent through promoting the investment of public and private capital in projects and programs that are likely to contribute to the economic and social development of the region. The AfDB is a financial provider to African governments and private companies investing in the regional member countries (RMC).
- 3.4.4.24 African Development Fund was established in 1972 and started operations in 1974. It provides development finance on concessional terms to low-income RMCs which are unable to borrow on the non-concessional terms of the AfDB. In harmony with its lending strategy, poverty reduction is the main aim of ADF activities.
- 3.4.4.25 The ADF lends at no interest rate, with an annual service charge of 0.75%, a commitment fee of 0.5%, and a 50-year repayment period including a 10-year grace period.
- 3.4.4.26 The Nigeria Trust Fund (NTF) was established in 1976 by the Nigerian government with an initial capital of \$80 million. The NTF is aimed at assisting in the development efforts of the poorest AfDB members.
- 3.4.4.27 The NTF uses its resources to provide financing for projects of national or regional importance which further the economic and social development of the low-income RMCs whose economic and social conditions require financing on non-conventional terms.

3.4.4.28 AfDB office was temporality relocated to Tunis from Cote d'Ivoire as a result of the civil war. The temporary address is as follows:

African Development Bank Group
AfDB Temporary Relocation Agency (Tunis)
15 Avenue du Ghana
P.O.Box 323-1002
Tunis-Belvédère, Tunisia
Tel: (+216) 71 10 39 00/(+216) 71 35 19 33
Skype: afdb_acc
Media Hotline: (+216) 58 45 45 44.
Website: <http://www.afdb.org/en/>

International Fund for Agricultural Development (IFAD)

3.4.4.29 IFAD, a specialized agency of the United Nations, was established as an international financial institution in 1977 as one of the major outcomes of the 1974 World Food Conference. The conference was organized in response to the food crises of the early 1970s that primarily affected the Sahelian countries of Africa. It resolved that "an International Fund for Agricultural Development should be established immediately to finance agricultural development projects primarily for food production in the developing countries."

3.4.4.30 Nine major areas are supported by IFAD:

- agricultural development
- financial services
- rural infrastructure
- livestock
- fisheries
- capacity-and institution-building
- storage/food-processing/marketing
- research/extension/training
- small and medium scale enterprise development

3.4.4.31 Loans — IFAD provides loans to its developing Member States on highly concessional, intermediate and ordinary terms for approved projects and programmes. Lending terms and conditions vary according to the borrower's per capita GNI.

3.4.4.32 Grants — IFAD provides grants to institutions and organizations in support of activities to strengthen the technical and institutional capacities linked to

agricultural and rural development. Grants are limited to 10% of the combined loan and grant programme.

- 3.4.4.33 Since 1985, IFAD has financed nine programmes and projects in Nigeria, with a total loan commitment of over US\$232.2 million. The country currently attracts over 40 per cent of the financial resources that IFAD allocates to Western and Central Africa. All programmes and projects have addressed the livelihood needs of poor rural people, including smallholders, women, small business owners, poor fishing communities, young people and landless people.
- 3.4.4.34 These operations have contributed to:
- Generating and disseminating technology to increase incomes and family food security, while also introducing approaches for effective soil and water conservation and environmental management.
 - Fostering demand-driven and participatory approaches to agricultural and rural support services.
 - Strengthening institutional capacities to ensure the sustainability of successful development initiatives.
- 3.4.4.35 IFAD's support to the Nigerian Government's poverty reduction programme in rural areas targets large numbers of smallholder farmers and is essentially people-centred. IFAD supports programmes and projects that work with communities, with smallholder farmers as the key players. The organization also promotes commodity-based interventions that provide technical and financial support along several value chains – such as livestock products, rice and other cereals, roots and tubers, vegetables and agroforestry products.
- 3.4.4.36 The objectives are to empower poor rural people, especially women, by increasing their access to resources, infrastructure and services; and to promote the management of land, water and common property by local communities, helping to overcome environmental degradation. IFAD-supported programmes and projects address issues such as erosion and the loss of soil fertility, as well as coastal zone natural resource management.
- 3.4.4.37 IFAD directs assistance towards:
- Empowering small-scale farmers, landless people and rural women to generate sustainable incomes from farming and other activities.
 - Supporting pro-poor reforms and local governance to expand access to information, effective transport systems, village infrastructure and technology.
 - Improving access by poor rural communities to financial and social services.
- 3.4.4.38 At the government level, IFAD helps build capacity and strengthen institutions that provide services to poor rural people. It assists with necessary policy changes,

developing local organizations to enhance their effective participation, and it promotes initiatives to foster rapid poverty reduction and economic growth led by the private sector.

3.4.4.39 In Nigeria, IFAD can be accessed through any of the following contacts:

Benjamin Odoemena

Country Programme Officer

IFAD Country Office, UN House Plot 617/618, Diplomatic Zone Central Business Area

Garki — Abuja FCT, Nigeria

IFAD Country Office in Nigeria c/o RUFIN

Garki - Abuja FCT, Nigeria

Work: +234 946 6133

Work: +234 7098810651

Email: b.odoemena@ifad.org

Atsuko Toda

Country Programme Manager

IFAD Country Office in Nigeria, c/o RUFIN, PMB 2851 Garki

Abuja FCT, Nigeria

Work: +234 0818 4828 770.

Email: at.toda@ifad.org

Website: www.ifad.org/

3.5 Environmental and Social Monitoring Plan

3.5.1.1 This sections aims at presenting a summary of the recommended programme for monitoring the relevant environmental and social attributes. It also prescribes roles and responsibilities to relevant stakeholders. Specifically, the objectives, among others are:

- To ensure that the proposed terminal restructuring is implemented in compliance with applicable national and international environmental management standards;
- To ensure that the mitigation measures recommended in the due diligence report are adhered to;
- To ensure commitment to best practice management and continuous improvement of environmental performance;
- To provide early warning signals on environmental degradation, in order to drive appropriate actions towards the prevention or amelioration of the impacts;
- To routinely check all measures/devices put in place to effectively monitor all operations and activities;

- To assign roles and responsibilities to all relevant project stakeholders.

3.5.2 Project Facilitator/Concessionaire Commitment

3.5.2.1 The NPA/Concessionaire through its relevant agencies is committed to the reconstruction and operation of the Kirikiri Lighter Terminals in an environmentally friendly manner. This commitment drove the implementation of this due diligence study to take preventive measures against potential and associated negative impacts of the proposed restructuring on the environment. An important component of the due diligence is the environmental monitoring programme, which is aimed at ensuring that all recommended mitigation measures outlined in the due diligence are appropriately implemented. The programme shall equally serve as a tool for monitoring, documentation, and evaluation of the progress of the mitigation measures implementation, with a view of improving on them. The NPA/Concessionaire shall implement all environmental management activities in compliance with national and international standards and best practices.

3.5.3 Planning

3.5.3.1 In order to ensure effective and comprehensive sound environmental management, a number of specific management plans shall be put in place to ensure that all sources of impacts on the environment (including social attributes) are given proper considerations. In addition to the plans presented herein, the facilitator/concessionaire shall develop other relevant plans (as events demand) during the life time of the project.

3.5.3.2 The following management plans shall be put in place by the facilitator/concessionaire:

- **Water Quality Management Plan:** this shall outline the procedure and activities to be carried out to ensure that the activities of the proposed project do not constitute pollution to available and nearby water resources. It shall cover surface and groundwater resources.
- **Air Quality and Noise Management Plan:** this shall outline the procedure and activities to be carried out to ensure that impacts on air quality and noise level from the terminal restructuring are maintained at healthy and regulatory acceptable limits.
- **Waste Management Plan:** this shall outline the methods and activities for waste handling and evacuation from the terminal facilities. It shall also cover procedure for clean-up of accidental spills/leakages of liquid wastes.
- **Community Relations Management Plan:** This shall specify the guidelines and activities that will ensure good interactions and cordial relationship with nearby stakeholders. It shall contain approaches towards addressing complaints and related issues from the general public.

- **Contingency and Emergency Plan:** this shall prescribe procedures and actions to be taken to forestall accidents. It shall equally cover line of command and course of actions during emergencies, including fire outbreaks, gas explosions, oil spills, etc. This plan among others will cover:
 - a. Adequate fire protection/fighting facilities e.g. hydrant system, fire extinguishers, etc
 - b. Efficient fire detection systems to include heat/smoke/flame detectors;
 - c. Regular training and retraining of staff on safety and loss prevention activities

3.5.4 Stakeholders Roles and Responsibilities for Environmental Monitoring

3.5.4.1 The development and strict implementation of this environmental monitoring is essential for robust environmental protection and management. The monitoring is in three parts:

- Project facilitator/Concessionaire/Agencies' Requirements
- Environmental and Facility Monitoring Requirements
- Environmental Contingency Planning Requirements

Project Facilitator/Concessionaire/Agencies' Requirements

3.5.4.2 The NPA/Concessionaire shall ensure that all staff and engineers that will work on the proposed project are adequately trained and retrained on specific operations with regards to safety procedures and environmental protection. All construction and operation personnel shall be given periodic training and briefings on sound environmental management practices pertaining to their jobs. It shall ensure that the staff gains a good understanding of the rationale behind the recommended mitigation measures and monitoring programs.

3.5.4.3 The NPA concessionaire shall establish a Health, Safety and Environment (HSE) Unit which shall be responsible for all environmental management issues including regular training of staff and visitors to the terminal facilities. The personnel of this department shall be effectively trained in handling safety issues, Environmental Management Systems (EMS), Occupational Health and Safety Management Systems, etc. The unit shall periodically organise safety meetings for all relevant stakeholders. During construction activities, it shall be the responsibility of the HSE unit to ensure that all contractors and workmen comply with all rules and guidelines stipulated in the impacts mitigation recommendations. The HSE unit shall issue "Work Permit" to all workers on the project. The work permit shall be issued after the worker(s) has fulfilled all requirements aimed at preventing or mitigating impacts from their works. The department shall monitor facilities in the terminal during its operations and alert the maintenance department on necessary repairs

promptly. It is equally the responsibility of the unit to develop all the necessary management plans including those mentioned in section 5.3 to ensure sound environmental management throughout the life time of the project.

3.5.4.4 Therefore, the primary responsibility of maintaining a sustainable environment in the restructuring of the terminal lies with the management of NPA, and the various institutions/agencies that are involved in the project, including Lagos Waste Management Authority (LAWMA), Lagos State Transport Management Authority (LASTMA), Procurement and Construction (EPC) contractor, Federal Ministry of Environment (FMEnv) and Lagos State Ministry of the Environment. The essence of this exercise is to apportion roles and responsibilities of all the various parties involved in the implementation of the KLT restructuring project. The relevant agencies that will be involved in the implementation of the project are presented in Figure 3-67.

Figure 3-67: Agencies’ Responsibilities during Project Implementation

S/N	Agencies	Functions/Responsibilities
1	Federal Ministry of Environment (FMEnv)	Ensure that total compliance to environmental management standards during project implementation. It shall also ensure adherence to recommendations in the environmental and social due diligence e.g. use of water to reduce dust particle emission etc.
2	Lagos State Waste Management Authority	Ensure proper and efficient disposal of all generated wastes during the project implementation.
3	NPA/Concessionaire	Ensure compliance to all environmental and social recommendations in the due diligence report.
4	Lagos State Transport Management Authority	Ensure free flow of traffic during construction and operational phase of the restructuring.
5	NIMASA	Ensure prompt removal of wrecks from the water ways to give unimpeded access to fishing trawlers and other vessels.

3.5.4.5 By statutory regulation, the FMEnv is expected to take active role in the implementation and approval of the project design. Among the requirements that the agency shall consider during this phase include:

- International standards and codes for the project design
- Technology which shall be simple and sophisticated with efficient safety project components
- Technology which shall be environmentally friendly and support a healthier environment
- Local adaptable technology that encourages local fabrications
- Adequacy of safety facilities to cover all unit operations

Environmental Monitoring Programme

3.5.4.6 Environmental monitoring is essentially a process aimed at detecting negative impacts of a project on the environment early enough to take remedial actions. This sub-section presents a concise description of the parameters of each environmental attribute to be monitored to ensure that even the most subtle of negative environmental changes is detected. The figures below show the schedules of environmental monitoring programme for the terminal restructuring during construction and operation.

Figure 3-68: Environmental Monitoring Programme during Construction

Environmental Attribute	Sampling Location	Responsible Parties
Air Quality	Around the terminal	FMEnv, NPA
Noise	Around the terminal.	FMEnv, NPA
Surface Water quality	Around jetties and quay	FMEnv, NPA
Traffic	Within and outside the terminal	LASTMA, NPA

Figure 3-69: Environmental Monitoring Programme during Operation/Maintenance

Environmental Attribute	Sampling Location	Responsible Parties
Air Quality	Within and around the terminal	FMEnv, NPA/Concessionaire
Noise	Within and around the terminal	FMEnv, NPA/Concessionaire
Surface water Quality	Within and around the terminal	FMEnv, NPA/Concessionaire
Traffic	Within and outside the terminal	LASTMA, NPA

Environmental Contingency Plan

3.5.4.7 The concessionaire shall incorporate into its operational procedure all the necessary measures to ensure that, accidental discharges into the environment are minimized if not completely eliminated. However, accidents do occur due to human error, equipment failure, sabotage or natural occurrence. Therefore, there is a need to put in place a sound and cost-effective contingency plan that can be promptly activated, to minimize losses due to such accidents. Such contingency plans shall cover all facilities and services, and the focus may include:

- Adequate education and training on use of diesel and oil pollution prevention facilities such as dispersants etc;
- Efficient fire detection systems to include heat/smoke/flame detectors;
- Regular training and retraining of staff on safety and loss prevention activities.

3.5.4.8 This shall include drills and mock pollution/firefighting exercises to ensure and ascertain the level of preparedness in case of such emergencies. To this end, the following is suggested:

- Inspection of integrity of the fuel storage facility - Monthly
- Inspection of fire-fighting equipment -Monthly
- Training of Safety/Environment staff -Yearly

3.5.4.9 If these measures are carefully implemented, it will ensure optimisation, cost-effectiveness and environmental friendliness of the terminals for sustainable development.

Impact, Mitigation and Stakeholders Responsibility

3.5.4.10 The below figure is a summary of the potential environmental and social impacts associated with the proposed restructuring and the relevant mitigation responsible party.

Figure 3-70: Issues/Impacts and Relevant Mitigation Responsible Party

Issue	Affected Area	Mitigation Measure	Responsible Party
CONSTRUCTION PHASE			
Clearance of vacant areas. This may result in: <ul style="list-style-type: none"> • Dust emissions • Noise • accidents 	<ul style="list-style-type: none"> • Wrecks yard • NPA mosque and surrounding areas • Vacant operational areas (Ceres, Savol, illegal parking spaces) 	<ul style="list-style-type: none"> • Sprinkle water on the surface to reduce possible dust generation. • Provide relevant PPEs. 	<ul style="list-style-type: none"> • Construction Engineer • NPA
Demolition of fences and structures may lead to: <ul style="list-style-type: none"> • Injuries • Increased dust emission • Loss of jobs and income • Increase in noise and vibration 	<ul style="list-style-type: none"> • All terminal operators 	<ul style="list-style-type: none"> • Provide appropriate PPEs to reduce health impact and accidents. • Sprinkle water on surface to reduce dust emission. • Discuss with current lease holders to ensure minimal impact on regular operations. • Carry out exhaustive enlightenment campaign to educate terminal operators of the benefits and cost of concessioning. • Carry out systematic demolition and ensure no total business close down for a considerable period. • Provide ear plugs/muffs and ensure total compliance. In 	<ul style="list-style-type: none"> • Construction Engineer • NPA • ICRC

Issue	Affected Area	Mitigation Measure	Responsible Party
		<p>addition, ensure maintenance of minimum limit for ambient noise emission at all times.</p> <ul style="list-style-type: none"> • Initiate demolition from the top to reduce possible vibration effect on the environment. 	
<p>Potential demolition of Quay area may engender the following:</p> <ul style="list-style-type: none"> • Water pollution • Flooding • Stoppage of quay operations • Loss of income 	<ul style="list-style-type: none"> • All quayside operators 	<ul style="list-style-type: none"> • Consider the option of quay rehabilitation against complete demolition. • Carry out public consultation to inform terminal operators and riparian users of the temporary close-up of the quay operations as well as the temporary increased turbidity increase in surface water. • Ensure adequate casing and water breaks to prevent possible flooding. • Phase possible quay demolition to enable affected operators to make use of next and nearby available ones. 	<ul style="list-style-type: none"> • Construction Engineer • NPA • ICRC
<p>Potential drainage repairs/construction may lead to the following:</p> <ul style="list-style-type: none"> • Increased dust emission • Flooding • Accidents 	<ul style="list-style-type: none"> • All drainages especially those that are broken or blocked 	<ul style="list-style-type: none"> • Sprinkle water on construction surface especially if this is carried out during the dry/dusty season. • Create temporary channel for runoffs. • Provide appropriate PPEs to all workers and enforce use. 	<ul style="list-style-type: none"> • Construction Engineer • NPA
<p>Potential increased waste generation. Improper management of generated waste during construction may elicit the following:</p> <ul style="list-style-type: none"> • Soil, Surface and underground water pollution • Foul odour • Reduction in general aesthetics of the terminals 	<ul style="list-style-type: none"> • All areas affected by the restructuring. 	<ul style="list-style-type: none"> • Provide waste receptacles with well fitted lids at strategic locations around the construction areas. • Ensure proper containment of waste oil for safe evacuation by LAWMA. • Engage LAWMA and ensure efficient and timely evacuation and disposal of generated wastes. • Provide mobile toilet facilities around construction areas and ensure timely evacuation by the service provider. • Ensure that the restructuring engineer adhere strictly to efficient waste management procedures. 	<ul style="list-style-type: none"> • Construction Engineer • NPA • ICRC • LAWMA
<p>Potential dredging may</p>	<ul style="list-style-type: none"> • All areas with 	<ul style="list-style-type: none"> • Restrict dredging to affected area 	<ul style="list-style-type: none"> • Construction

Issue	Affected Area	Mitigation Measure	Responsible Party
result in: <ul style="list-style-type: none"> • Flooding • Loss of benthic organisms • Increased turbidity of water column • contamination 	quay operations.	only. <ul style="list-style-type: none"> • Avoid disposal of dredged spoils in water. • Contain dredged spoil against possible contamination with the surroundings. • Ensure gradual dredging to give enough time for some benthic organisms to migrate away from area of activity. 	Engineer <ul style="list-style-type: none"> • NPA
Piling may give rise to the following: <ul style="list-style-type: none"> • Disturbance (Noise and vibration) 	<ul style="list-style-type: none"> • Around quay areas 	<ul style="list-style-type: none"> • Provide and enforce the use of appropriate PPEs such as ear muffs to all workers. • Carry out piling activities after the normal official hours at the terminal to reduce possible noise impact on terminal operators. 	<ul style="list-style-type: none"> • Construction Engineer • NPA
Movement and operations of construction vehicles and machines. This will engender the following: <ul style="list-style-type: none"> • Noise • Increase dust and noxious particles. • Accidents • Traffic congestion especially along the access road to the terminal 	<ul style="list-style-type: none"> • Around the terminals 	<ul style="list-style-type: none"> • Educate drivers on safe driving. • Sprinkle water on dusty surface. • Duly and regularly service construction vehicles/machines and lubricate friction parts. • Liaise with traffic managers to manage traffic on affected roads 	<ul style="list-style-type: none"> • Construction Engineer • NPA
Land reclamation will engender: <ul style="list-style-type: none"> • Resettlement • Relocation • Forceful ejection • Conflict and unrest 	<ul style="list-style-type: none"> • Encroached areas 	<ul style="list-style-type: none"> • Ascertain the right of occupancy of present occupants. • Carry out consultation with present occupants including resident association. • Relocate/resettlement present occupants 	<ul style="list-style-type: none"> • NPA • ICRC
OPERATION			
Transportation and Storage of Containers. This may lead to the following: <ul style="list-style-type: none"> • Increase in noise • Accidents • Air emission • Impedance to free flow of movement 	<ul style="list-style-type: none"> • All container companies 	<ul style="list-style-type: none"> • Ensure all trailers and loading machines are duly services and friction part lubricated. • Ensure that the drivers/operators of the trailers/loading equipment are trained on safe driving. • Maintain minimum speed limit of 10km/hr within the terminals. • Create walkways within the terminals 	<ul style="list-style-type: none"> • Concessionaire • NPA

Issue	Affected Area	Mitigation Measure	Responsible Party
<p>Fishing operations may engender the following:</p> <ul style="list-style-type: none"> • Solid waste generation and management • Water pollution 	<ul style="list-style-type: none"> • All fishing companies 	<ul style="list-style-type: none"> • The concessionaire should provide waste bins with lids on fishing vessels and at strategic locations in operational area. • The concessionaire should ensure that a central dump of not less than 15,000 litres is provided at the operational area. This central dump should be easily accessed. • Engage LAWMA to evacuate solid waste for safe disposal at least every week, depending on rate of generation. • NPA should also engage the services of African Circle or an equivalent company to manage wastes generated from the fishing vessels like the other ports and terminals around the country. • The concessionaire must ensure that no waste material is dumped in water especially during fishing operations. 	<ul style="list-style-type: none"> • Concessionaire • NPA • LAWMA
<p>Routine maintenance of vessels, vehicles, machines and generators. The following may be triggered:</p> <ul style="list-style-type: none"> • Water and soil pollution • Solid waste generation 	<ul style="list-style-type: none"> • All operational areas. 	<ul style="list-style-type: none"> • The concessionaire must ensure strict adherence to MARPOL 78 convention. • The concessionaire should educate all operators of the dangers in polluting water with waste oil and other used service parts. • Store all used oil in secured drums for safe evacuation by LAWMA. 	<ul style="list-style-type: none"> • Concessionaire • NPA • African Circle of equivalent firm
<p>Maintenance dredging. This activity may result to the following:</p> <ul style="list-style-type: none"> • Water pollution – increased turbidity • Destruction of benthic organisms 	<ul style="list-style-type: none"> • All quay operating terminal areas. 	<ul style="list-style-type: none"> • The concessionaire/NPA should adopt the sweeping method to reduce the potential of burying benthic organisms with the dredged material. • Avoid disposal of dredged material in water. 	<ul style="list-style-type: none"> • Concessionaire • NPA
<p>Jetty and Quay Operations. This may bring about:</p> <ul style="list-style-type: none"> • Potential pollution of surface waters especially around the 	<ul style="list-style-type: none"> • Companies that has quay as part of its operational area. 	<ul style="list-style-type: none"> • Ensure total compliance to MARPOL regulations in all jetties and quay operations. • Engage the services of African circle to clean up the berth and quay areas. 	<ul style="list-style-type: none"> • Concessionaire • NPA

Issue	Affected Area	Mitigation Measure	Responsible Party
berth and quay			

3.6 Conclusion & Recommendations

3.6.1.1 Kirikiri Lighter terminal I and II is presently faced by a myriad of environmental and social challenges, which will require well-articulated and practical environmental improvement steps to remedy. It is also informative to note that with the ICRC and NPA laudable to restructure the terminal to a standard that will position it to compare with other international port terminals in the world, the need to institute a healthy and environmental and social management culture cannot be undermined.

3.6.1.2 The eventual concessioning of the Kirikiri terminal will engender increased operational activities with the potential of impacting on the environment. To this end, given the various phases of the concessioning, it is pertinent to ensure that the following recommendations are duly considered.

- The present environmental condition of the KLT I and II is below average. Therefore, it is expected that the prompt implementation of the concessioning programme will trigger the needed environmental best practices at the terminals.
- The restructuring programme is likely to engender a number of environmental and social impacts. Therefore, the recommended mitigations measures should be religiously adhered to minimize the possible impacts on the receptors.
- It is possible that the present importation of fish in Nigeria may be considered for possible ban. If this happens, consumption of fish in the country will solely be dependent on indigenous fishing companies. Therefore, the suspension or termination of the operations of the fishing companies as a result of the concessioning will portend dearth of fish (a vital and readily available source of protein) in meals of Nigerian families. It is therefore recommended that all efforts should be put in place to ensure that fishing companies are still able to operate, even as restructuring is ongoing.
- A number of the fish distributors are bread winners in their homes as some of them are either widowed or their husbands are not or under-employed. Therefore, the option of systematic restructuring to allow for normal operation is recommended.
- Because of the relatively large number of employees working with some individual terminal operators, where possible, preference should be given to the current operators as the eventual termination of their leases will ultimately affect those who depend on these employees for livelihood.

- Most of the drains at the terminal are either completely blocked or dilapidated. This results in flooding, especially during heavy downpours. Example of such area is the drainage that passed through Bollore Container Facility. The project facilitator should clear the drains, while the concessionaire should ensure that the drains are protected from subsequent blockage.
- The NPA should ensure that only trucks and tankers in good operational conditions are given access into the terminal to load or offload.
- NIMASA and NPA should immediately clear the wrecks yard to facilitate speedy construction works to commence.
- Most vacant places at the terminal have turned to either illegal parking space or refuse dumps. ICRC and NPA should ensure that these areas are immediately reclaimed and put to productive use in the restructuring programme.
- The vessel fuel storage tanks/barge for most of the quay operating companies should be monitored to eliminate possible fuel spills in the surrounding waters.
- While the source of pollution (oil and plant debris) at the quay areas of most operators may not be entirely due to the activities of the operators, their contribution may not completely be ruled out. To this end, conscious efforts should be made to maintain good environmental practice at these areas.
- The squatters at the premises of NPA mosque should be encouraged to move out of the terminal as this could pose a security threat to the terminal.
- The concessionaires should ensure that a qualified HSE officer with relevant training and skills is employed to man the HSE units of their operations. In addition, regular in-house environmental monitoring exercise should be instituted.
- Some of the potential donors presented in section 5.2.4 have their country offices in Nigeria. It is therefore recommended that immediate contact be made with the relevant donor agencies with a view to determining their requirements and level of possible assistance.
- The various potential donor partners suggested in section 5.2.4 above may serve as a veritable cushion to some of the potential negative impacts that may attend to the proposed project. For instance, IFAD could be very relevant to the fishing communities, and particularly the customers.

4

Legal Due Diligence

Key Messages

- The concession of KLT I & II would essentially be governed by the NPA Act and the ICRC Act, in addition to the general law on leases. Procedurally, the Procurement Act, 2007 (and the rules made thereunder) would govern the process of procurement of the concession.
- There are presently two ongoing legal disputes taking place within KLT. One is between Hensmor Nigeria Limited and the NPA, and the other, pertaining to a portion of the encroached land on KLT II, is between the Cardoso Family and the NPA.

4.1 Legal and Regulatory Overview

4.1.1.1 This section gives an overview of the legal and Regulatory issues affecting the transaction, the authority to embark on the project and highlights the required consent and approvals needed.

4.1.2 Overview of Legal and Regulatory Issues

4.1.2.1 The Nigerian Ports Authority Act is the principal legislation governing the establishment and operation of ports in Nigeria. The Act provides for the establishment of the Nigerian Ports Authority with the function of providing and operating the necessary facilities in the port and maintaining, improving and regulating the use of the ports in Nigeria. The NPA Act grants NPA broad regulatory and operational authority over ports facilities, operations, services and other related activities.

4.1.3 Legal Basis for the Transaction

4.1.3.1 As stated above KLT I & II, are presently not under any form of long term Public Private Partnership (PPP) between NPA and any private sector entity. Originally identified as some of the assets of NPA to be leased out to private investors/operators as part of the port reform and concession program, the Federal Government of Nigeria (FGN) subsequently ring-fenced the these terminals (KLT I & II) and dedicated the them as terminals for the fisheries industry.

4.1.3.2 The concession of KLT I & II would essentially be governed by the NPA Act and the ICRC Act, in addition to the general law on leases. Procedurally, the Procurement Act, 2007 (and the rules made thereunder) would govern the process of procurement of the concession.

Nigerian Ports Authority Act

4.1.3.3 The NPA Act accommodates private sector participation (“PSP”) in the delivery of port services as it gives the NPA the power to enter into agreements with private operators for the operation, provision and delivery of port facilities and services. The major provisions of the NPA Act which are relevant to this transaction are:

- NPA shall have power to enter into agreement with any person for the operation or the provision of any of the port facilities, which may be provided by the Authority¹. NPA is empowered by the Act to perform the functions either by itself or through an agent appointed by it.² The Act provides that NPA may perform and exercise any of its functions or powers other than the power to make regulations through its officer or agent or through any other person authorized by it in that behalf.

¹ Section 8(i) of the Nigerian Ports Authority Act, Cap. N126, LFN, 2004.

² Section 9 of the Nigerian Ports Authority Act, Cap. N126, LFN, 2004

- NPA shall have power to enter into any agreement with any person for the supply, construction, manufacture, maintenance or repair of any property, moveable or immovable, necessary for its purposes.

4.1.3.4 Through these provisions NPA may enter into agreements with private sector participants or otherwise engage such participants as agents to perform its statutory function of the operation or the provision of port facilities.

Infrastructure Concession Regulatory Commission (Establishment etc) Act 2005

4.1.3.5 In addition to NPA Act, Infrastructure Concession Regulatory Commission (ICRC) (Establishment etc) Act 2005 (“ICRC Act”), being the principal federal law for concessions and PPPs, would apply to the proposed concession of KLT I & II. ICRC Act provides for the participation of the private sector in financing the construction, development, operation or maintenance of infrastructure or development projects of the FGN through concessions or other contractual arrangements; and specifically empowers the MDAs involved in financing these activities to enter into agreements with the private sector to finance the activities

4.1.3.6 Section 36 of ICRC Act defines “infrastructure” to include development projects which, before the commencement of the Act, were financed, constructed, operated or maintained by the FGN or its MDAs and which, after the commencement of the Act, may be wholly or partly implemented by the private sector under an agreement pursuant to the Act. The list of these projects includes sea ports.

4.1.3.7 The procurement of the concession is required under the ICRC Act to through open competitive bid.

4.1.3.8 The Act requires a Special Concession Account into which monies due to the government from the concessions are paid and from which shall be defrayed monies to be paid in respect of the concession scheme.

4.1.3.9 The ICRC Act also established the Infrastructure Concession Regulatory Commission to regulate, monitor and supervise infrastructure or development contracts. The principal functions of the ICRC include (a) taking custody of every concession agreement made under the ICRC Act and monitor compliance with the terms and conditions of such agreement; (b) ensuring efficient execution of any concession agreement or contract entered into by FGN MDAs; (c) ensuring compliance with the provisions of ICRC Act.

Required Approvals

4.1.3.10 There are two critical consents and approvals required for the effective concession of KLT I & II. These are

1. Consent of the President of Nigeria under NPA Act
2. Approval of the Federal Executive Council under ICRC Act

- 4.1.3.11 Consent of the **Nigerian Inland Waterways Authority (“NIWA”)** under its Act would have been the third but it’s unnecessary in this circumstance. Under the Nigerian Inland Waterways Authority Act³, all navigable waterways, inland waterways, river ports and internal waters of Nigeria and all waters declared to be approaches to port under the NPA Act, up to 250 meters beyond the upstream edge of the way of such ports are to be under the exclusive management, direction, and control of the Nigerian Inland Waterways Authority. However, Schedule 3 of the Act lists the Lagos ports as part of the River ports whose approaches are exempted from the control of the Authority. Therefore the consent of NIWA will not be required for this concession.

Consent of the President to Enter into a Long-Term Lease

- 4.1.3.12 NPA Act requires the consent of the President of Nigeria for the alienation (whether by lease or otherwise) of any of NPA’s immoveable property for more than five years. The NPA Act specifically provides that NPA shall not, without the approval in writing of the President, alienate, mortgage or lease any immoveable property which has been vested in NPA or in respect of which a right of occupancy has been granted to NPA.⁴ Since the concession of KLT I & II will typically involve a long-term lease of the terminals by NPA to the private sector, the approval of the President of Nigeria will be required for the concession.

Approval of Federal Executive Council to Enter into a Concession Contract

- 4.1.3.13 The approval of Federal Executive Council is mandatory for the concession of KLT I & 11 under ICRC Act which requires that all projects for concession be submitted to the Federal Executive Council for approval on the recommendation of the relevant sector MDA prior to entering into any concession or contract with the private sector.⁵
- 4.1.3.14 The approval of FEC is also required before an MDA can issue a security cover to the private sector counter-party under a concession agreement.

Law Applicable to Leases of Premises within Lagos State

- 4.1.3.15 Nigeria practices a federal system of government with thirty-six states and the Federal Capital Territory. The Constitution of the Federal Republic of Nigeria 1999 (“the Constitution”) divides legislative powers between the National Assembly (Federal) and State Houses of Assembly. The National Assembly has exclusive legislative competence over matters listed in the Exclusive List whilst it shares legislative authority with States Houses of Assembly over matters in the Concurrent List. State Houses of Assembly have legislative competence over matters not contained in both lists (Residual Matters).

³ Cap. N47, LFN, 2004.

⁴ Section 25 of the Nigerian Ports Authority Act

⁵ Section 2(2) of the Infrastructure Concession Regulatory Commission (ICRC) (Establishment etc) Act 2005

- 4.1.3.16 Tenancies, recovery of premises or indeed landlord and tenant relations are neither mentioned in the Exclusive List nor in the Concurrent list. The constitutional implication of this is that, save for the Federal Capital Territory, a state House of Assembly will have the exclusive competence to legislate over such a matter within the territory of that State. Worthy of mention is the fact that it is immaterial whether the transaction is between the affected property belongs to FGN or any of its MDAs (like NPA). Pursuant to this power various States have enacted laws to govern, landlord and tenant relations and recovery of premises. In Lagos State where KLT I & II are located, the applicable law is the Tenancy Law, 2011 which repealed the Rent Tribunal (Abolitions and Transfer of Functions) Law, 2007 – that 2007 law had previously repealed the Rent Control and Recovery of Residential Premises Law and Rent Control and Recovery of Residential Premises (Amendment) Law.
- 4.1.3.17 **Section 1 (1)** of the Tenancy Law of Lagos State, 2011 provides that the “Law shall apply to all premises within Lagos State, including business and residential premises unless otherwise specified.” While **Section 47** of defines “Premises” as follows:
- “except where it is expressly stated otherwise by this Law, includes premises used for business, residential and non-residential purposes.”
- 4.1.3.18 From the above provision it is clear that that the Law applies to all premises within Lagos State, be they business premises or residential premises save for a few exceptions⁶. It is also instructive to note that the Law has territorial limitation as premises located at Apapa, Ikeja GRA, Ikoyi and Victoria Island are exempted from the application of the Law. The Governor is however empowered to exempt the application of the Law to any other area or premises in Lagos State. Kirikiri Lighter Terminal is not located within the territory exempted from the application of the law. We are also not aware of any gazette made by the Lagos State Governor exempting the territory of Kirikiri.

4.1.4 Pending Issues that may affect the Transaction

- 4.1.4.1 In course of our due diligence, we were shown some correspondences between the Ministry of Transport and the Ministry of Agriculture and Rural Development. Based on those documents we understand that a Presidential directive was given by President Olusegun Obasanjo in 2005 for the construction of a dedicated fishery terminal at KLT I & 11. A copy of the directive was not shown to us. In the light of this directive, NPA issued an eviction notice to all the squatters and illegal operators to vacate the property in 2005.

⁶ The exceptions include residential premises owned or operated by an educational institution for its staff and students, residential premises provided for emergency shelter, residential premises in a care or hospice facility; in a public or private hospital or a mental health facility and premises that is made available in the course of providing rehabilitative or therapeutic treatment. It appears that the Law applies to premises rented for use as churches or for religious activities since such premises did not make it into the exception list.

- 4.1.4.2 We were informed that in 2009, without regards to the Ministry of Transport, NPA or ICRC, the Ministry of Agriculture placed an advertisement in the Vanguard Newspaper inviting Expression of Interest (EOI) for consultancy services for study, design, development, construction and concession of Lagos Fishing terminal on Build, Operate and Own (BOO) strategy. In response to the advertisement, NPA issued a Caveat Emptor in the Vanguard Newspaper stating that KLT I & 11 are owned and operated by NPA by virtue of its enabling Act which amongst others, gives NPA the power to develop and manage the Nigerian Ports. NPA is of the view that the presidential approval to make KLT I & 11 a dedicated fishing terminal did not transfer KLT to the Ministry of Agriculture nor give it the right to drive the concession process.
- 4.1.4.3 Further documents show that the Minister of Transport wrote a letter in January 2011 to the Ministry of Agriculture directing it to apply to NPA for lease of KLT I and NPA in February 2011 wrote to the Ministry of Agriculture confirming that it had commenced processing of the lease.
- 4.1.4.4 We have not seen the directives and thus are not in a position to assess the extent and scope of the said directive. However, we understand that Ministry of Agriculture and NPA have unresolved issues as to the party to drive the process. The issues continues to rage because recently, it was reported in the Guardian Newspaper of February 26, 2014 the Minister of Agriculture and Rural development informed the stakeholders that the Ministry would build a fishing terminal in KLT.
- 4.1.4.5 We would need to see a copy of the directive to review same and confirm what impact it may have on this transaction.

4.2 Real Property

This section reviews all the existing leases and their impact on the proposed concession.

4.2.1 Validity of NPA's Title to the Land

- 4.2.1.1 We were informed at NPA that FGN statutorily acquired the land comprising KLT I & II for purposes of port development. We understand that NPA's title is recorded and evidenced by Government Notice No. 901 in the Official Gazette No 35, Vol. 63 of 8th July 1976 and Government Notice No. 836 in the Official Gazette of No. 33, Vol. 63 of 1976. However, NPA was unable to give us title documents for the said property. We made other efforts on our own to obtain a copy of the Gazette from the Federal Gazette Office at Broad Street but we were unable to get the gazette at time of submitting this report. Nevertheless, Section 125(3) (b) of NPA Act provides that all the assets described in the Third Schedule of that Act shall vest in NPA by virtue of that Act without further assurance. The Third Schedule outlined the assets

vested in the NPA and Part 1 (3) thereof specifically includes Barges Terminal Phase I & II Kirikiri now known as KLT I & II as one of the assets of NPA in Lagos.

4.2.2 Existing Contracts

4.2.2.1 NPA entered into several leases of the facilities in KLT I & II. We were shown sixteen (16) leases and four (4) offer letters for the renewal of some of the leases. Please refer to **Appendix 1** for the schedule of existing and expired leases.

4.2.2.2 In the course of reviewing the leases made available to us, we observed that only ten were still valid and six had expired. One of the lessees whose lease had expired (Hull Blythe Shipping) still occupies the property and pays rent to NPA. We were furnished with receipts showing that Hull Blythe had made payment up till December 2013. The terms of most of the subsisting leases range from two to five years. Only two companies, Brawal Shipping Limited and Daddo International Limited, were each granted a twenty-one year lease.

4.2.2.3 With respect to the expired leases, we were informed by the NPA liaison officer that the lessees are still in occupation of the property under a temporary arrangement with NPA as “**Temporary Occupation Licensees**” (TOL). According to the officer, NPA can terminate the TOL by giving the Licensees a seven days’ notice. We were not availed with any document evidencing the TOL to be able to assess the nature of interest granted under the TOL. It must be borne in mind that the expiry of the seven days’ notice upon its issue will not on its own, recover possession from a recalcitrant occupier. The TOL must be reviewed to determine whether it grants a lease (tenancy) or a Licence as the recovery of premises law (which governs tenancies) gives protection to a tenant who holds over demised premises upon expiry of the consensual tenure, and the requisite notices, by proscribing forcible eviction other than evictions pursuant to the order of a court after due process. Therefore for tenants who fail to deliver-up possession of the premises after the expiry of the seven days’ notice, due process would have to be followed to recover possession of the premises through judicial remedy.

4.2.2.4 We were informed that pursuant to the Federal Government’s proposed development of the terminals, none of the leases are being renewed. However, we noticed that the leases for Royal Salt Limited and Electra Holding Limited were both renewed in 2013.

4.2.3 Review of existing contracts

4.2.3.1 As noted above, our review of the existing leases reveals that out of the sixteen (16) leases made available to us, ten (10) are still extant while six have elapsed. We therefore reviewed only the existing leases. Please refer to **Appendix 2** for the review of leases. It may be noteworthy however, that the terms and conditions of the expired leases are substantially the same as the terms and conditions of the existing leases. We have reviewed the existing leases and their implication for the proposed concession.

Recovery of Premises under the Expired Leases

- 4.2.3.2 From the information made available to us in the course of this due diligence, we observed that five (5) out of the six (6) leases that have expired, were for fixed terms of years. However, as mentioned in section 3.3 of this report, despite the expiry of the leases, the “lessees” are still occupying the property as “**Temporary Occupation Licensees**” under arrangements with NPA wherein the parties have purportedly “agreed”⁷ on a seven days’ notice before each arrangement can terminate.
- 4.2.3.3 As noted earlier we were not furnished with any copy of the TOL to be able to determine whether the continued occupation of premises after the expiry of the various leases create tenancies or licences. It is immaterial that NPA describes the occupiers as “**Temporary Occupation Licensees**” as *“a cat does not become a dog because the parties have agreed to call it a dog.”* It is important that the TOL arrangements and the nature of the occupations are analysed so as to be able to determine the process for the termination of the occupation and the recovery of the premises being occupied or held over.
- 4.2.3.4 The process for termination of a lease or tenancy is different from the process for termination of a licence. So also is the process for recovery of possession in both situations. A tenancy can only be terminated in accordance with the valid terms of any lease agreement and the applicable law (in this case, the Tenancy Law of Lagos State). A licence can only be revoked or terminated by the person who granted it provided reasonable notice is given to the licensee. However, where a contractual licence exists (as is purported in this case), the licence can only be revoked in accordance with the terms of the contract. This again, underscores the importance of having NPA furnish us with a copy of the agreement for the TOL, if any.
- 4.2.3.5 If after an assessment of the TOL and the surrounding circumstances it is found that the occupation contains incidents of a tenancy like exclusive possession and for a determinate term, then it would be clear that the parties had intended a tenancy, in which case the occupation would be subject to the Tenancy Law of Lagos State for purposes of termination and recovery of premises, irrespective of the what the TOL says. This is because the court is always astute to detect and frustrate sham devices and artificial transactions whose only object is to disguise the grant of a tenancy and to evade the recovery of premises law.
- 4.2.3.6 Therefore, if upon the expiry of the seven days’ notice agreed under the TOL, the occupier fails to deliver up possession, and continues to holds over the demised premises (despite that the required notice has been given) NPA must follow due

⁷ Note that this agreement cannot be made orally. Under the Statute of Frauds all agreements relating to land must be in writing. Thus, it is not sufficient that they agreed with NPA. NPA must produce the document evidencing such an agreement.

process to recover possession of the premises through judicial remedy upon due compliance with **Section 16** of the Tenancy Law which states as follows:

“As soon as the term or interest on any premises has been determined by a written notice to quit as in Form TL2 or TL3, in the Schedule to this Law and the tenant neglects or refuses to quit and deliver up possession of the premises or any part of it, the Landlord or his agent may cause the tenant to be served with a written notice as in Form TL4, signed by the Landlord or his agent, of the landlord’s intention to proceed to recover possession, stating the grounds and particulars of the claim, on a date not less than seven (7) days from the date of the notice.”

- 4.2.3.7 In a nutshell, upon the expiry of the seven days’ notice to quit under the TOL, NPA will have to serve a recalcitrant occupier with the statutory Notice of Owner’s Intention to Apply to Recover Possession (another seven days’ notice) before approaching the court for an order to recover possession.

The Leases that are still extant

- 4.2.3.8 We observed that all the existing leases are for a fixed term. Under the law, all fixed tenancies come to an end either by effluxion of time or by earlier termination by the landlord through the process of forfeiture when the tenant breaches an express or implied term of the tenancy. However, we have observed that the termination provisions in Clause 5 of the leases (which is uniform across the leases) provide as follow:

“This lease shall terminate upon the occurrence of any of the following events:-”

1. By the non-defaulting party upon default by the other party in the performance of any of its obligations under this agreement and if not remedied within a reasonable time after receipt of a notice from the non-defaulting party;
2. By either party, if a Force majeure condition set forth in Clause hereof makes it impossible to continue with this Lease in the foreseeable future.

- 4.2.3.9 Clause 6(b) of the lease agreement defined decisions by the authority as a Force Majeure event. These provisions appear to treat the leases more like a contract rather than a grant of an estate for a term of years. Whether this kind of provision is possible in leases and can be effectively enforced has been a matter of academic debate for years now and should not be of much concern in this report. What is important for our purpose now is whether NPA can rely on the force majeure provisions to terminate the leases so as to pave the way for the concession. This is doubtful, as termination of leases in Lagos State can be either under the Tenancy Law or conveyancing law in case of forfeiture for breach of conditions subsequent. The procedure for the judicial remedy of forfeiture is technical requiring issuance of a valid notice. The lessee can also apply to court to seek relief from forfeiture – to have the forfeiture set aside and the lease restored. The court has a wide discretion to grant or refuse relief, which is more likely to be exercised in favour of the lessee

if they react swiftly by carrying out a remedy of any observed breaches and paying the landlord's costs.

- 4.2.3.10 Therefore it would be simpler and more advisable to have the leases terminated in accordance with the Tenancy Law of Lagos State through the issuance of the requisite notices to quit (where required) and the statutory Notice of Owners Intention to Recover Possession. Whether a notice to quit is required would depend on whether the tenancy is for a fixed term or it is periodic. Fixed term tenancies terminate by effluxion of time without need for notice to quit. The length of notice required to terminate periodic tenancies would depend on the agreement of the parties or the nature of the tenancy in the absence of any agreement of the length of the notice to be given.
- 4.2.3.11 If the tenants fail to deliver up possession upon the expiry of the notices, NPA should initiate recovery proceedings whilst exploring any opportunity for out-of-court settlement bearing in mind that the proceedings could drag on for long time.
- 4.2.3.12 For leases whose terms would not expire soon, it would be difficult to terminate them in accordance with the Tenancy Law of Lagos State through the issuance of the requisite notices. It may be necessary for NPA to enter into discussions with the tenants under such leases with a view to having them deliver up the premises before termination on terms to be agreed by them instead of having the proposed concession transaction marred by protracted litigation.

Arbitration Clause in the Leases

- 4.2.3.13 The Leases contain an arbitration clause. This clause is usually a rare one in a tenancy agreement. However, in an unprecedented manner, the Lagos State Tenancy Law, 2011 made express provision with relation to arbitration clause in a tenancy agreement or lease, if the parties so desires.

Section 30 of the Law provides thus:

“A valid agreement to arbitrate shall be upheld and be enforceable in the Court while an arbitration in a tenancy or lease agreement shall not be construed as an ouster of the Courts Jurisdiction.”

- 4.2.3.14 From the above provision, it is beyond doubt that parties to a tenancy agreement can actually include an arbitration clause in a tenancy agreement or a lease. This means that the arbitration clause in the lease agreement entered into by NPA is in order as same does not conflict with the law governing landlord and tenant in Lagos State. It is also important to mention that the law did not stop at permitting parties to agree to arbitrate; it also made provisions on the procedure in case of arbitral award.
- 4.2.3.15 An important point to stress is that an arbitration clause, as provided by the law above, does not oust the jurisdiction of the court to hear the dispute arising from

the tenancy matter. Rather it is a condition precedent to be fulfilled before going to court⁸.

4.2.3.16 The Tenancy Law further provides as follows:

Section 30(2)

- “In the absence of any agreement to the contrary or where the parties cannot agree on the appointment of an arbitrator or tribunal, the Court on receipt of a written application by any of the parties shall act as the appointing authority, upon payment of prescribed fees
- An arbitration award shall be enforceable as a judgment or order of the Court upon registration
- Applications to enforce shall be made to the Court
- An arbitration award in any matter covered by this law must be registered within three months of the date of the award.”

4.2.3.17 The above elaborate procedure is obviously aimed at eliminating grey areas when parties elect to include an arbitration clause in a tenancy agreement or lease. This provision for an ADR in landlord and tenant matter appears to be a deliberate policy as **section 32** of the Law provides that the “court shall promote reconciliation, mediation and amicable settlement between the parties.”

4.2.3.18 In conclusion therefore, the arbitration clause in the various leases does not run afoul of the law of landlord and tenant in Lagos State.

4.3 Litigation

This section examines the all pending litigation and claims over KLT I & II

4.3.1 Review of Pending Litigation

4.3.1.1 We were informed that there are two (2) pending suits in court against NPA for some of the properties in KLT I & II. However, we were only availed the file for one to review: This is the file for **Hensmor Nigeria Limited vs Nigerian Ports Authority-Suit No: FHC/CS/L/1054/2004.**

4.3.1.2 The action was instituted at the Federal High Court by Hensmor Nigeria Limited in November 15, 2004. The Company applied for a lease of land to facilitate the operations of its tanker vessels accredited on fishing support. It was granted a parcel of paved land measuring 9,750m² at Kirikiri Lighter Terminal in 1999 for three years. The said lease expired in 2002. After the expiration, the company stayed on

⁸ See the English case of **Scott v. Avery (1856) 25 L. J. EX. 308.** (The so called Scott v. Avery Clause) where the House of Lords stated this principle of law.

as a hold over tenant and paid rent covering that period. In 2004, the tenancy was regularized and renewed for one year which was due to expire on June 14, 2005. Prior to the expiration of the lease NPA on November 9, 2004 served the company a thirty-day notice for termination of the lease pursuant to the Federal Government's decision to earmark the land as a dedicated fishing terminal.

- 4.3.1.3 The company then instituted this action seeking amongst other orders for a declaration that the purported notice of termination dated November 9, 2004 issued and served by the defendant purporting to terminate the subsisting lease in respect of the paved land in KLT I1 is invalid, illegal, unconstitutional, null and void.
- 4.3.1.4 The matter has dragged on for long due to several adjournments and transfer of the matter to another judge. However, the Managing Director of the company has written to NPA proposing that the matter be settled out of Court. If NPA is not desirous of this out-of-court settlement or if they fear that it would not lead to the desired outcome, it is advisable that NPA issues the seven days' notice of owner's intention to apply to court to recover the property and thereafter commence the proper recovery proceedings.
- 4.3.1.5 Apart from the above pending litigation, NPA was involved in another suit - **CERES (Nigeria) Ltd vs NPA; Suit No: FHC/L/CS/103/2005-** in which judgement was delivered on July 6, 2009.
- 4.3.1.6 The company filed an action at the Federal High Court seeking amongst other reliefs for a declaratory relief invalidating the termination of the lease and an extension of the tenancy for twenty-five years. The Company was granted a lease in 1996 for an initial period of five years, terminating in 2001. After the initial lease elapsed, the parties continued to occupy the property but on a quarterly tenancy basis.
- 4.3.1.7 In 2004, based on the Federal Government's decision to use the entire KLT I & II as a designated fishing terminal, NPA served a one-month notice on CERES (Nigeria) Limited to terminate the lease. The Court in its ruling held that the purported termination of the lease by NPA was illegal and null and void. The court held that the tenant was a subsisting tenant and should be entitled to a three-month notice to determine the quarterly tenancy relationship. The court also made an order restraining NPA from harassing CERES (Nigeria) Limited until the proper determination of the tenancy. Based on the judgment of the court, NPA on February 8, 2010 served the company with the appropriate three months' notice to terminate the tenancy. After which, the seven days' notice of owners intention to apply to court to recover the property was served on November 9, 2010. Upon receipt of these notices the company sent a petition against NPA to the Office of the Honourable Minister of Transport soliciting for the intervention of the Minister. Despite these notices, the company still occupies the property till date.
- 4.3.1.8 Having complied with the order of the court by serving the statutory notice, the next step for NPA is to apply to court to recover possession of the property.

- 4.3.1.9 The following page provides a map outlining the abovementioned properties presently under litigation. At the time of this writing however, we were not furnished with further details on the ongoing litigation between the Cardoso Family and the NPA.

LEGEND

- BUILDING AND OTHER ESTABLISHMENTS
- ROAD
- PARCEL
- BOUNDARY
- PROPERTY UNDER LITIGATION
- JUDGEMENT ISSUED IN FAVOUR OF NPA, LAND TO BE RECOVERED
- ▶▶ ACCESS GATE

Study Area
1:8,900

Image acquired by GeoEye satellite on April, 2010



Appendices

Appendix 1

Schedule of Existing Lease Agreements

S/N	Name of Lessees	Size of Land	Term of Lease	Effective Date	Expiry Date	Approved Use
1.	Atlantic Shrimpers	12,279.36m ²	5	January 1, 2011	December 31, 2016	Development of a fishing terminal and other ancillary services
2.	Brawal Lines Limited	4.075 hectares	21	June 1, 1999	May 31, 2020	the establishment of an office complex and other ancillary services.
3	Barnarly Nigeria Limited	507.78m ² Paved quay apron 66606.613m ² Paved parking space	5	July 1, 2009	June 30, 2014	Development of warehouse, silo, bagging plants, storage handling and preparation of Iron/steel materials.
4	Royal Salt Limited	28,000m ² paved land	5	February 16, 2012	February 15, 2017	Development of additional parking lot area and other ancillary uses.
5.	Royal Salt Limited	• 6,000m ² of Warehouse space in KLT 1 • 20,328m ² of paved stacking area in KLT 1	5	February 1, 2013	January 31, 2018	Processing, storage of salt and other ancillary uses.

		• 1.888m ² of paved stacking area in KLT 1				
6.	Royal Salt Limited	4500m ² of quay apron	5	December 23, 2011	December 22, 2016	Discharge of raw salt and other ancillary uses.
7	Jones Fisheries Limited	1.462 hectares of land	2	July 1, 2012	June 30, 2014	Development of a fishing terminal, tank farm for oil and gas and other ancillary services.
8	Underwater Engineering Limited	6,906.718m ²	2	September 1, 2012	August 31, 2014	Storage of materials used for repairs of boats, barges, tugs vessels and container houses and other ancillary services.
9	Electra Holdings Limited	1.699 hectares	5	December 20, 2013	December 19, 2018	Oil and gas logistics
10	Sageto Limited	1.600m ² of land and a block of 24 rooms	2	September 1, 2013	August 31, 2015	Storage of materials used for repairs of boats, barges, tugs vessels and container houses and other ancillary services.
11	Daddo International Nigeria Limited	1.804m ² hectares	21	April 29, 2011	April 28, 2032	Port related development, fishing operations, oil field logistics, supply terminals, milk packaging, warehouse, fabrication services and industrial units and other ancillary services.
12	Confluence Oil & Gas Ltd	1.3m ² hectares	5		October 2014	Integrated logistics supply base
13	Glantre Nigeria Limited	1.3m ² hectares	5		October 2014	Development of warehouse and stacking area for oil and gas logistics services.

Schedule of Expired Lease Agreements

S/N	Name of Lessees	Size of Land	Term of Lease	Effective Date	Expiry Date	Approved Use
1.	Brawal Shipping	600m ²	5	November 1,	October 31,	Development of a fishing

	Nigeria Ltd	9,606.67m ² 4,547.51m ² 4, 202.2m ²		2011	2013	terminal and other ancillary services
2.	Seagold Fishing Company	4.075 hectares	21	June 1, 1999	May 31, 2020	The establishment of an office complex and other ancillary services.
3	Tikko Marine Services	4, 461.276m ²	5	August 12, 2010	July 14, 2011	Fishing operations and other ancillary uses.
4	NICE	28,000m ² paved land	5	February 16, 2012	February 15, 2017	Development of additional parking lot area and other ancillary uses.
5.	SDV Nigeria Limited	4.307 hectares	2	March 8, 2011	March 7, 2013	Off-dock container operations and other ancillary uses.
6.	LADOL Integrated Logistic Enterprise	1,200m ² of	2	August 1, 2011	July 31, 2013	Storage of transit cargo and other ancillary uses.
7	Hull Blyth Nigeria Limited	23, 380m ²	1	February 1, 2009	January 31, 2010	Common bonded terminal and other ancillary uses.

Appendix 2

Review of Existing Lease Agreements

Atlantic Shrimpers

Parameter	Description/Observation	Comments
Parties	<ul style="list-style-type: none"> Nigerian Ports Authority (Lessor) Atlantic Shrimpers Limited(Lessee) 	

Date	<ul style="list-style-type: none"> Effective Date - January 1, 2011 Expiry Date – December 31, 2016 	The lease is for a fixed term of five years. Leases with fixed term usually terminate by effluxion of time
Size of the Land	<ul style="list-style-type: none"> 12, 279. 36m² parcel of developed land in KLT 1 	
Approved Use	The property was approved to be used for the development of a fishing terminal and other ancillary services.	
Rent per Annum	N10, 437, 456.00	The rent is exclusive of VAT and is subject to review every 3 years.
Assignment	Clause 2(v) restricts the Lessee from transferring or assigning its rights and obligations under the agreement without the prior written consent of NPA	The assignment clause is only applicable to the Lessee; there is no corresponding obligation on the part of NPA. Therefore NPA will not be restricted from assigning its interest in the agreement to a third party. However, in case of a concession, the concessionaire would prefer to be put in possession otherwise he will take subject to the lease.
Termination	<p>NPA shall have a right to terminate the lease on the following grounds:</p> <ul style="list-style-type: none"> Where the Lessee breaches the terms of lease and has refused the remedy the breach within 30days after a receipt of a written notice Abandonment or failure by the Lessee to develop the property within the period of one year. 	Of all the listed events for termination, the only settled event for termination here is the giving of six months notice. However, the notice must expire at the anniversary of the lease if a periodic lease otherwise it would be invalid. Since this is a fixed term lease, there may be no need for notice to quit. The lessee is obligated to surrender up the premises upon expiry of the Lease on December 31, 2016. If the lessee fails then NPA can issue the notice of owners'

	<p>The Agreement shall terminate upon the occurrence of any of the following events:</p> <ul style="list-style-type: none"> • By either party when the other party has defaulted in the performance of any of its obligations under this agreement and has not remedied within a reasonable time the default after receiving notice of it from the non-defaulting party • By either party, if a Force majeure event makes it impossible to continue with its obligations. A Force Majeure event in the agreement includes flood, earthquake, war hostilities, strike, decisions by the Authority. The decision to grant a concession to a third party could be regarded as a decision of the authority and a ground to terminate the contract. • By either party giving to the other party not less than six months notice in writing. 	<p>intention to apply to court to recover possession.</p> <p>The implication of this is there would be no recovery of premises proceedings until January 2017. This may adversely affect the completion of the proposed concession transaction.</p>
<p>Other Relevant Clauses</p>	<p>Clause 3(ii) of the agreement provides that NPA reserves the right to take over the facility from the Lessee on payment of full compensation to the Lessee if an occasion arises for the use of the property by NPA. NPA must give due notice and pay full compensation to Lessee for such use or takeover.</p> <p>Clause 3(iii) provides that the Lessor shall reduce any future rent payable by the Lessee in respect of</p>	<p>NPA could rely on this clause and issue a six months' notice to the tenant to surrender the lease on the ground that that government requires the premises for a concession. If the tenant fails to deliver up the premises after six months, NPA could also issue the seven days' notice and thereafter proceed to arbitration as required under the lease.</p> <p>Arbitration Clause is usually a rare one in a tenancy agreement. However, the Lagos State Tenancy Law,</p>

	<p>any property or facility surrendered to NPA after the commencement of the Lease and payment of rent by the Lessee</p> <p>Clause 4 (iii) provides that the lease is subject to all present and future legislations, Government policy, directives and change of laws in respect of the ports under the jurisdiction of NPA and all directives of the Federal Government.</p> <p>Clause 7 provides for that where a dispute, doubt or question arises between the parties on construction, meaning of any clause or their respective rights or liabilities in relation to the property, it shall be referred to the Regional Centre For Commercial Arbitration Lagos in accordance with the Arbitration and Conciliation Act.</p>	<p>2011 made express provision with relation to arbitration clause in a tenancy agreement or lease, if the parties so desires. It is important to note that the arbitration clause does not oust the jurisdiction of the court to hear the dispute arising from the tenancy matter. Rather, it will be a proper interpretation of the law to say that an arbitration proceeding is a condition precedent to be fulfilled before going to court.</p>
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Brawal Lines Limited

Parameter	Description/Observation	Comments
Parties	<ul style="list-style-type: none"> • Nigerian Ports Authority (Lessor) • Brawal Lines Limited(Lessee) 	
Date	<ul style="list-style-type: none"> • Effective Date - June 1, 1999 • Expiry Date – May 31, 2020 	<p>The lease is for a fixed term of 21 years certain. The grant of the 21 years lease was pursuant to the approval granted by the Head of State</p> <p>It is important to note that Section 25 of the NPA Act provides that the prior approval of the President in writing must be obtained before granting a lease</p>

		above five years.
Size of the Land	<ul style="list-style-type: none"> 4.075 hectares of land in KLT 1 	
Approved Use	The property was approved to be used for the establishment of an office complex and other ancillary services.	
Rent per Annum	The present rent is N8,150,000	The rent is exclusive of VAT and is subject to review every three years.
Assignment	Clause 2(v) restricts the Lessee from transferring or assigning its rights and obligations under the agreement without the prior written consent of NPA	The assignment clause is only applicable to the Lessee; there is no corresponding obligation on the part of NPA. Therefore NPA will not be restricted from assigning its interest in the agreement to a third party. However, in case of a concession, the concessionaire would prefer to be put in possession otherwise he will take subject to the lease.
Termination	<p>NPA shall have a right to terminate the lease on the following grounds:</p> <ul style="list-style-type: none"> Where the Lessee breaches the terms of lease and has refused the remedy the breach within 30days after a receipt of a written notice Abandonment or failure by the Lessee to develop the property within the period of one year. 	Of all the listed events for termination, the only settled event for termination here is the giving of six months notice. However, the notice must expire at the anniversary of the lease if a periodic lease otherwise it would be invalid. However since this is a fixed term lease, there may be no need for notice to quit. The lessee is obligated to surrender up the premises upon expiry of the Lease on May 31, 2020. If the lessee fails then NPA can issue the notice of owners' intention to apply to court to recover possession.

	<p>The Agreement shall terminate upon the occurrence of any of the following events:</p> <ul style="list-style-type: none"> • By either party when the other party has defaulted in the performance of any of its obligations under this agreement and has not remedied within a reasonable time the default after receiving notice of it from the non-defaulting party • By either party, if a Force majeure event makes it impossible to continue with its obligations. A Force Majeure event in the agreement includes flood, earthquake, war hostilities, strike, decisions by the Authority. The decision to grant a concession to a third party could be regarded as a decision of the authority and a ground to terminate the contract. • By either party giving to the other party not less than six months notice in writing. 	<p>The implication of this is there would be no recovery of premises proceedings until June 2020.</p> <p>This would adversely affect the completion of the proposed concession transaction.</p>
<p>Other Relevant Clauses</p>	<p>Clause 3(ii) of the agreement provides that NPA reserves the right to take over the facility from the Lessee on payment of full compensation to the Lessee if an occasion arises for the use of the property by NPA. NPA must give due notice and pay full compensation to Lessee for such use or takeover.</p> <p>Clause 3(iii) provides that the Lessor shall reduce any future rent payable by the Lessee in respect of any property or facility surrendered to NPA after</p>	<p>NPA could rely on this clause and issue a six months' notice to the tenant to surrender the lease on the ground that that government requires the premises for a concession. If the tenant fails to deliver up the premises after six months, NPA could also issue the seven days' notice and thereafter proceed to arbitration as required under the lease..</p>

	<p>the commencement of the Lease and payment of rent by the Lessee</p> <p>Clause 4 (iii) provides that the lease is subject to all present and future legislations, Government policy, directives and change of laws in respect of the ports under the jurisdiction of NPA and all directives of the Federal Government.</p> <p>Clause 7 provides for that where a dispute, doubt or question arises between the parties on construction, meaning of any clause or their respective rights or liabilities in relation to the property, it shall be referred to the Regional Centre For Commercial Arbitration Lagos in accordance with the Arbitration and Conciliation Act.</p>	<p>Arbitration Clause is usually a rare one in a tenancy agreement. However, the Lagos State Tenancy Law, 2011 made express provision with relation to arbitration clause in a tenancy agreement or lease, if the parties so desires. It is important to note that the arbitration clause does not oust the jurisdiction of the court to hear the dispute arising from the tenancy matter. Rather, it will be a proper interpretation of the law to say that an arbitration proceeding is a condition precedent to be fulfilled before going to court.</p>
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Banarly Nigeria Limited

Parameter	Description/Observation	Comments
Parties	<ul style="list-style-type: none"> Nigerian Ports Authority Banarly Nigeria Limited 	<p>We were not availed a copy of the agreement but a letter conveying managements approval for renewal of the lease.</p> <p>In the absence of an executed lease, the lease would be treated as a periodic lease. The rent</p>

		<p>receipt should be cited to confirm the period covered by the payment, as that period would determine the length of notice to quit to be given by NPA. Note all agreements relating to land must be in writing except in cases of part performance e.g. by way of rent payment. So it is important that the rent receipt is made available.</p>
Date	<ul style="list-style-type: none"> • Effective Date - July 1, 2009 • Expiry Date – June 30, 2014 	The lease is purported to be for a term of five years certain.
Size of the Land	<ul style="list-style-type: none"> • 507.78m² Paved quay apron in KLT 1 • 6606.613m² Paved stacking space in KLT 1 	
Approved Use	The property was approved to be used for development of warehouse, silo, bagging plants, storage handling and preparation of Iron/steel materials.	
Rent per Annum	<ul style="list-style-type: none"> • N6,855,030.00 for the paved quay apron • N6, 606, 613.00 for the paved stacking space. 	The rent is exclusive of VAT
Other Relevant Clauses		<p>The letter conveying NPA’s approval for the renewal of the lease referred to an agreement to be signed by NPA and the company. However, the said agreement was not availed to us.</p> <p>It would not be advisable to renew the lease in view of the impending concession of the terminal.</p>

		Upon the expiration of the lease on June 30, 2014, NPA should issue the occupier with the seven days' notice to recover possession and thereafter commence recovery proceedings.
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Royal Salt Limited (1)

Parameter	Description/Observation	Comments
Parties	<ul style="list-style-type: none"> Nigerian Ports Authority (Lessor) Royal Salt Limited (Lessee) 	
Date	<ul style="list-style-type: none"> Effective Date - February 16, 2012 Expiry Date – February 15, 2017 	The lease is for a term of five (5) years. Although the tenancy is not expressed to be of a “term certain” it would still be construed as a lease for a fixed term given its explicit expiry date of February 15, 2017.
Size of the Land	<ul style="list-style-type: none"> 28,000m² paved land in KLT 1 	
Approved Use	The approved use of the property is for development of an additional parking lot area and other ancillary uses.	
Rent per Annum	N23, 800, 000.00	The rent is exclusive of VAT and will be subject to review after three years.
Assignment	Clause 2(v) restricts the Lessee from transferring or assigning its rights and obligations under the agreement without the prior written consent of NPA	The assignment clause is only applicable to the Lessee; there is no corresponding obligation on the part of NPA. Therefore NPA will not be restricted from assigning its interest in the agreement to a third

		<p>party. However, in case of a concession, the concessionaire would prefer to be put in possession otherwise he will take subject to the lease.</p> <p>.</p>
<p>Termination</p>	<p>NPA shall have a right to terminate the lease on the following grounds:</p> <ul style="list-style-type: none"> • Where the Lessee breaches the terms of lease and has refused the remedy the breach within 30days after a receipt of a written notice • Abandonment or failure by the Lessee to develop the property within the period of one year. <p>The Agreement shall terminate upon the occurrence of any of the following events:</p> <ul style="list-style-type: none"> • By either party when the other party has defaulted in the performance of any of its obligations under this agreement and has not remedied within a reasonable time the default after receiving notice of it from the non-defaulting party • By either party, if a Force majeure event makes it impossible to continue with its obligations. A Force Majeure event in the agreement includes flood, earthquake, war hostilities, strike, decisions by the Authority. The decision to grant a concession to a third party could be regarded as a decision of the authority and a ground to terminate the 	<p>Of all the listed events for termination, the only settled event for termination here is the giving of six months notice. However, the notice must expire at the anniversary of the lease if a periodic lease otherwise it would be invalid. However since this is a fixed term lease, there may be no need for notice to quit. The lessee is obligated to surrender up the premises upon expiry of the Lease on December 31, 2016. If the lessee fails then NPA can issue the notice of owners' intention to apply to court to recover possession.</p> <p>The implication of this is there would be no recovery of premises proceedings until January 2017.</p> <p>This would adversely affect the completion of the proposed concession transaction.</p>

	<p>contract.</p> <ul style="list-style-type: none"> • By either party giving to the other party not less than six months notice in writing. 	
<p>Other Relevant Clauses</p>	<p>Clause 3(ii) of the agreement provides that NPA reserves the right to take over the facility from the Lessee on payment of full compensation to the Lessee if an occasion arises for the use of the property by NPA. NPA must give due notice and pay full compensation to Lessee for such use or takeover.</p> <p>Clause 3(iii) provides that the Lessor shall reduce any future rent payable by the Lessee in respect of any property or facility surrendered to NPA after the commencement of the Lease and payment of rent by the Lessee</p> <p>Clause 4 (iii) provides that the lease is subject to all present and future legislations, Government policy, directives and change of laws in respect of the ports under the jurisdiction of NPA and all directives of the Federal Government.</p> <p>Clause 7 provides for that where a dispute, doubt or question arises between the parties on construction, meaning of any clause or their respective rights or liabilities in relation to the property, it shall be referred to the Regional Centre For Commercial Arbitration Lagos in accordance with the Arbitration and Conciliation Act.</p>	<p>NPA could rely on this clause and issue a six months’ notice to the tenant to surrender the lease on the ground that that government requires the premises for a concession. If the tenant fails to deliver up the premises after six months, NPA could also issue the seven days’ notice and thereafter proceed to arbitration as required under the lease..</p> <p>Arbitration Clause is usually a rare one in a tenancy agreement. However, the Lagos State Tenancy Law, 2011 made express provision with relation to arbitration clause in a tenancy agreement or lease, if the parties so desires. It is important to note that the arbitration clause does not oust the jurisdiction of the court to hear the dispute arising from the tenancy matter. Rather, it will be a proper interpretation of the law to say that an arbitration proceeding is a condition precedent to be fulfilled before going to</p>

		court.
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Royal Salt Limited (2)

Parameter	Description/Observation	Comments
Parties	<ul style="list-style-type: none"> Nigerian Ports Authority (Lessor) Royal Salt Limited (Lessee) 	
Date	<ul style="list-style-type: none"> Effective Date - February 1, 2013 Expiry Date – January 31, 2018 	The lease is for a fixed term of five (5) year and will terminate by effluxion of time on January 31, 2018.
Size of the Land	<ul style="list-style-type: none"> 6,000m² of Warehouse space in KLT 1 20,328m² of paved stacking area in KLT 1 1.888m² of paved stacking area in KLT 1 	The Lessee leased three different facilities in KLT 1.
Approved Use	The approved use of the property is for processing, storage of salt and other ancillary uses.	
Rent per Annum	N30, 222, 800.00	The rent is exclusive of VAT and will be subject to review after three years.
Assignment	Clause 2(v) restricts the Lessee from transferring or assigning its rights and obligations under the agreement without the prior written consent of NPA	The assignment clause is only applicable to the Lessee; there is no corresponding obligation on the part of NPA. Therefore NPA will not be restricted from assigning its interest in the agreement to a third party However, in case of a concession, the concessionaire would prefer to be put in possession otherwise he will take subject to the lease..

<p>Termination</p>	<p>NPA shall have a right to terminate the lease on the following grounds:</p> <ul style="list-style-type: none"> • Where the Lessee breaches the terms of lease and has refused the remedy the breach within 30days after a receipt of a written notice • Abandonment or failure by the Lessee to develop the property within the period of one year. <p>The Agreement shall terminate upon the occurrence of any of the following events:</p> <ul style="list-style-type: none"> • By either party when the other party has defaulted in the performance of any of its obligations under this agreement and has not remedied within a reasonable time the default after receiving notice of it from the non-defaulting party • By either party, if a Force majeure event makes it impossible to continue with its obligations. A Force Majeure event in the agreement includes flood, earthquake, war hostilities, strike, decisions by the Authority. The decision to grant a concession to a third party could be regarded as a decision of the authority and a ground to terminate the contract. • By either party giving to the other party not less than six months notice in writing. 	<p>Of all the listed events for termination, the only settled event for termination here is the giving of six months notice. However, the notice must expire at the anniversary of the lease if a periodic lease otherwise it would be invalid. However since this is a fixed term lease, there may be no need for notice to quit. The lessee is obligated to surrender up the premises upon expiry of the Lease on January 31, 2018. If the lessee fails then NPA can issue the notice of owners' intention to apply to court to recover possession.</p> <p>The implication of this is there would be no recovery of premises proceedings until February 2018.</p> <p>This would adversely affect the completion of the proposed concession transaction.</p>
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<p>Other Relevant Clauses</p>	<p>Clause 3(ii) of the agreement provides that NPA reserves the right to take over the facility from the Lessee on payment of full compensation to the Lessee if an occasion arises for the use of the property by NPA. NPA must give due notice and pay full compensation to Lessee for such use or takeover.</p> <p>Clause 3(iii) provides that the Lessor shall reduce any future rent payable by the Lessee in respect of any property or facility surrendered to NPA after the commencement of the Lease and payment of rent by the Lessee</p> <p>Clause 4 (iii) provides that the lease is subject to all present and future legislations, Government policy, directives and change of laws in respect of the ports under the jurisdiction of NPA and all directives of the Federal Government.</p> <p>Clause 7 provides for that where a dispute, doubt or question arises between the parties on construction, meaning of any clause or their respective rights or liabilities in relation to the property, it shall be referred to the Regional Centre For Commercial Arbitration Lagos in accordance with the Arbitration and Conciliation Act.</p>	<p>NPA could rely on this clause and issue a six months' notice to the tenant to surrender the lease on the ground that that government requires the premises for a concession. If the tenant fails to deliver up the premises after six months, NPA could also issue the seven days' notice and thereafter proceed to arbitration as required under the lease..</p> <p>Arbitration Clause is usually a rare one in a tenancy agreement. However, the Lagos State Tenancy Law, 2011 made express provision with relation to arbitration clause in a tenancy agreement or lease, if the parties so desires. It is important to note that the arbitration clause does not oust the jurisdiction of the court to hear the dispute arising from the tenancy matter. Rather, it will be a proper interpretation of the law to say that an arbitration proceeding is a condition precedent to be fulfilled before going to court.</p>
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Royal Salt Limited (3)

Parameter	Description/Observation	Comments
Parties	<ul style="list-style-type: none"> Nigerian Ports Authority (Lessor) 	We were not availed a copy of the agreement but an

	<ul style="list-style-type: none"> Royal Salt Limited (Lessee) 	offer letter conveying NPA’s approval for renewal of the lease
Date	<ul style="list-style-type: none"> Effective Date - December 23, 2011 Expiry Date – December 22, 2016 	The lease is purported to be for a fixed term of five (5) year but there is no agreement to confirm this.
Size of the Land	<ul style="list-style-type: none"> 4,500m² of quay apron in KLT 1 	
Approved Use	The approved use of the property is for discharge of raw salt and other ancillary uses.	
Rent per Annum	N29, 250, 000.00	The rent is exclusive of VAT and will be subject to review after three years.
Other Relevant Clauses		<p>The letter conveying NPA’s approval for the renewal of the lease referred to an agreement to be signed by NPA and the company. However, the said agreement was not availed to us.</p> <p>In the absence of an executed lease, the lease would be treated as a periodic lease. The rent receipt should be cited to confirm the period covered by the payment, as that period would determine the length of notice to quit to be given by NPA. Note all agreements relating to land must be in writing except in cases of part performance e.g. by way of rent payment. So it is important that the rent receipt is made available.</p>

Jones Fisheries Limited

Parameter	Description/Observation	Comments
Parties	<ul style="list-style-type: none"> • Nigerian Ports Authority (Lessor) • Jones Fisheries Limited(Lessee) 	<p>The parties did not execute the agreement.</p> <p>In the absence of an executed lease, the lease would be treated as a periodic lease. The rent receipt should be cited to confirm the period covered by the payment, as that period would determine the length of notice to quit to be given by NPA. Note all agreements relating to land must be in writing except in cases of part performance e.g. by way of rent payment. So it is important that the rent receipt is made available.</p>
Date	<ul style="list-style-type: none"> • Effective Date - July 1, 2012 • Expiry Date – June 30, 2014 	<p>The lease is purported to be for a fixed term of two years and expected to automatically expire by effluxion of time. However, If there is no agreement evidencing any intention of the parties for a fixed-term tenancy, the tenancy may be construed as a periodic tenancy requiring a notice to quit before it can be determined. The duration of the notice would be determined by the duration of the last rent paid. If the rent paid was for six months or more, then 6 months’ notice to quit would be required.</p> <p>It is very likely that NPA has not issued any notice to quit by now, less than 4 months before its expiry. Nevertheless, it is advisable that NPA does not collect another rent upon expiry on June 30, 2014. It should simply issue, the seven days’ notice of owners intention and commence proceedings for recovery of premises.</p>

Size of the Land	<ul style="list-style-type: none"> 1.462 hectares of land in KLT 1 	
Approved Use	The property was approved to be used for the development of a fishing terminal, tank farm for oil and gas and other ancillary services.	
Rent per Annum	N21, 930, 000.00	The rent is exclusive of VAT.
Assignment	Clause 2(v) restricts the Lessee from transferring or assigning its rights and obligations under the agreement without the prior written consent of NPA	The assignment clause is only applicable to the Lessee; there is no corresponding obligation on the part of NPA. Therefore NPA will not be restricted from assigning its interest in the agreement to a third party such as a concessionaire.
Termination	<p>NPA shall have a right to terminate the lease on the following grounds:</p> <ul style="list-style-type: none"> Where the Lessee breaches the terms of lease and has refused the remedy the breach within 30days after a receipt of a written notice Abandonment or failure by the Lessee to develop the property within the period of one year. <p>The Agreement shall terminate upon the occurrence of any of the following events:</p> <ul style="list-style-type: none"> By either party when the other party has defaulted in the performance of any of its obligations under this agreement and has not remedied within a reasonable time the 	The provisions of the draft lease would be of no consequence since the parties did not sign the lease.

	<p>default after receiving notice of it from the non-defaulting party</p> <ul style="list-style-type: none"> • By either party, if a Force majeure event makes it impossible to continue with its obligations. • By either party giving to the other party not less than six months notice in writing. 	
Other Relevant Clauses	<p>Clause 3(ii) of the agreement provides that NPA reserves the right to take over the facility from the Lessee on payment of full compensation to the Lessee if an occasion arises for the use of the property by NPA. NPA must give due notice and pay full compensation to Lessee for such use or takeover.</p> <p>Clause 3(iii) provides that the Lessor shall reduce any future rent payable by the Lessee in respect of any property or facility surrendered to NPA after the commencement of the Lease and payment of rent by the Lessee</p> <p>Clause 4 (iii) provides that the lease is subject to all present and future legislations, Government policy, directives and change of laws in respect of the ports under the jurisdiction of NPA and all directives of the Federal Government.</p> <p>Clause 7 provides for that where a dispute, doubt or question arises between the parties on construction, meaning of any clause or their</p>	

	respective rights or liabilities in relation to the property, it shall be referred to the Regional Centre For Commercial Arbitration Lagos in accordance with the Arbitration and Conciliation Act.	
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Underwater Engineering Limited

Parameter	Description/Observation	Comments
Parties	<ul style="list-style-type: none"> Nigerian Ports Authority (Lessor) Underwater Engineering Limited(Lessee) 	<p>The Lease was not executed by any of parties.</p> <p>In the absence of an executed lease, the lease would be treated as a periodic lease. The rent receipt should be cited to confirm the period covered by the payment, as that period would determine the duration of notice to quit to be given by NPA. Note all agreements relating to land must be in writing except in cases of part performance e.g. by way of rent payment. So it is important that the rent receipt is made available.</p>
Date	<ul style="list-style-type: none"> Effective Date - September 1, 2012 Expiry Date – August 31, 2014 	<p>The lease is purported to be for a fixed term of two years and expected to automatically expire by effluxion of time. However, If there is no agreement evidencing any intention of the parties for a fixed-term tenancy, the tenancy may be construed as a periodic tenancy requiring a notice to quit before it can be determined. The duration of the notice would be determined by the duration of the last rent paid. If the rent paid was for six months or more, then 6 months’ notice to quit would be required.</p>

		It is very likely that NPA has not issued any notice to quit by now, less than 6 months before its expiry. Nevertheless, it is advisable that NPA does not collect another rent upon expiry on August 31, 2014. It should simply issue, the seven days' notice of owners intention and commence proceedings for recovery of premises.
Size of the Land	<ul style="list-style-type: none"> 6,906. 718m² parcel of land in KLT 1 	
Approved Use	The property was approved to be used for storage of materials used for repairs of boats, barges, tugs vessels and container houses and other ancillary services.	
Rent per Annum	N23, 306,653.00	The rent is exclusive of VAT.
Assignment	Clause 2(v) restricts the Lessee from transferring or assigning its rights and obligations under the agreement without the prior written consent of NPA	The assignment clause is only applicable to the Lessee; there is no corresponding obligation on the part of NPA. Therefore NPA will not be restricted from assigning its interest in the agreement to a third party such as a concessionaire.
Termination	<p>NPA shall have a right to terminate the lease on the following grounds:</p> <ul style="list-style-type: none"> Where the Lessee breaches the terms of lease and has refused the remedy the breach within 30days after a receipt of a written notice Abandonment or failure by the Lessee to develop the property within the period of 	

	<p>one year.</p> <p>The Agreement shall terminate upon the occurrence of any of the following events:</p> <ul style="list-style-type: none"> • By either party when the other party has defaulted in the performance of any of its obligations under this agreement and has not remedied within a reasonable time the default after receiving notice of it from the non-defaulting party • By either party, if a Force majeure event makes it impossible to continue with its obligations. • By either party giving to the other party not less than six months notice in writing. 	
<p>Other Relevant Clauses</p>	<p>Clause 3(ii) of the agreement provides that NPA reserves the right to take over the facility from the Lessee on payment of full compensation to the Lessee if an occasion arises for the use of the property by NPA. NPA must give due notice and pay full compensation to Lessee for such use or takeover.</p> <p>Clause 3(iii) provides that the Lessor shall reduce any future rent payable by the Lessee in respect of any property or facility surrendered to NPA after the commencement of the Lease and payment of rent by the Lessee</p> <p>Clause 4 (iii) provides that the lease is subject to</p>	<p>Arbitration Clause is usually a rare one in a tenancy agreement. However, the Lagos State Tenancy Law, 2011 made express provision with relation to arbitration clause in a tenancy agreement or lease, if the parties so desires. It is important to note that the arbitration clause does not oust the jurisdiction of the court to hear the dispute arising from the tenancy matter. Rather, it will be a proper interpretation of the law to say that an arbitration proceeding is a condition precedent to be fulfilled before going to court.</p>

	<p>all present and future legislations, Government policy, directives and change of laws in respect of the ports under the jurisdiction of NPA and all directives of the Federal Government.</p> <p>Clause 7 provides for that where a dispute, doubt or question arises between the parties on construction, meaning of any clause or their respective rights or liabilities in relation to the property, it shall be referred to the Regional Centre For Commercial Arbitration Lagos in accordance with the Arbitration and Conciliation Act.</p>	
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Electra Holdings Limited

Parameter	Description/Observation	Comments
Parties	<ul style="list-style-type: none"> • Nigerian Ports Authority (Lessor) • Electra Holdings Limited(Lessee) 	<p>The Lease was not executed by any of parties.</p> <p>In the absence of an executed lease, the lease would be treated as a periodic lease. The rent receipt should be cited to confirm the period covered by the payment, as that period would determine the length of notice to quit to be given by NPA. Note all agreements relating to land must be in writing except in cases of part performance e.g. by way of rent payment. So it is important that the rent receipt is made available.</p>
Date	<ul style="list-style-type: none"> • Effective Date - December 20, 2013 • Expiry Date – December 19, 2018 	<p>The lease is for a purported fixed term of five years. However, If there is no agreement evidencing any intention of the parties for a fixed-term tenancy, the</p>

		<p>tenancy may be construed as a periodic tenancy requiring a notice to quit before it can be determined. The duration of the notice would be determined by the duration of the last rent paid. If the rent paid was for six months or more, then 6 months' notice to quit would be required to be issued. That notice must expire at the anniversary of the tenancy.</p> <p>The payment of rent for a period up to December 19 under a tenancy without a written agreement presents a peculiar challenge for the proposed concession, as the parties would not have the benefit of the exit clauses 3(ii) and 3(iii) of the NPA standard lease. This challenge may only be effectively resolved through dialogue as it would be difficult to lawfully terminate a tenancy which would subsist till December 1918</p>
Size of the Land	<ul style="list-style-type: none"> 1.699 hectares of land in KLT 1 	
Approved Use	The property was approved to be used for oil and gas logistics services.	
Rent per Annum	N8, 495,000.00	The rent is exclusive of VAT.
Assignment	Clause 2(v) restricts the Lessee from transferring or assigning its rights and obligations under the agreement without the prior written consent of NPA	The assignment clause is only applicable to the Lessee; there is no corresponding obligation on the part of NPA. Therefore NPA will not be restricted from assigning its interest in the agreement to a third party such as a concessionaire.

<p>Termination</p>	<p>NPA shall have a right to terminate the lease on the following grounds:</p> <ul style="list-style-type: none"> • Where the Lessee breaches the terms of lease and has refused the remedy the breach within 30days after a receipt of a written notice • Abandonment or failure by the Lessee to develop the property within the period of one year. <p>The Agreement shall terminate upon the occurrence of any of the following events:</p> <ul style="list-style-type: none"> • By either party when the other party has defaulted in the performance of any of its obligations under this agreement and has not remedied within a reasonable time the default after receiving notice of it from the non-defaulting party • By either party, if a Force majeure event makes it impossible to continue with its obligations. • By either party giving to the other party not less than six months notice in writing. 	<p>Although the terms of the draft lease are similar in all material respects with the executed leases, parties cannot avail themselves of the benefits, as it was not executed.</p>
<p>Other Relevant Clauses</p>	<p>Clause 3(ii) of the agreement provides that NPA reserves the right to take over the facility from the Lessee on payment of full compensation to the Lessee if an occasion arises for the use of the property by NPA. NPA must give due notice and pay full compensation to Lessee for such use or takeover.</p>	

	<p>Clause 3(iii) provides that the Lessor shall reduce any future rent payable by the Lessee in respect of any property or facility surrendered to NPA after the commencement of the Lease and payment of rent by the Lessee</p> <p>Clause 4 (iii) provides that the lease is subject to all present and future legislations, Government policy, directives and change of laws in respect of the ports under the jurisdiction of NPA and all directives of the Federal Government.</p> <p>Clause 7 provides for that where a dispute, doubt or question arises between the parties on construction, meaning of any clause or their respective rights or liabilities in relation to the property, it shall be referred to the Regional Centre For Commercial Arbitration Lagos in accordance with the Arbitration and Conciliation Act.</p>	
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Sageto Limited

Parameter	Description/Observation	Comments
Parties	<ul style="list-style-type: none"> • Nigerian Ports Authority (Lessor) • Sageto Limited(Lessee) 	<p>The Lease was not executed by any of parties.</p> <p>In the absence of an executed lease, the lease would be treated as a periodic lease. The rent receipt should be cited to confirm the period covered by the payment, as that period would determine the length of notice to quit to be given by NPA. Note all</p>

		agreements relating to land must be in writing except in cases of part performance e.g. by way of rent payment. So it is important that the rent receipt is made available.
Date	<ul style="list-style-type: none"> • Effective Date - September 1, 2013 • Expiry Date – August 31, 2015 	<p>The lease is purported to be for a fixed term of two years and expected to automatically expire by effluxion of time. However, If there is no agreement evidencing any intention of the parties for a fixed-term tenancy, the tenancy may be construed as a periodic tenancy requiring a notice to quit before it can be determined. The duration of the notice would be determined by the duration of the last rent paid. If the rent paid were for six months or more, then 6 months’ notice to quit would be required.</p> <p>Therefore, it is advisable that NPA issues the notice to quit now to expire on August 31, 2015. Thereafter, to follow with the seven days’ notice of owners intention and proceedings for recovery of premises, if the tenant fails to voluntarily deliver up possession of the premises.</p>
Size of the Land	<ul style="list-style-type: none"> • 1.600m² parcel of land and a block of 24 rooms in KLT 2 	
Approved Use	The property was approved to be used for storage of materials used for repairs of boats, barges, tugs vessels and container houses and other ancillary services.	
Rent per Annum	N1, 888,640.00	The rent is exclusive of VAT and is subject to review

		after one(1) year.
Assignment	Clause 2(v) restricts the Lessee from transferring or assigning its rights and obligations under the agreement without the prior written consent of NPA	The assignment clause is only applicable to the Lessee; there is no corresponding obligation on the part of NPA. Therefore NPA will not be restricted from assigning its interest in the agreement to a third party such as a concessionaire.
Termination	<p>NPA shall have a right to terminate the lease on the following grounds:</p> <ul style="list-style-type: none"> • Where the Lessee breaches the terms of lease and has refused the remedy the breach within 30days after a receipt of a written notice • Abandonment or failure by the Lessee to develop the property within the period of one year. <p>The Agreement shall terminate upon the occurrence of any of the following events:</p> <ul style="list-style-type: none"> • By either party when the other party has defaulted in the performance of any of its obligations under this agreement and has not remedied within a reasonable time the default after receiving notice of it from the non-defaulting party • By either party, if a Force majeure event makes it impossible to continue with its obligations. • By either party giving to the other party not less than six months notice in writing. 	Although the terms of the draft lease are similar in all material respects with the executed leases, parties cannot avail themselves of the benefits, as it was not executed.

<p>Other Relevant Clauses</p>	<p>Clause 3(ii) of the agreement provides that NPA reserves the right to take over the facility from the Lessee on payment of full compensation to the Lessee if an occasion arises for the use of the property by NPA. NPA must give due notice and pay full compensation to Lessee for such use or takeover.</p> <p>Clause 3(iii) provides that the Lessor shall reduce any future rent payable by the Lessee in respect of any property or facility surrendered to NPA after the commencement of the Lease and payment of rent by the Lessee</p> <p>Clause 4 (iii) provides that the lease is subject to all present and future legislations, Government policy, directives and change of laws in respect of the ports under the jurisdiction of NPA and all directives of the Federal Government.</p> <p>Clause 7 provides for that where a dispute, doubt or question arises between the parties on construction, meaning of any clause or their respective rights or liabilities in relation to the property, it shall be referred to the Regional Centre For Commercial Arbitration Lagos in accordance with the Arbitration and Conciliation Act.</p>	

Daddo International Nigeria Limited

Parameter	Description/Observation	Comments
Parties	<ul style="list-style-type: none"> Nigerian Ports Authority (Lessor) Underwater Engineering Limited(Lessee) 	
Date	<ul style="list-style-type: none"> Effective Date - April 29, 2011 Expiry Date – April 28, 2032 	<p>The lease is for a fixed term of 21 years certain and is expected to terminate by effluxion of time on April 28, 2032. The approval for the 21 years lease was pursuant to the approval granted by the Head of State.</p> <p>It is important to note that Section 25 of the NPA Act provides that the prior approval of the President in writing must be obtained before granting a lease above five years. NPA should confirm this. If the consent was not obtained, that may vitiate the lease.</p>
Size of the Land	<ul style="list-style-type: none"> 1.804m² hectares of land in KLT 1 	
Approved Use	The property was approved to be used for port related development, fishing operations, oil field logistics, supply terminals, milk packaging, warehouse, fabrication services and industrial units and other ancillary services.	
Rent per Annum	N15, 334,000.00	The rent is exclusive of VAT and subject to review after three years..
Assignment	Clause 2(v) restricts the Lessee from transferring or assigning its rights and obligations under the	The assignment clause is only applicable to the Lessee; there is no corresponding obligation on the

	<p>agreement without the prior written consent of NPA</p>	<p>part of NPA. Therefore NPA will not be restricted from assigning its interest in the agreement to a third party such as a concessionaire.</p>
Termination	<p>NPA shall have a right to terminate the lease on the following grounds:</p> <ul style="list-style-type: none"> • Where the Lessee breaches the terms of lease and has refused the remedy the breach within 30days after a receipt of a written notice • Abandonment or failure by the Lessee to develop the property within the period of one year. <p>The Agreement shall terminate upon the occurrence of any of the following events:</p> <ul style="list-style-type: none"> • By either party when the other party has defaulted in the performance of any of its obligations under this agreement and has not remedied within a reasonable time the default after receiving notice of it from the non-defaulting party • By either party, if a Force majeure event makes it impossible to continue with its obligations. A Force Majeure event in the agreement includes flood, earthquake, war hostilities, strike, decisions by the Authority. The decision to grant a concession to a third party could be regarded as a decision of the authority and a ground to terminate the contract. 	<p>Of all the listed events for termination, the only settled event for termination here is the giving of six months notice. However, the notice must expire at the anniversary of the lease if a periodic lease otherwise it would be invalid. However since this is a fixed term lease, there may be no need for notice to quit. The lessee is obligated to surrender up the premises upon expiry of the Lease on April 28, 2032. If the lessee fails then NPA can issue the notice of owners' intention to apply to court to recover possession. The implication of this is there would be no recovery of premises proceedings until May 2032 unless it can be shown by NPA that no Presidential consent was obtained as required by NPA Act otherwise this would adversely affect the proposed concession</p>

	<ul style="list-style-type: none"> By either party giving to the other party not less than six months notice in writing. 	
Other Relevant Clauses	<p>Clause 3(ii) of the agreement provides that NPA reserves the right to take over the facility from the Lessee on payment of full compensation to the Lessee if an occasion arises for the use of the property by NPA. NPA must give due notice and pay full compensation to Lessee for such use or takeover.</p> <p>Clause 3(iii) provides that the Lessor shall reduce any future rent payable by the Lessee in respect of any property or facility surrendered to NPA after the commencement of the Lease and payment of rent by the Lessee</p> <p>Clause 4 (iii) provides that the lease is subject to all present and future legislations, Government policy, directives and change of laws in respect of the ports under the jurisdiction of NPA and all directives of the Federal Government.</p> <p>Clause 7 provides for that where a dispute, doubt or question arises between the parties on construction, meaning of any clause or their respective rights or liabilities in relation to the property, it shall be referred to the Regional Centre For Commercial Arbitration Lagos in accordance with the Arbitration and Conciliation Act.</p>	<p>NPA could rely on this clause and issue a six months' notice to the tenant to deliver up possession of the property on the ground that that government requires the premises for a concession. If the tenant fails to deliver up the premises after six months, NPA could also issue the seven days' notice and thereafter proceed to arbitration as required under the lease..</p> <p>Arbitration Clause is usually a rare one in a tenancy agreement. However, the Lagos State Tenancy Law, 2011 made express provision with relation to arbitration clause in a tenancy agreement or lease, if the parties so desires. It is important to note that the arbitration clause does not oust the jurisdiction of the court to hear the dispute arising from the tenancy matter. Rather, it will be a proper interpretation of the law to say that an arbitration proceeding is a condition precedent to be fulfilled before going to court.</p>

Confluence Oil & Gas Services Limited

Parameter	Description/Observation	Comments
Parties	<ul style="list-style-type: none"> Nigerian Ports Authority (Lessor) Confluence Oil & Gas Services Limited (Lessee) 	We were not availed a copy of the agreement but an offer letter conveying NPA’s approval for renewal of the lease
Date	<ul style="list-style-type: none"> Effective Date - November 1, 2008 Expiry Date – October 31, 2013 	The lease is purported to be for a fixed term of five (5) year. There appears to be some discrepancies on the dates. Based on the offer letter availed to us, this lease should have been terminated in 2013. However, the records from the estate department of NPA show that the lease will elapse October 31, 2014. A copy of the rent receipt should be made available for citing and confirmation
Size of the Land	<ul style="list-style-type: none"> 1.3 hectares of bareland in KLT 1 	
Approved Use	The property is approved to be used as an integrated logistics supply base.	
Rent per Annum	N1, 300, 000.00	The rent is exclusive of VAT and will be subject to review after three years.
Other Relevant Clauses		<p>The letter conveying NPA’s approval for the renewal of the lease referred to an agreement to be signed by NPA and the company. However, the said agreement was not availed to us.</p> <p>In the absence of an executed lease, the lease would be treated as a periodic tenancy. The rent receipt</p>

		should be cited to confirm the period covered by the payment, as that period would determine the length of notice to quit to be given by NPA. Note all agreements relating to land must be in writing except in cases of part performance e.g. by way of rent payment. So it is important that the rent receipt is made available.
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Glantre Nigeria Limited

Parameter	Description/Observation	Comments
Parties	<ul style="list-style-type: none"> Nigerian Ports Authority (Lessor) Glantre Nigeria Limited (Lessee) 	We were not availed a copy of the agreement but an offer letter conveying NPA’s approval for renewal of the lease
Date	<ul style="list-style-type: none"> Effective Date - November 1, 2008 Expiry Date – October 31, 2013 	The lease is for a fixed term of five (5) year. There appears to be some discrepancies on the dates. Based on the offer letter availed to us, this lease should have been terminated in 2013. However, the records from the estate department show that the lease will elapse October 31, 2014. A copy of the rent receipt should be made available for citing and confirmation
Size of the Land	<ul style="list-style-type: none"> 1.3 hectares of bareland in KLT 1 	
Approved Use	The property was approved to be used for development of warehouse and stacking area for oil and gas logistics services.	

Rent per Annum	N1, 675, 000.00	The rent is exclusive of VAT and will be subject to review after three years.
Other Relevant Clauses		<p>The letter conveying NPA’s approval for the renewal of the lease referred to an agreement to be signed by NPA and the company. However, the said agreement was not availed to us.</p> <p>In the absence of an executed lease, the lease would be treated as a periodic lease requiring a notice to quit before it can be determined. The rent receipt should be cited to confirm the period covered by the payment, as that period would determine the length of notice to quit to be given by NPA. f the rent paid were for six months or more, then 6 months’ notice to quit would be required.</p> <p>Therefore, it is advisable that NPA issues the notice to quit now to expire on October 31, 2014. Thereafter, to follow with the seven days’ notice of owners intention and proceedings for recovery of premises, if the tenant fails to voluntarily deliver up possession of the premises.</p>