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The Impact of Islamic Finance on Road Transport Infrastructure in the North-East Zone, Nigeria

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Abstract
Sukuk bond is becoming one of the most improved products of Islamic Finance. It has become alternative source of funding to bridge infrastructural gaps both in developed and developing nations. The aim of this research is to study the impact of Islamic Finance on Road Transport Infrastructures in the North-East Nigeria. The research was qualitative and relied on secondary sources. The information was gathered through a survey of pertinent literature, including published materials and official government papers, which were then evaluated using thematic analysis. The findings revealed that, sukuk bond have impacted significantly on road transport infrastructures in the region as many roads that link major cities were completed while other sections of the road were on various stages of completion and new roads that remain unattended over the past four decades are flag-off for constructions. This development, has boost the economics activities in the region and improved the standard of living of the citizens through providing ease access to schools, hospitals, marketplace, jobs opportunities. Conclusively, sukuk bond is still in an infancy stage in Nigeria but it has made tremendous impact on road transport in the North-East Nigeria as many roads that were abandoned due to the lack of funds which hindered the economic activities in the geopolitical zone are completes. To this end, the study recommended that, the government at all levels should put effort in issuing more Islamic Finance instruments like sukuk bond as it will help in bridging transport infrastructural gaps which remain the backbone of economics activities in the region and the country in general.

Keywords: Islamic Finance, Sukuk Bond, Road Transportation, Infrastructures. North-East.

1. Introduction

In the past few years, Islamic finance has witnessed extraordinary growth in different sectors, among which Islamic banks, sharia-compliant financial instruments such as Sukuk, Islamic stock indices, and mutual funds (Raza & Ashraf, 2019). The total asset of the Islamic financial industry touched $2.5 trillion, having a growth rate of 8.3% at the end of 2017 (IFSB, 2018). Recent figures indicate that Islamic banks operate in several Muslim and non-Muslim countries with a total asset of $1.557 trillion in 2017 (IFSB, 2018) with a remarkable development even in the non-Muslim countries, such as Europe and North America (Paltrinieri et al., 2020). But most of the growth and expansion of Islamic finance is fuelled by the issuance of sharia stocks and Sukuk (Islamic bonds) and their inclusion in Islamic and non-Islamic investment portfolios.

According to IFSB (2019), while Malaysia retained its position as the overall largest issuer of Sukuk in terms of volume, Saudi Arabia is the second-largest overall issuer. UAE is the third-largest issuer due to its increase in corporate issuances, while Indonesia is on the fourth rank. Turkey is the fifth-largest issuer due to the increased activity in 2018. In terms of the type of Sukuk, the sovereign issuances prevailed in Saudi Arabia in 2018 as it was in previous years (as cited in Islamic Finance Foundation, 2020). In June 2014 and September 2014, the U.K. and Hong Kong became the first and second non-Muslim states to issue Sukuk. Britain's £200 million (US$323 million) Sukuk fetched more than £2.3 billion in orders. Hong Kong's $1 billion issuing fetched $4.7 billion in orders, approximately twothirds of which came from the non-Muslim world. And investors did not bid up the Sukuk for the sake of do-goodness. Instead, investors were jumping at the opportunity to cash in on a five-year dollar-denominated asset that, at 2.005 percent provided return 23 basis points above a five-year U.S. Treasury bond (Davis, 2015).

In 2019, a total of US$162.1 billion of Sukuk were issued comparison to US$124.8 in 2018, representing market growth of 30% and consistent with growth over the past five years. Strong sovereign issuances by Indonesia, Malaysia, and Saudi Arabia contributed to this growth whilst private sector issuances remained muted. To cover fiscal needs due to slumped economic output resulting from the Covid-19 pandemic Indonesia and Malaysia continued to issue into 2020. Bahrain, Oman, and Dubai also issued whilst Saudi Arabia issued Sukuk worth US$18 billion in the first half of 2020 (Islamic Finance Foundation, 2021), while Nigeria issue US$45O million in 2020 which is in addition to US$327 Million that was an issue in 2018. (Reuters, 2020). It is expected market momentum will continue into 2021, as issuers lock in long-term funding at historically low rates. Sovereign Sukuk issuances continue to outstrip conventional bond issuance in Saudi Arabia, Malaysia, Nigeria among others which were usually used to be oversubscribed.

African countries have begun to adopt legislation for the issuance of sovereign Sukuk as a means to raise funds for infrastructure projects and attract Gulf investment (Davis, 2015). In North Africa, the Libyan and Egyptian post-Arab Spring governments both initially passed legislation for Sukuk issuance. Continued political instability in Libya has delayed attempts to issue Sukuk, and Egypt’s efforts have similarly come in fits and starts. The Egyptian Finance Minister, Hany Kadry Dimian, indicated in December 2015 that Egypt is looking to issue Sukuk in 2016 as a means of bridging the $36 billion 2015-2016 fiscal year gap (Benhalim, 2016). Several Sub-Saharan African countries have already issued Sukuk, moving more quickly than their North African counterparts. Senegal became the first African nation to issue US$168 million sovereign Sukuk in June 2014. The issuance raised eyebrows not solely because it helped to address Senegal’s long-term funding needs, particularly for infrastructure, but also because it demonstrated Senegal’s desire to be the Islamic finance hub in Africa which was quickly followed in succession by South Africa, Cote d’Ivoire, Niger, and Nigeria.

African states have embarked on ambitious projects that have contributed to the development of infrastructure deficits. In order to address infrastructure needs in African countries, including Nigeria, an investment of approximately USD 93 billion is expected annually by 2020. Given the resources currently available to African governments, an infrastructure deficit of USD 31 billion per year thus exists, most of which can be bridged if the infrastructure needs of continents are to be met. To meet the need, the government should seek a new route of financing (Waziri & Halima, 2018). The growth in Sukuk’s popularity can be traced back to the global financial crisis in 2008 (Ojeye, 2018). Building a globally competitive economy is one of the three broad strategic objectives of the Nigerian Economic Recovery and Growth Plan (2017–2020), and one of the plans for accomplishing this is by spending on infrastructure; thus, every avenue for trying to develop Nigeria's infrastructure should be discovered. Since the drop in crude oil prices in 2016, couple with the activities of Niger Delta Militants, who reduced crude oil production from 2.1 million barrels per day to 800,000 barrels per day, the Federal Govt's revenue has been adversely affected, given that oil is the main source of government funds (Independent Newspaper Nigeria, 2019). The government has been grappling with the difficulty of financing its budget deficit as a result of these declines. And it is the Debt Management Office's responsibility to manage the debt efficiently and find monies to finance budget deficits (DMO). Over the years, the organization has effectively funded deficits by employing new fundraising tactics.

Under Rule 571 of the SEC Rules, the Nigerian Securities and Exchange Commission ("SEC"), which is the top regulator of all securities-related transactions in Nigeria, officially identifies the following Sukuk structures: Sukuk Ijarah – (lease contract) Sukuk Musharakah – (share contract) Sukuk Istisnah – (exchange contract) Sukuk Murabahah – (purchase contract) (financing contract). In line with the global best practice, the Nigerian Government has first issued a Sukuk Bond in 2017 which was oversubscribed as one of the initiatives of diversifying alternative sources of funding the road transport construction in the country (Federal Government of Nigeria, 2017). Other financing options are the Presidential Infrastructures Development Fund, Road Infrastructure Development and Refurbishment Investment Tax Credit Scheme (“the Scheme”), and the recently signed Highway Development Initiatives and Infrastructures Company (Infraco) which will help in boosting the capacity of the country road transportation, North-East Nigeria in particular. The Sukuk bond initiative will facilitate the rehabilitation and construction of 25 major roads across six geopolitical in Nigeria. (FGN, 2017), and which was increase to 44 major roads (Investogist, 2020). This investment will provide an important opportunity to deepen and broaden the sources of funds required and Sukuk is an alternative for raising capital in financing public infrastructure projects. The Sukuk issuance was part of the funding diversification strategies of President Muhammadu Buhari administration (Waziri & Doma, 2018).

Given the preceding, the primary argument for Sukuk issuance in Nigeria is the necessity to fill the country's massive infrastructure funding shortages. Nigeria's primary finance partners and largest sources of infrastructure investment have historically been the United States, Europe, and, more recently, China. Nevertheless, in light of the Eurozone crisis and the political obstacles that come with obtaining these monies, it is critical for Nigeria to broaden its funding sources. Since it is asset-based or project-based which promotes financial stability by linking the financial sector with other sectors of the economy. Sukuk is considered to be comparatively beneficial compared to other kinds of infrastructure finance in this respect (Yunusa, 2019). The emergence of Sukuk is indeed seen as a way for the government to raise alternative investment capital and promote greater financial inclusion, but also as part of a plan to accelerate the development of road transportation infrastructure, which is the foundation of the Nigerian economy, and engage in meaningful and project-tied capital raising. Investors will receive rental/profits income that will be paid half-yearly directly into the Sukuk holder's account. The bond is also an excellent investment for retirement and prospective ventures (Debt Management Office, 2017). Nigeria's current population is 209, 830, 947 people, with an estimated 287 million people by 2050. (Nigerian Population Country meters, 2021). The country is urbanizing at one of the quickest rates in the world, resulting in the development of big metropolitan infrastructure projects as well as a major need for the renewal and modernization of existing infrastructure, making the Nigerian construction boom one of the world's fastest (Global Construction Perspective and Oxford Economics Report, 2021). Given this background, the objectives of this research is to assess the impact of the Islamic Finance on-road transportation infrastructures in North-East, Nigeria.

2. Profile of the Study Area

The North East Geopolitical Region is one of the administrative divisions recognized as the North Eastern State in Nigeria. On May 27, 1967, it was founded from the Northern area. Its capital was Maiduguri. On February 3, 1976, the North-East State was divided into three states: Bauchi, Borno, and Gongola. These three, however, were subdivided into six. Borno State was divided into Borno and Yobe States on August 27, 1991. On the same day, the ancient Gongola State was divided into Adamawa and Taraba States. The former Bauchi State was divided into the present Bauchi and Gombe States in October 1996. It covers slightly less than one-third of Nigeria's total land area and had a population of 23,558,674 people in 2011, accounting for 13.5 percent of the country's overall population. Fulani and Kanuri people make up the majority of the population of over 100 minority ethnic groups (Stephen, 2019). The north-eastern part of Nigeria is noted for its peace and calm, friendliness, and tourist attractions. As a result, the region has experienced significant economic progress, with its products being nourished and fed to other parts of Nigeria. Yankari Game Reserve in Bauchi, Dadin Kowa tomatoes and other perishable products in Gombe, bean production in Yobe State, dry fish and yam in Taraba, and yam and rice in Adamawa. All of these economic operations have been hampered by Boko Haram insurgents. Education development in North-Eastern Nigeria has been severely hampered. The region ranks top in Northern Nigeria in terms of out-of-school children, according to the Daily Trust, with a total of 10 million out-of-school children in Northern Nigeria, with the North-East accounting for seven million (7 million). What a pitiful situation (Abdulkarim et al., 2021). Thousands of lives and property have been lost as a result of these attacks. Boko Haram's assault in Nigeria's northeast has resulted in widespread displacement, human rights violations, violations of international humanitarian law, security risks, and a rising humanitarian crisis. The extended humanitarian crisis has had a devastating effect on food security and nutrition in the northeast, with millions of people in need of emergency food aid (Stephen, 2019).

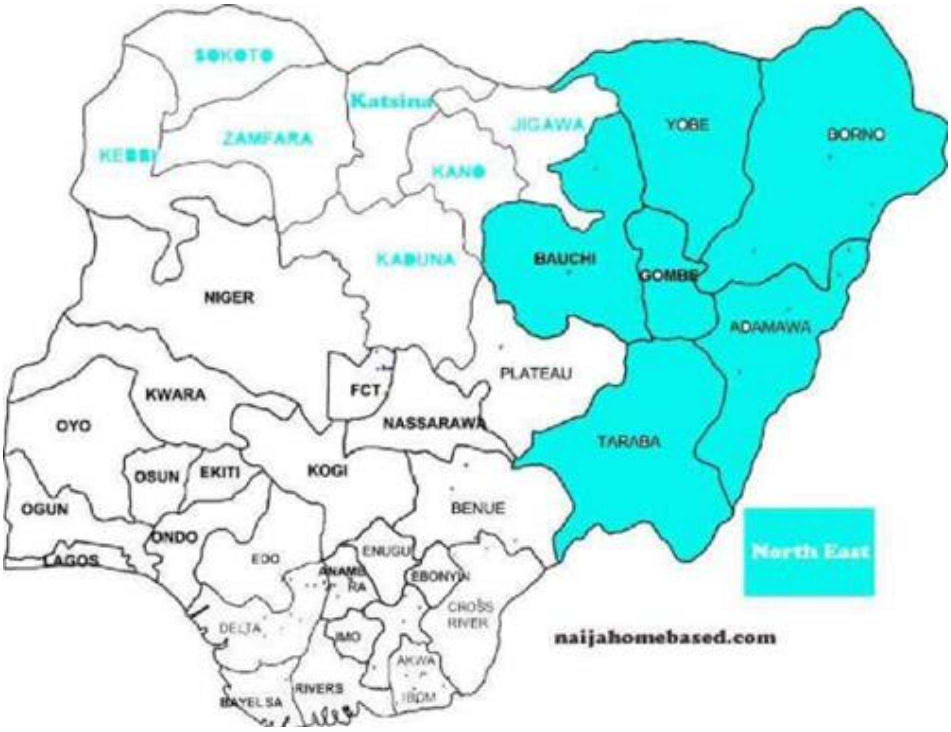

Fig.1: Map of the Study Area.

3. Review of Related Literature

The underlying concept behind a Sukuk is that the holder has an undivided interest in a specific asset and is entitled to the asset's return. Sukuk" is an Arabic term that simply means "certificates". Its origins can be traced to the classical Islamic period during which papers representing financial obligations from trade and other commercial activities were issued (Independent Newspaper Nigeria, 2019). *Sukuk* are defined by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI, 2008) as: *'certificates of equal value representing undivided shares in the ownership of tangible assets, usufructs and services or (in the ownership of) the assets of particular projects or special investment activity'.*

Often referred to as an 'Islamic bond', *Sukuk* are asset-backed trust certificates evidencing ownership of an asset or its usufruct (earnings or fruits). However, *Sukuk* securities comply with Islamic commercial jurisprudence and its investment principles which prohibit the charging or paying of interest (AAOIFI, 2008). The traditional Sukuk structure entails the purchase of the real estate by a special purpose company based in a tax-neutral nation. The corporation raises funds by selling Sukuks. Sukuk holders are compensated for taking on the risk of hiring by receiving a return based on asset rental revenue. The global Sukuk market, the domestic Sukuk market, the short-term Sukuk market, and the Sukuk secondary market are the four types of markets that make up the Sukuk market. This type of finance is based on a diverse range of items that are all Sharia-compliant (Jawad, 2019).

Sukuk (plural of sak) are sharia-compliant bonds issued by an asset producer, which can be a firm or a government, through a special purpose vehicle (SPV) to generate funds on the market. As a result, the originator's sukuk can be either secured or unsecured. In the first scenario, we're talking about asset-based sukuks, while in the second situation, we're talking about asset-backed sukuks. According to AAOFI, there are now 14 sukuk structures (AMRANI et al., 2017). The underlying concept behind a Sukuk is that the holder has an undivided interest in a specific asset and is entitled to the asset's return. The traditional Sukuk structure entails the purchase of real estate by a special purpose company based in a tax-neutral nation. The corporation raises funds by selling Sukuks. Sukuk holders are compensated for taking on the risk of hiring by receiving a return based on asset rental revenue. The global Sukuk market, the local Sukuk market, the short-term Sukuk market, and the Sukuk secondary market are the four types of markets that make up the Sukuk market. This type of finance is based on a diverse range of items that are all Sharia-compliant (Jawad, 2019).

Sukuk is a collection of financial instruments used to raise funds and are regarded investment funds for resource mobilization in both the public and private sectors. Sukuk are "certificates of equivalent worth indicating undivided shares in ownership of physical assets, usufructs, and services or (in the ownership of) the assets of certain projects or unique investment activity," according to the definition. To accommodate the particular character of individual transactions, sukuks can be issued in a variety of structures (Yunusa, 2019). Some of these structures are:

1. Sukuk Salam: a financial structure based on immediate payment with asset delivery in the future.
2. Sukuk Ijarah: a sukuk arrangement that involves the sale and leaseback of existing assets such as real estate, plant and machinery, airplanes, and ships. A master lease/sub lease can also be used to structure other tangible assets.
3. Sukuk Mudharaba: This is a finance arrangement with legal implications that result in a true transfer of ownership of the originator's underlying asset to the originator. This sort of sukuk, on the other hand, permits sukuk holders to use the shares they own in the asset in the event of default. In this arrangement, the organizer offers their expertise and the investor contributes their funds to help the project come to fruition through the SPV that handles the transaction. In the event of a profit, the latter disburses it according to each individual's share, and in the event of a loss, the SPV passes it exclusively on the sukuk (AMRANI et al., 2017).
4. Sukuk Musharaka: Sukuk Musharaka is a type of sukuk. This sort of sukuk, on the other hand, enables for project financing through a co-ownership agreement between both the originator, that is, the project's donor, and the Sukuk holders. Each of the two parties makes a financial or in-kind contribution to the project (eg land). The SPV will distribute the resulting gain and loss based on each party's share. This financing transaction is accompanied with a reserve account to collect earnings when they surpass the coupon's value on each date of detachment. These reserves will be used to cover the deficit resulting from the difference between the value of the starting coupon and the period's coupon. This account can also be used to cover any shortfall in the nominal amount of the sukuk's maturity repayment. When, on the other hand, the reserves in this account have been able to cover both coupon and nominal value shortfalls while earning a profit. As a bonus, given to the project manager (who is almost always an Islamic bank). However, some solicitors disagree with this practice, claiming that because the financing operations is based on a gain and loss, the gain must be dispersed among the project co-owners as well (AMRANI et al., 2017).
5. Murabaha: a sukuk structure based on a cost-plus financing arrangement in which the asset is supplied immediately with payment deferred.

Sukuk bonds are designed to provide profits to ethical investors while adhering to Islamic precepts that prohibit interest payments. In addition, rather than a debt obligation, it signifies an ownership interest in the asset to be financed. . It is one of the most important instruments in the field of Islamic finance, which is rapidly evolving (Olawoyin, 2019).

Road Transportation Infrastructures

Infrastructure can be generally defined as the set of interconnected structural elements that provide a framework supporting an entire structure of development. It is an important term for judging a country’s or region's development. The term typically refers to the technical structures that support a society, such as roads, bridges, tunnels, water supply, sewers, electrical grids, telecommunications, and so forth, and can be defined as the physical components of interrelated systems providing commodities and services essential to enable, sustain, or enhance societal living conditions (Fulmer, 2009 as cited in Oreleye, 2019). When viewed functionally, infrastructure facilitates the production of goods and services, and also the distribution of finished products to markets, as well as basic social services such as schools and hospitals; for example, roads enable the transport of raw materials to a factory. Research by anthropologists and geographers shows the social importance and multiple ways that infrastructures shape human society and vice versa (Oroleye, 2019).

The term "road transport" (in British English) or "road transportation" (in American English) refers to passenger or cargo transportation on roadways. Road transport, according to the Economics Times (2020), is defined as the transportation of goods and personnel from one location to another by roads. A road is a path between two points that has been paved or improved to allow passage by motorized and non-motorized carriages. The antique horse-drawn boat is a cross between road and ship transportation. Horses, oxen, and even people carried goods over dirt paths that often-followed wildlife trails as the early modes of road transport. Every country, regardless of its industrial capacity, population size, or technical progress, requires transportation. Maintaining strong economic and political linkages between regions within the same state necessitates moving commodities and people from one location to another. The manner in which that movement occurs may differ depending on the area and technology advancements, but the demand stays the same. Transportation generates demand from the goods it transports; it is only economically viable if there are valuable goods to transport (Eze et al., 2012). Grain silage, technology, or corporate executives could all be 'products' moving through a transport system. Either measured in dollars, gasoline, or animals, the cost of moving items from one place to another is often steady over time, implying that the relative cost of transporting a product reduces as the value of the product being moved grows.

When compared to other modes of transportation, road transportation has numerous advantages. When compared to other means of transportation, such as trains and air travel, road transportation requires extremely little investment. The cost of building, running, and maintaining roads is less expensive than that of railways. Furthermore, road transportation allows for door-to-door delivery of goods and supplies, as well as a very cost-effective method of cartage, loading, and unloading. Road travel is sometimes the only option for transporting products and people to and from remote places where train, water, and air transportation are not available. Only road transit allows items to be delivered between cities, towns, and small villages. Roads play an important part in the development of intermodal transportation by connecting airports, railway stations, and ports. They also play a critical role in promoting national integration, which is especially vital in a huge country like Nigeria (Abdulkarim, 2020).

In today's Nigeria, road travel is the most extensively used means of transportation. Road traffic is heavily reliant on the human settlement trend, accounting for more than 90% of the sub-contribution sectors to GDP (GDP). The transfer of passengers in large or small groups, the carriage of cattle, the supply of agricultural products and merchandise (from Northern to Southern Nigeria), and the provision of mobile facilities are all examples of road transport operations (clinics, libraries and banks). The voluntary use of motor vehicles for recreation, which differs from the three uses stated above, also contributes significantly to the importance of road transportation in Nigeria. This is more common in Nigeria than in most other African countries, owing to the poor state of other modes of transportation that could have been used to make journeys, as well as the psychological fulfillment afforded by owning an automobile (National Bureau of Statistics, 2018).

The major road transport infrastructure in Nigeria, as at year 2010, consisted of 34,123 km of Federal highways including seven major bridges across the Niger and Benue Rivers, the Lagos ring road, the Third Mainland Axial Bridge; 30,500 km of State Government roads; and 130,000 km of Local Government roads (Buhari, 2000; FGN, 2010 as cited in Oroleye, 2019). Buhari (2000) observed further that, only 50% of the Federal roads and 20% of the State roads were in reasonably good condition. Only an estimated 5% of the local rural roads were freely motorable. Meanwhile, overuse and lack of maintenance are further eroding the quality of the rest of the Federal highway network (as cited in Oroleye, 2019).

Compelling Case of Sukuk Bond in Nigeria

Nigeria's population is estimated to be at 200 million people. This is a large prospective market for any Islamic financial product, as indicated by the huge support for the Federal Government of Nigeria's recent oversubscribed debut Sukuk bid. The proceeds from the Offer will be utilized to help Nigeria address a critical road infrastructure gap by building and renovating 44 important highways throughout the country's six geopolitical zones. According to data from the Debt Management Office, investors included Pension Funds, Insurers, and Fund Managers, as well as Institutional and Retail Investors (Ogbomo, 2018).

There is really no basis because the private sector cannot achieve similar results. Financial companies such as JAIZ Bank Plc and Stanbic IBTC Bank have been granted licenses by the Nigerian government to provide complete Islamic banking services to customers through the Central Bank of Nigeria (CBN). Nigeria, like Malaysia, Indonesia, Saudi Arabia, Qatar, and the United Kingdom, is now in a position to fully profit from the rise of Islamic finance in the future. In addition, Dubai's internationally recognized success as a financial hub is due in part to the usage of a diverse variety of finance products, particularly Islamic finance products, which date back to the establishment of the Dubai Islamic Bank (Ogbomo, 2018).

In order to boost investor trust, the Nigerian government, like its foreign counterparts, has devised a legal system to improve the prospects of Islamic finance. The Investment and Securities Act of 2007 is one of several Nigerian laws and regulations that govern sukuk issuing. The CBN Guidelines for the Regulation and Supervision of Institutions Providing Non-Interest Financial Services in Nigeria and the Nigerian Deposit Insurance Corporation's draft framework on Non-Interest (Islamic) Deposit Insurance Scheme are also available (NDIC). Furthermore, the policy of permitting traditional banking institutions provide the Islamic Banking services, as well as the establishment of subsidiaries that operate this window, demonstrates that Islamic Finance is here to stay in Nigeria (Ogbomo, 2018).

4. Methodology

The study's data was gathered exclusively from written materials as well as official government documents and archives. Independent reports and studies from the government, academic agencies, research institutes, foreign and local consulting groups were employed to supplement the investigation and fill gaps in government records. The Federal Ministry of Finance, Budget, and National Planning, the Federal Ministry of Work and Housing and its parastatals, and the Federal Ministry of Transportation and its parastatals and Debt Management Office were the primary data sources. The data were analyzed using thematic analysis.

4. 1 Findings and Result

4.1.1 Road Transport Infrastructures in the North-East Zone before the Sukuk Bond Intervention

Table 1.7 present the list of road transport infrastructures in the North-East Zone, level of completion, kilometres, contractors, date the contract first awarded, commencement date, expected date of completion, amount of money budgeted for the projects, and amount of money released before the intervention of Sukuk Bond.

Table 1.7: List of Ongoing Road Transport Infrastructures and their Level of Completion before the Sukuk Intervention.

S/N	Name of the Projects	Contractor	Kilometre Length	Contract Sum (~~N~~)	Date of the Award of Contract	Commencement Date	Expected date of Completion	% Completed to Date	Amount Paid to Date (~~N~~)
1	Dualization of Kano-Maiduguri Road linking Kano-Jigawa-Bauchi-Yobe and Borno States. Sect. II (Shuari-Azare), C/No. 5879 in Bauchi State	Setraco Nigeria Limited	117.776	65,315,458,261.59	28th Sep., 2006	12th Oct. 2006	11th Feb. 2010	56.47%	36,990,834,809.29
2	Dualisation of Kano-Maiduguri Road linking Kano-Jigawa-Bauchi-Yobe and Borno States. Sect. III (Azare-Potiskum),C/ No. 5880 in Bauchi State	Mothercat Limited	101.84	45,181,695,740.22	29th Sep. 2006	12th Oct. 2006	11th April 2010	75.39%	29,452,126,099.69
3	Dualization of Kano-Maiduguri Road linking Kano-Jigawa-Bauchi-Yobe and Borno States. Section IV (Potiskum-Damaturu Road), C/No. 5881 in Yobe State	CGC Nigeria Limited	96.24	51,903,173,630.22	28th Sept. 2006	1st Feb. 2007	30th Nov. 2009	59.75%	27,404,935,015.87
4	Dualisation of Kano-Maiduguri Road linking Kano-Jigawa-Bauchi-Yobe and Borno States. (Section v) Damaturu-Maiduguri,C/ No. 5869 in Borno State	CCECC Nigeria Limited	145.10	67,795,690,880.01	18th July, 2006	3rd Aug. 2006	2nd Dec. 2009	41.71%	25,446,173,810.81

(Federal Ministry of Power, Work and Housing, 2017)

4. 1.2 Road Transport Infrastructures that were under Construction by Sukuk Bond

Table 1.8: present the road transport infrastructures that were funded by sukuk bond in the region. It includes the amount allocated by the Sukuk, number of kilometres, and level of completion.

S/N	Roads Project that was under constructions	Number of Kilometres	Amount allocated by Sukuk	Level of Completion
1	Kano-Maiduguri Roads (Section II – Shuari link to Azare)	142.2km	19.335billions naira	100%
2	Kano-Maiduguri Roads (Section III – Azare link to Potiskum)	106.341km	10.335billions naira	100%
3	Kano – Maiduguri Roads (Section IV – Potiskum link to Damaturun)	94.0km	12.335billions naira	80.51%
4	Kano – Maiduguri Roads (Section V – Damaturun link to Maiduguri)	145.10km	12.335billions naira	50.94%
5	Gwoza – Damboa – Goniri Ngamdu in Borno State	15.0km	3billions naira	New Project
6	Mayo Belwa – Jada – Ganye – Togo roads in Adamawa State	42.0km	3billions naira	14.14%
7	Nguru – Gashuwa – Bayamari roads section II – rehabilitation up to Asphalt Binder in Yobe State	13km	1.5billions naira	0.14%
8	Construction of Ibi Bridge in Taraba State – Piles and Pile caps for Axis 2 & 3, 4 & 5 Ibi Side	Bridgeworks	2billions naira	New Project

(Sulaiman, 2021, Francis, 2021, and Investogist, 2020)

4.2 Impact of Sukuk Bond on Road Transport Infrastructures in the North-East Zone Nigeria.

The impact of Sukuk bond on road transport infrastructures in the North-East Zone cannot be overemphasize as it has tremendously impacted on roads development. Sukuk bond has enabled the government to finance and completed many road transport projects in the zone while many road transport projects are at various stages of completions. Some of the roads that are completed as a result of Sukuk Bond Intervention are Kano-Maiduguri Section II and III. These road projects were awarded since 2006 and expected to be completed in 2010 but the projects suffer setbacks as a result of shortages of fund. In 2017, when the first Sukuk Bond were issues by the Nigerian Government, the level of completion of such projects are 56.47% and 75.39%. But today these road projects were 100% completed and even commissioned as a result of Sukuk intervention.

Also, the Sukuk interventions help in almost completion of Section IV and V of Kano-Maiduguri Roads and introductions of new roads projects in the region. For instance, section IV and V of Kano-Maiduguri Roads were awarded in 2006 and expected to be completed in 2009. As at 2017 when the first sukuk bond was issued by the Nigerian Government, the level of completion of such roads are 59.7% and 41.71% respectively which suffer setbacks as result of lack funds and insurgency. But in 2020, when the third sukuk bond were issues, these projects reach 80.94% and 50.94% level of completion respectively. Moreover, new road transport projects that were introduced under sukuk intervention in the region are Gwoza – Damboa – Goniri Ngamdu in Borno State, Mayo Belwa – Jada – Ganye – Togo roads in Adamawa State, Nguru – Gashuwa – Bayamari roads section II – rehabilitation up to Asphalt Binder in Yobe State, and Construction of Ibi Bridge in Taraba State – Piles and Pile caps for Axis 2 & 3, 4 & 5 Ibi Side.

As earlier said, the impact of sukuk bond intervention cannot be overemphasized as many roads transport projects has been completed while others where on the various stages of completion. New road projects were introduced like Ibi bridge that remained unattended for almost four decades as results of lack funds has take-off. The impact of sukuk bond has been felt through jobs creation, growth, employment, providing easy access to basic amenities (schools, hospital), reductions of travel time, easy movement of goods and services, safety improvement, improve the standard of living of the communities along the roads, easy access to marketplace etc. Good roads are critical for Nigeria's economic development because they connect different sections of the country, stimulate trade, give farmers access to markets, and connect isolated communities to essential social services like education and health.

5. Conclusion

Conclusively, Bauchi State is more popular in the North-East beside that, sukuk is still in an infant stage in Nigeria, but over the last decade, the Federal Government of Nigeria, State Government, and private sector have issued sukuk bond in efforts to bridge infrastructural gaps (road transport infrastructures in particular). Statistical presentations indicate that, the issuance of sukuk bond has greatly impacted on road transport infrastructures in the North-East Nigeria as many roads that were abandoned due to the lack of funds which hindered the economic development of the region were completed as a result of sukuk intervention while others roads are on the various stages of completion and new roads has been take-off. The sukuk bond interventions compliment the inadequate budgetary allocations for the road transport in the North-East. This development, has boost the economics activities in the region and improved the standard of living of the citizens through providing ease access to schools, hospitals, marketplace, jobs opportunities, reducing travel times. Thus, there is need for government to introduced more initiative like Sukuk bond which will help in tackling transport infrastructures gaps in the region.

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