



ICRC

E-Bulletin

E- BULLETIN Q3 2017

ICRC LAUNCHES WEB PORTAL

FIRST OF ITS KIND IN THE WORLD

The screenshot displays the Nigeria ICRC PPP Platform web portal. The browser address bar shows the URL ppp.icrc.gov.ng. The main content area is divided into two sections: 'PROJECTS BY SECTOR' and 'PROJECTS BY PHASE'.

PROJECTS BY SECTOR

Sector	Count
Energy	9
Industrial	1
Social & Health	6
Telecom	2
Transport	38
Water & Waste	0

PROJECTS BY PHASE

Phase	Percentage
Development	5%
Procurement	15%
Implementation	80%

LATEST PROJECTS UPDATES

PROJECT ANNOUNCEMENTS

18 September 2017
CONCESSION OF GRAIN STORAGE FACILITIES (
Preferred Bidder

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Message from the Editor-in-Chief



Dear Colleagues,

On behalf of the ICRC E- Bulletin Editorial Team, we are happy to present the Q3 2017 edition.

Our feature story highlights a milestone achievement of the Commission which is the successful launch of the PPP Disclosure web portal. It is worthy to note that this is a trail blazing effort as Nigeria is the first country in the world to launch its PPP Disclosure Portal. This launch among other things, made the Commission to be ranked second in the 2017 Freedom of Information (FOI) compliance ranking for public servants and security sectors' organization, an annual ranking carried out by the Public and Private Development Centre (PPDC). Once again, congratulations to us all.

A major item covered under news of the Commission is the appointment of Engr. Chidi Izuwah as the Acting Director General of the ICRC. We wish to once again congratulate Engr. Chidi Izuwah and we pray for God's wisdom as he carries out this onerous task. We are confident that given his experience and passion for PPP development in Nigeria, as seen from his impeccable record as the pioneer Executive Director of the PPP Resource Department, he will certainly do well.

This quarter, the Commission presented a number of OBC and FBC compliance certificates for various PPP projects including an OBC to the Federal Ministry of Power, Works and Housing (FMPW&H) for the Marina Quayside Strip Project; OBC Compliance Certificate to the FMPW&H for the concession of transformer repair services; and an FBC compliance certificate to the Nigerian Police Force for the Provision of Contingent Owned Equipment for Armed Forces Units.

Our knowledge management is on how the private sector has addressed key risks in PPP projects around the world. It provides some useful starting points from which to understand which sectors and types of PPP projects appear to have been developed more successfully than others.

Health is wealth; the Team therefore chose to discuss the very important issue of food poisoning, especially given the recent high rate of deaths recorded from the consumption of cassava and its byproducts.

We hope you enjoy your read.

Mrs. Manji Y. Zwalda
Editor-in-Chief

➤ *Director General's* DESK



I would like to use this opportunity to appreciate God for His mercies on everyone of us and to also appreciate every member of staff for their contributions to the progress of the Commission especially since I was made the Acting Director General. So far, we have achieved some progress but we are still a long walk away from the promised land.

I say big congratulations to all for the successful web portal launch which has indeed repositioned the Commission on a high stratum and calls for more work, more strategic decisions, and of course more policies that would deliver successful PPP projects to the public.

Nigeria's infrastructure needs remain acute. The country is in dire need of more railways, roads, and ports to get products to the market; electricity for homes, schools and businesses; water and sanitation to keep its people healthy and to support crops; and modern communication services for everyone.

The past decade in our dear country has seen an increased interest in the use of PPP procurement largely driven by the government's determination to address the nation's infrastructure gap. The private participation in infrastructure database shows that PPPs with a total investment commitment of \$39 billion reached financial close between 1990 and 2015. Currently there are 60 projects at various stages of development and procurement, and 51 under implementation. These projects cover key sectors such as transport, energy, education, housing, and health. This however requires of us, the driver of the success of PPP in Nigeria, to be forthcoming in our duties and tasks to ensure that infrastructure in Nigeria is enhanced. Develop less stringent procedures and guidelines for PPP projects and provide all necessary mentoring, monitoring and assistance to MDAs to achieve success in PPPs.

I am very confident of the quality of staff in the Commission and I believe all that is expected of us can be achieved within a 36-month window if we set our hearts to achieving it. PPPs are proven mechanisms to enhance the efficiency of service delivery when implemented in line with global best practices. I would like to encourage us all to step up our game. We cannot afford now to be complacent and bureaucratic in our procedures. This is a call for adjustments in the project guidelines. We need to flow with the tide and fill the PPP space in our dear country.

God bless Nigeria.
God bless ICRC.

Engr. Chidi K. C. Izuwah Snr.
Ag. DG, ICRC

➤ FEATURE STORY

The nation has a huge infrastructure deficit for which we require foreign capital and expertise to supplement whatever resources we can marshal at home. In essence, increased engagement with the outside world is called for as we seek public-private partnerships in our quest for enhanced capital and expertise. This is the way of the new world for all countries in the 21st century." – HE President Muhammadu Buhari

ICRC WEB PORTAL

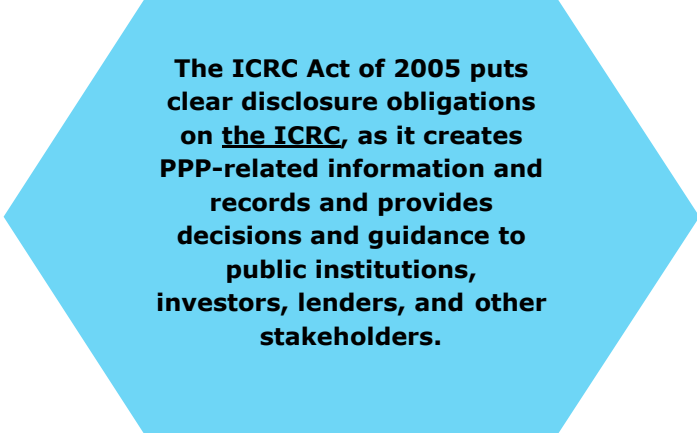
Project Overview

In Nigeria, there are several existing laws that directly and/or indirectly affect PPP disclosure. The first major legislation is the Freedom of Information (FOI) Act of 2011 which establishes the right of any person to request and receive information that is in the custody of any public official or institution. Disclosure of Public information ab initio, had been limited, until the establishment of the Nigeria Extractive Industries Transparency Initiative (NIETI) Act 2007, which resulted in the publication of several audit reports related to the extractive industries.

In April and September 2016, the World Bank Public-Private Partnerships (PPP) team conducted a study in Nigeria using the PPP Disclosure Diagnostic template recommended by the World Bank's Framework for Disclosure of Information in PPPs which examined the following areas;

- Preliminary overview of the general transparency environment
- History and outlook for PPP disclosure
- Political environment for disclosure
- Legal and policy framework
- Process and institutions
- Guidance on confidential information
- Information systems
- Technology and data standards

Going by its establishing Act, ICRC is the main repository of information on Federal PPP projects in the country. The Commission on its website publishes news and general information on PPP activities, workshops, events, and projects. However, the information, though constantly updated, is limited to the project title and description, government agency responsible, status and phase. Despite this, proactive PPP information disclosure remained slow and faced major challenges.



The ICRC Act of 2005 puts clear disclosure obligations on the ICRC, as it creates PPP-related information and records and provides decisions and guidance to public institutions, investors, lenders, and other stakeholders.

Drafting specific clauses related to PPP disclosure in the FOI Act strengthens the disclosure clauses of the ICRC Act, creating an institutional framework for disclosure and embedding this into practice through standard contractual clauses.

Elements of the PPP Disclosure Framework

The framework design is based on the key drivers of disclosure, major factors influencing the drivers, challenges and benefits associated with disclosure, uses and various categories of users of information once it is disclosed. Linked directly to these aspects is the issue of customizing disclosure based on specific PPP contract clauses, levels of government support, and risk-sharing mechanisms within contracts.

The Framework recommended the incorporation of the following key items in a country's disclosure framework:

- Mandate to disclose, through FOI, PPP, or other legislation or policy
- More detailed guidance on what, when, and how to disclose
- Elements of disclosure in different phases, with a simple template
- Timelines for disclosure
- Guidance on confidential information
- Standard contractual clauses

On the 22nd September, the Commission in collaboration with the World Bank Public-Private Partnership Infrastructure Advisory Facility (PPPIAF) launched the PPP Contracts Disclosure Portal and the Improving Transparency & Accountability in PPPs Disclosure Diagnostic Report for Nigeria at the Banquet Hall, State House, Abuja. The purpose of the Portal is to enable the public access information regarding PPP projects preparation, procurements and implementation being undertaken by Federal Government Ministries, Departments and Agencies (MDAs). The Diagnostic Disclosure Report provides an insight on the progress made with respect to developing an appropriate PPP legal, institutional and regulatory framework aimed at laying a solid foundation for private sector participation in public infrastructure development and service delivery.

His Excellency, Vice President, Prof. Yemi Osinbanjo, GCON, represented by Mr. Suleiman Hassan, Minister of State for Power, Works & Housing chaired the occasion. In attendance also were the Attorney General of the Federation and Minister of Justice, Mr. Abubakar Malami SAN; Minister of State for Aviation, Sen. Hadi Sirika; Minister of State for Labour, Prof. Stephen Ocheni; Mr. Lawrence Carter, World Bank Senior Director, Infrastructure PPP & Guarantees; Dr. Roy Ugo, Permanent Secretary, Office of the Secretary to the Federal Government (OSFG); Office of the Head of Service of the Federation (OHSF); Dr. Kabiru Usman, Director General, Centre for Management Development (CMD); Boss Gida Mustapha, Managing Director, National Inland Waterways Authority (NIWA) among many others.

Worthy of note is that Nigeria is the first country in the world to launch its PPP Disclosure portal. Thumbs up to ICRC.

'We hope these latest PPP transparency initiative sends a strong signal to savvy investors to invest in Nigeria's PPP space'
. Ag. DG -ICRC

➤ NEWS FROM THE COMMISSION

Appointment of the Ag. Director – General

At the expiration of the tenure of our immediate past Director -General, Mr. Aminu Diko in July 2017, he handed over to Engr. K.C.Izuwah Snr. On the 1st of August 2017, His Excellency, the Acting President, Professor Yemi Osinbanjo approved Engr. Chidi's appointment as the Director -General subject to senate confirmation.

Engr. Chidi K.C. Izuwah was the Executive Director, Support Services Department where his immediate responsibilities included providing leadership and coordinating the activities of the various units in his

directorates including Finance & Accounts; Human Resources and Administration; Procurement; and Information & Communications Technology (ICT).

He joined the Commission in 2009 as the pioneer Executive Director of the PPP Resource Department (EDP3RD) where he set up the Department from scratch and divided them into workable and manageable PPP Project Delivery Units each covering various sectors of the economy.

We look forward to having a rewarding working experience with our highly esteemed Engr. Chidi K.C. Izuwah Snr. as the Commission strategically makes significant impact in infrastructure development and occupying the PPP space in the nation.

We also wish to appreciate the leadership prowess of the former DG and his contributions to the Commission. We wish him the best in his future endeavors.

➤ INAUGURATION OF INTER-MINISTERIAL COMMITTEE ON KATAMPE



The Hon. Minister, Federal Capital Territory (FCT), Mohammad Musa Bello on 27th July inaugurated the inter – ministerial implementation committee for the development of engineering infrastructure at Katampe district. This laudable project is the first major experiment of the FCT administration towards developing an entire district on PPP and the administration envisions replicating it. The committee’s terms of reference include;

- i. Re- negotiate the structure and scope of the project to ensure compliance with PPP principles or exploration of any viable implementation modality;
- ii. Re – negotiate the financing of the project to ensure transparency, accountability, fairness and value for money;

- iii. Review all relevant legal instruments on the project in line with the re – negotiated structure and financing;
- iv. Facilitate effective implementation of other recommendations of the Inter – Ministerial Audit Committee;
- v. Facilitate the resolution of any other issues relating to the PPP project for the development of engineering infrastructure at Katampe district.

The Ag. DG ICRC, Engr. Chidi Izuwah, appreciated the Hon. Minister’s commitment to the success of the project and his ambitious plan for FCT. It is worthy to note that the World Bank appreciated the unique structure of the project and sees it as a model PPP that can be replicated around the world.

➤ CONFERENCES AND EXHIBITION

✚ INTERNATIONAL CONFERENCE & EXHIBITION BY NIWA



On the 25th July 2017, the DG of ICRC was invited to the International Conference and Exhibition organized by National Inland Waterways Authority (NIWA), Lagos with the theme “Inland Waterway Transportation Optimization – the PPP imperative”. In his presentation, the DG gave a synopsis of PPP, enumerated the benefits of having viable inland waterways, investment needs and presented a proposed inland marine highway for Nigeria. He also highlighted PPP opportunities in Inland Waterways in Nigeria as follows:

- Dredging (Capital, Maintenance etc)
- Land Value Capture

- ICDs, Warehousing and Logistics Parks
- Out of Town Shopping Centers and Recreation Parks
- Manufacturing Centers and Industrial Parks
- Transport and Bus Terminals
- Agro Processing Centers; Cattle Feedlots; Abattoirs and Meat Processing
- Intermodal Centres – Last Mile Service

✚ COUNCIL FOR THE REGISTRATION OF ENGINEERING IN NIGERIA (COREN) 26TH ENGINEERING ASSEMBLY

The 26th meeting and exhibition of the Council for the Regulation of Engineering in Nigeria (COREN), Engineering Assembly took place from 7th - 9th August 2017 in Abuja. The meeting was officially opened on the 8th with a visit to the Commission's booth by the Honorable Minister of Science and Technology, Mr. Ogonnaya Onu and accompanied by the President of COREN Engr. Kashim Abdul Ali and other top COREN officials. The Director -General and other ICRC staff welcomed the Minister and COREN officials. During the two-day exhibition, members of staff of the Commission had fruitful discussions with the public (mostly engineers) on PPP project development and the fundamentals of PPP.



✚ Visit by Emir of Dutse, His Royal Highness, Alhaji Nuhu Sanusi



On the 8th of July 2017, the Emir of Dutse, His Royal Highness, Alhaji Nuhu Sanusi paid a royal courtesy visit to the Commission. In his very brief speech, he emphasized the importance of collaborating with the private sector to bridge the infrastructure deficit in the country. He stressed that indeed, the country's shortfall in infrastructure has thwarted its economic growth. The challenges of the absence of critical infrastructure continue to impact negatively on the cost of doing business, competitiveness, investment, and capital inflow into the country.



✚ Courtesy visit by Brent Omdahl, Councillor – Commercial Desk of the US Mission in Nigeria



➤ Memorandum of Cooperation and Memorandum of Understanding

❖ NBA & ICRC

The Memorandum of Cooperation (MOC)

On the 24th August 2017, the Commission signed a MoC with NBA for the exchange of knowledge and expertise in any field of PPP that is of interest to both organizations.



➤ OUTLINE BUSINESS CASE (OBC) AND FULL BUSINESS CASE (FBC) CERTIFICATES

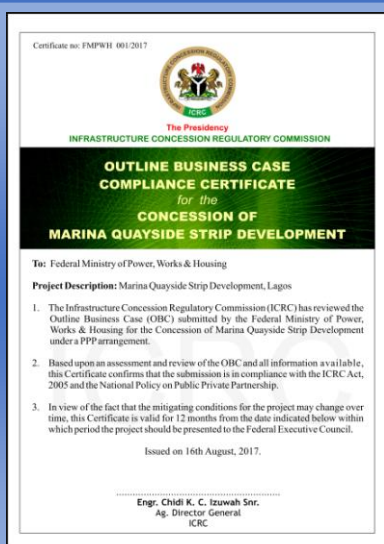
✚ OUTLINE BUSINESS CASE (OBC)

❖ Federal Ministry of Power, Works & Housing (FMPW&H)

✚ *Marina Quayside Strip Project*

On August 16, 2017, the DG of ICRC presented an updated Outline Business Case (OBC) to the Federal Ministry of Power, Works and Housing for the Marina Quayside Strip Project. The proposed project is a transformation of the urban/waterfront development intended to be a tourism center that will provide Hotels, Condominiums, Commercial Complexes, Water Sports, Restaurants, Art Galleries, Cinemas, Shops, Car Parks, Bus Transport Terminals, Museums, Offices, Residential buildings, Rented Houses, Theme parks, Parks, Port Authorities, Cruise Ship Facilities, Jetties, Boardwalks, Marinas, Aquaria, Sports Complexes, Casinos, Medical Facilities and Marine Transport.

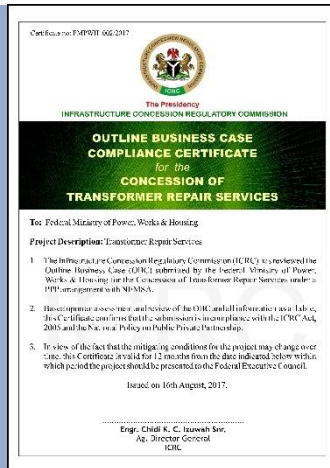
The Ministry is expected to submit the OBC with a Certificate of Compliance to FEC for approval.



Concession of Transformer Repairs Services

Also on 16th August 2017, the Commission presented an OBC Compliance Certificate to the FMP W&H for the concession of transformer repair services. The project is an unsolicited proposal submitted by Kilowatt Electrics Limited (KWEL) to the Nigerian Electricity Management Services Agency (NEMSA). KWEL is proposing a joint venture partnership with NEMSA to operate the transformer repairs workshop in Ijora Lagos and construction of transformer repair workshops in Port Harcourt and Kaduna centers. The partnership will include electrical inspection, testing and certification of all electrical installation hitherto performed by NEMSA.

FMWP&H is expected to obtain FEC approval for the OBC.




❖ Federal Ministry of Agriculture & Rural Development

✚ *Grain storage facilities – Silos Complexes*

In August, the Commission presented an OBC compliance certificate to the Federal Ministry of Agriculture & Rural Development for the concession of 33 silo complexes, across the country. The aim of the concession is to ensure optimal operation and maintenance of the silos for an agreed period. The potential bidders, technical proposals evaluation report has been submitted by the Transaction Advisers, Lions Head Consortium and presented to the Project Delivery Team (PDT).

The estimated cost of the project is NGN3, 430, 000, 000. Financial proposals for 11 out of 33 silo complexes were opened on the 12th September in the presence of relevant government agencies, bidders and other stakeholders.

Certificate No: FMARD/ICRC/2017



The Presidency
INFRASTRUCTURE CONCESSION REGULATORY COMMISSION

**OUTLINE BUSINESS CASE
COMPLIANCE CERTIFICATE**
for the
**CONCESSION OF GRAIN STORAGE FACILITIES
(SILO COMPLEXES)**

To: Federal Ministry of Agriculture and Rural Development

Project Description: Concession of Grain Storage Facilities (Silo Complexes)

1. The Infrastructure Concession Regulatory Commission (ICRC) has reviewed the Outline Business Case (OBC) submitted by the Federal Ministry of Agriculture and Rural Development for the Concession of Grain Storage Facilities (Silo Complexes) under a PPP arrangement.
2. Based upon an assessment and review of the OBC and all information available, this Certificate confirms that the submission is in compliance with the ICRC Act, 2016 and the National Policy on Public Private Partnership.
3. In view of the fact that the mitigating conditions for the project may change over time, this Certificate is valid for 12 months from the date indicated below within which period the project should be presented to the Federal Executive Council.

Issued on 2nd August, 2017.

Engr. Chidi K. C. Izuwah Sr.
As. Director General
ICRC



From ancient efforts



*To classic state of the art silos through
PPP*



'The Commission is fully committed to the rapid conclusion and approval of this PPP – thank you Mr. President for your inspirational support and rock solid political will to force the change that has made today's internationally acknowledged bid opening exercise possible. God bless Nigeria as we change the face of agriculture in our country'
Ag. DG – ICRC

FULL BUSINESS CASE

Provision of Contingent Owned Equipment for Armed Formed Police Units (FPU's) for the Nigerian Police Force in Peace Support Operations

On the 20th of July 2017, the Commission presented the FBC compliance certificate to the Nigerian Police Force for the Provision of Contingent Owned Equipment for Armed Forces Units. The project involves the Supply, Own and Operation of Contingent Owned Equipment's in Peace Keeping Missions in Central African Republic (CAR), South Sudan, Darfur and Liberia. This arrangement will give the Nigerian Armed Forces access to high-grade military equipment to carry out their duties. The project is currently in Development stage. An FBC Certificate of Compliance has been re-validated and issued.



➤ 3rd Quarter Public Private Partnerships Units Consultative Forum (3PUCF) 7th September 2017



The third quarter Public Private Partnerships Units Consultative Forum sponsored by the Federal Ministry of Power, Works and Housing took place in September 7th at the Valencia hotel Abuja.

Presentations were made by the Ag. DG ICRC Engr. Chidi Izuwah Snr., General Electric and Siemens. Each presentation focused on how to address the identified power problems in Nigeria.

The Ag. DG ICRC appreciated all members of the Forum for their consistency in driving not only the Forum but also the promotion of PPPs in Nigeria. Engr. Chidi noted that in order to bridge the infrastructure deficit in Nigeria, it was imperative to diversify the infrastructure funding base by encouraging private sector funding. He urged MDAs to involve themselves with the development of credible and bankable PPP projects in order to drive the process.

Also in attendance was the Permanent Secretary for Power, in the Federal Ministry of Power Works and Housing, various MDAs and the private sector.

➤ GOVERNMENT PRODUCTIVITY FORUM

On Tuesday 26 September 2017, McKinsey & Company Nigeria hosted a Forum with the theme 'Enhancing Government Productivity in Nigeria' at the Transcorp Hilton Hotel. The event focused on sharing insights from the report published by Mckinsey & Company titled 'Government Productivity: Unlocking the \$3.5 Trillion Opportunity', which was launched earlier this year at the World Bank Spring Meetings.

The report highlights how many governments are struggling to translate finite resources into meaningful progress given that demands on government have never been so great and budgets are under strain. The deficit of governments globally is close to \$4 trillion a year.



The forum had a panel of discussants made up of the Head of the Civil Service of the Federation, the Ag. Director -General ICRC, Senior Assistant to the President on Industry, Trade and Investment and representatives from the World Bank and the private sector. The discussion was mainly to explore how governments can be more productive and get better results for their spending at a time when prioritization and efficient execution are key to economic survival and social stability. It also focused on policy options, innovations and opportunities which are open to Nigeria and how they be harnessed.

➤ PORTS EVOLUTION 2017 ADVISORY COUNCIL

Engr. Chidi K.C. Izuwah Snr, Ag. DG ICRC, was appointed a member of the Ports Evolution 2017 Advisory Board. The Board's responsibility is to ensure professionalism in maritime events in the Africa Port Evaluation 2017. The appointment is in recognition of Nigeria's critical role in Africa's maritime sector. African Ports Evolution, now in its sixth year, is Africa's elite transport event, saddled with the responsibility of bringing industry experts from across the continent and the world together.

➤ 57th NIGERIAN BAR ASSOCIATION (NBA) Annual General Meeting

The 57th Annual General Conference of the NBA took place in Lagos, from the 18th – 24th August 2017. The theme for this year's conference was "African Businesses: Penetrating Through Institution Building". Undoubtedly, institutions are very critical for holistic and inclusive national development.

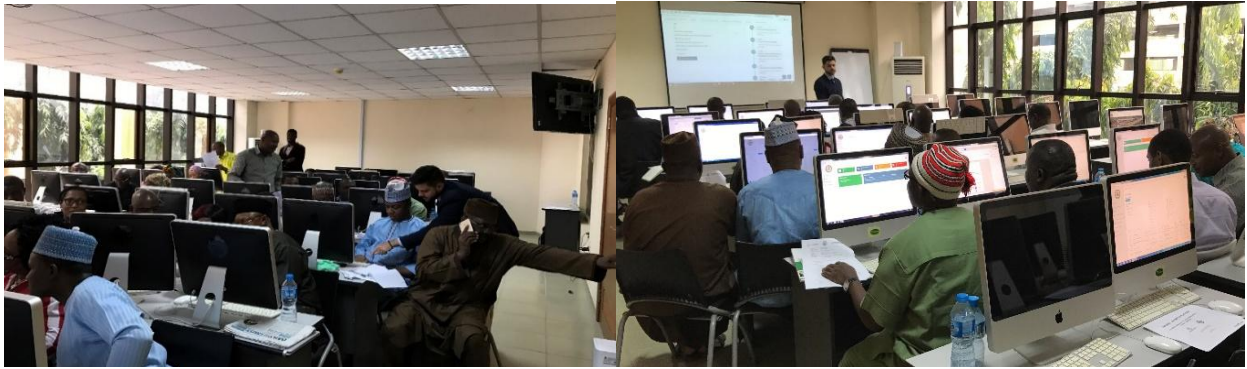
The Ag. Director - General of the Commission was a speaker at the event and a member of the panel of discussants on the topic "Derisking Nigerian Infrastructure".



➤ CAPACITY BUILDING / TRAININGS /WORKSHOPS

🚦 Web Portal Staff Training Organized by World Bank & ICRC

On 19th – 21st July, the World Bank team, in collaboration with the Commission conducted the PPP Contracts Disclosure Web Portal Training for select ICRC staff and PPP desk officers in MDAs. This pilot phase of the training as designed was expected to expose members of staff to the rudiments of operating the portal which is designed to be user friendly.



✚ 3- Day Training Organized by ICRC & AUSTRALIA ALUMNI ASSOCIATION IN NIGERIA

The Commission in conjunction with the Australian Alumni Association of Nigeria (AAAN) organized training for members of the PPP Units Consultative Forum in the MDAs on PPP Project Preparation, Planning and Development. The training took place from the 28th – 30th August 2017 in Abuja.

The Australian High Commissioner to Nigeria, Mr. Paul Lehmann, who attended the opening ceremony expressed the readiness of his country to partner with ICRC and the Nigerian government on PPP development.





“In the long run, we are looking at ways we can better meet the deficit that exist in many areas of infrastructure not just in Nigeria but around the world. Every country has challenges in this area and we are looking to access the best expertise to look at the ways that case studies worked, where they have worked and where they have not. “Paul Lehmann”

World Bank PPP Training

The Commission with support from the World Bank and facilitated by WierCapacity Limited organized a PPP Professional certification examination for MDAs. The objective of the PPP certification is to promote and enhance PPP project performance globally and it is a definitive credential that seeks to build and empower Accrediting Professionals Managers Globally (APMG) Certified PPP professionals to tackle infrastructure challenges in their respective regions, in this case, Nigeria.

*‘With this programme, we are rapidly putting in place a competent core of high impact MDA staff with world class PPP technical skills that can identify and develop bankable PPP projects and take them to the market’
Ag. DG – ICRC*



The PPP Certification Program is a combined innovation of:

- The Asian Development Bank (ADB)
- The European Bank For Reconstruction And Development (EBRD)
- The Inter-American Development Bank (IDB)
- The Islamic Development Bank (Isdb)
- The Multilateral Investment Fund (MIF)
- The World Bank Group (WBG)
- And Part Funded By The Public-Private Infrastructure Advisory Facility (PPIAF)

➤ WORKSHOP ON THE OPERATIONALIZATION OF THE EXECUTIVE ORDER ON THE PROMOTION OF TRANSPARENCY AND EFFICIENCY IN THE BUSINESS ENVIRONMENT

The workshop on the operationalization of the Executive Order on the promotion of transparency and efficiency in the business environment took place at the Public Service Institute of Nigeria on 17th August 2017. The aim of the workshop was to provide a platform for the formulation of strategies for the implementation of the Executive Order and to review milestones achieved by various MDAs so far. All members of the Executive Order Committee of the Commission were in attendance.

The workshop was presided over by the Head of Civil Service of the Federation (HOCSF), Mrs. Winnifred E. Oyo – Ita, and had in attendance Permanent Secretaries and representatives of MDAs. The HOCSF implored public servants to see the task of Nation building as a collective responsibility and encouraged effectiveness in the discharge of duties in line with the executive order which seeks to promote transparency and efficiency in the business environment designed to facilitate ease of doing business in the country.



Staff members of the Commission's Executive Order Committee

WEB PORTAL LAUNCH PHOTO SPEAK







➤ KNOWLEDGE MANAGEMENT

How the private sector has addressed key risks in projects

An examination of recent PPP projects from around the world provides some useful starting points from which to understand which sectors and types of PPP projects appear to have been developed more successfully than others. This can be analyzed by looking at some of the key risks involved, whether or not the private sector was prepared to address them, and how they managed them. Broadly, the most common causes for project failure tend to involve one or a combination of revenue or market forecasts being wrong, failure of technology, insolvency, or exchange rate fluctuations.

Tariff Reform Risk:

Even in the more traditional publicly provided infrastructure sectors, users have many times been subsidized by governments (often at the expense of maintenance of the infrastructure asset), and so a realistic assessment of the true costs of subsidy may reveal that either a higher level of government support or significant tariff reform is needed. Both of these issues can carry significant risk for the private sector. Sectors such as water or passenger rail, where revenue growth is often affected by challenges

related to the level or collection of fees, are likely to be particularly difficult because of traditional underpricing and the political capital associated with these sectors.

Demand Risk and Capital Investment:

Investors look closely at how the risk that they might bear of fluctuations in the use of the service (demand risk) is rewarded by the financial returns available and the timing and level of investment to which they are committed. For projects with high growth prospects, such as mobile telephony, investors generally consider such risk to be acceptable, especially as investment can be made in stages to fund incremental expansion of capacity and to take advantage of the potential commercial benefits of related services such as mobile banking. Where heavy initial investment is required, and the level of demand and prospects for growth are less certain, investors may be more circumspect. The different risk profile is reflected in the type of PPP transaction chosen. The public sector “subsidy” could otherwise be provided in the form of a partial payment of the capital costs. However, this mechanism, while it reduces the amount of private finance required and may be easier to administer, misses out on the important opportunity for government to link any subsidy to long-term performance. It can also expose the project to a more variable demand-dependent revenue stream.

Rehabilitation Risk:

Investors have concerns about taking on the rehabilitation of existing assets, particularly in the energy sectors and, to an extent, the water sectors or infrastructure assets like tunnels. Other complications may arise out of the need to transfer an existing workforce or amend off-take contractual arrangements that are already in place. Sometimes, a management contract will be used initially to enable the private party to learn more about the underlying assets before moving to a more capital-intensive PPP.

Environmental and Other Physical Risks:

Large infrastructure projects can also present environmental risks that may make investors wary, especially for greenfield projects. Transport and power projects may have adverse environmental and social impacts requiring project revaluation, redesign, additional investment, compensation costs, and strong stakeholder engagement, as well as reputational risks for participants. Thus, despite significant hydropower potential in many emerging markets, the number of such projects funded by the private sector has so far been small in comparison with other forms of power generation. Long lead times are often needed to address environmental issues.

Interface Risk:

For projects whose output, such as power generation, is purchased by another utility, investors pay close attention to the terms of any agreement provide and purchase the project inputs or outputs and the reliability and creditworthiness of the interfacing party (often a state-owned entity). If the connecting infrastructure is not in place or needs to be rehabilitated, investors will want to know how this will be addressed, which, in turn, raises questions about who is responsible, where the funding will come from,

whether the required infrastructure will be available when it is needed by the project, and what conditions will attach in the event that it is not.

Funding and Foreign Currency Risk:

Projects without revenues linked to foreign currency are likely to face the most significant constraints in many countries, due to the limited availability of long-term finance. In Sub-Saharan Africa, where local-currency long-term funding is not available in many states, seaport projects, which generally enjoy foreign currency–denominated revenue, have been more numerous than road projects, which usually earn revenues in local currency.

Other Considerations When Selecting PPP Projects

In addition to the revenue, demand, rehabilitation, environmental, interface, funding, currency, and other risks mentioned above, there are other issues to consider when assessing risk allocation and potential private sector interest in a PPP project:

Size. Projects that are too small may have difficulty attracting corporate private sector interest, as the costs of preparing and managing the project will be high in relation to the investment required (and from the public sector’s perspective, the transaction costs may be too high in relation to the size of the project). Conversely, projects that are too large may exceed the capacity of bidders and sources of finance (and, from the public sector’s perspective, may make it difficult to transfer risks effectively not only at the procurement stage but also in the event that things go wrong later and a replacement party is required).

Geography and complexity:

Projects may be the right size for the market, but if they involve numerous smaller components that are geographically dispersed or remote, investors may be wary of the delivery and management costs and risks involved. Bundling smaller projects to make larger ones may not always be feasible.

Technology:

Lenders are particularly wary of using unproven technology or using proven technology in novel circumstances; the solid waste treatment sector is a good example of this issue.

Workforce:

Investors are concerned about how the public sector manages workforce issues, particularly in projects that may transfer significant staff from the public sector.

Subcontractor solvency:

If a subcontractor responsible for a key part of the project gets into financial difficulty, the project as a whole can be seriously affected. Lenders will look closely at the financial health of the various subcontractors, and

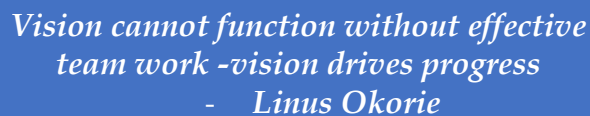
this may sometimes make the participation of smaller contractors without a financial track record more challenging.

Culled from: https://library.pppknowledgelab.org/PPIAF/documents/16?ref_site=ppiaf

➤ STAFF EVENTS

🚩 STAFF TOWN HALL MEETING

On the 11th September, the Commission had a town hall meeting for non -GMT staff at the meeting room. Mr. Linus Okorie was the key speaker. He encouraged members of staff to have the right mindset; work as a team in order to make quality impact; and develop a vision that drives you as an individual.



*Vision cannot function without effective
team work -vision drives progress
- Linus Okorie*

The GMT members' town hall took place on the 12th September. Vital issues were discussed, the DG and top management staff promised to consider all areas of concern.

A gentle reminder of the pledge of allegiance to ICRC we all made at the non -GMT town hall meeting

***I (name) have made up my mind that I will make a difference in this organization. I will give my best to make sure that this institution works. Nigeria will feel my impact through this institution. So, I make up my mind today, I will be a voice to reckon with. I will grow my leadership skills, my learning system, my integrity system, my vision system, my enterprise system. By the end of the day, my impact will be felt. Nigeria, here I come!!!!!!
So help me God.***

COMMISSIONING OF NEW OLG AUTISM CENTRE

The members of staff heartily congratulate the Ag. DG on the 4th cultural day celebration and formal opening of the New OLG Autism Center (PPP project) which took place on Saturday 26th August 2017 at the Our Lady of Guadalupe Health Foundation and Autism Center, LEA Primary School, Opposite Oando Filling Station, Alex Ekwueme Way, Jabi, Abuja.



Health & Wellbeing

Food Poisoning

There is need for people to be careful while preparing their meals

Increasingly, many Nigerians are dying, ironically, from what ought to sustain and indeed, keep them alive. A professor of Food Science and Technology, Alfred Ihenkurye, said recently that no fewer

than 200,000 persons die annually in the country as a result of contaminated foods. “There are many avenues through which foods can be contaminated,” he said. “And when people eat these foods, they will have problems which may result in deaths”. Even if one may query the figure since statistics are often patchy, the fact is that food poisoning is a major silent killer in Nigeria today.



According to the World Health Organization (WHO), food containing harmful bacteria, viruses, parasites or chemical substances is responsible for more than 200 diseases, ranging from diarrhoea to cancers. The health body also revealed earlier that “New threats to food safety are constantly emerging. Changes in food production, distribution and consumption; changes to the environment; new and emerging pathogens; antimicrobial resistance – all pose challenges to national food safety systems”.

However, one of the most common food poisoning sources in Nigeria is cassava-based meals. Paradoxically, cassava-based dishes are by far the commonest meals, with popular appeal to the poor. However, Cassava has one major drawback: the roots and leaves of poorly processed cassava plants contain a substance named Linamar in which when eaten is converted to cyanide, a poisonous gas which could be fatal when inhaled or ingested.

Most experts argue that poor preparation of cassava meals can leave enough of the poisonous substance to cause acute intoxication, goiter and in some cases death. The processing often employed by the traditional methods and rural women (by crushing, soaking in water to ferment and baking) is said to be good enough to effectively contain the toxic content found in cassava, whether of the sweet or bitter variety. But these days, many of the producers adopt short-cut processing techniques as some batches may have been processed poorly, which turn out to endanger many lives. In some cases, particularly those with high cyanide level, mere exposure to the volatile substances while being processed can cause some health disorders.

The most endangered, according to experts, are people who are already malnourished as they lack the proper mix of amino-acids which are vital ingredients in detoxifying the poison. Sometime ago, three patients were rushed to the Accident and Emergency Ward of the Lagos University Teaching Hospital after eating a meal of “eba”, perhaps the most popular cassava food variety, in a case Dr. Akintonwa Tunwashe described as “fatal cyanide poisoning.” The patients reportedly vomited besides complaining of abdominal pains immediately after the meal. Tunwashe, who is of the department of pharmacology of the University, said the patients later became unconscious and diagnosed of renal failure. They died shortly after of cardiac- related diseases. He said that the cassava meal they took must have slowly released cyanide and “this may have been responsible for the death of the patients.”

What is not in doubt is that cassava has been a staple food in Nigeria for a long time. To that extent, experts are agreed that the present mode of processing cassava for any of its varieties – gari, amala, fufu, tapioca, etc., are good enough to reduce the harmful cyanide content to below toxic level.

On the way forward, WHO offers five practical guides to food vendors and consumers for handling and preparation: Keep clean, separate raw and cooked food, cook food thoroughly, keep food at safe temperatures, and use safe water and raw materials. What the authorities must now do is a campaign to sensitize the public about these measures.

Culled from: www.thisdaylive.com/index.php/2016/07/13/deaths-from-food-poisoning/

➤ LIGHTER NOTE

ARE YOU A NIGERIAN?

What is the difference between a Nigerian and a person from Nigeria?

A Nigerian loves his / her country and wants things to work. He may criticize, praise, be angry or happy; but NEVER wishes his country bad. He has hope things will be better.

A person from Nigeria loves or hates the country based on who is in power. Once his kin is in power, he doesn't care if Nigeria is raped to a stupor: but once his kin is out of power, he suddenly grows a warped love for Nigeria, wherein the one in power is responsible for all seen and unseen evils.

BE A NIGERIAN!!!

Akpos Seeks Admission to University

Akpos traveled to Lagos after his WAEC result was out so that his Uncle will help him get admission into the University of Lagos to study medicine and become a medical doctor.

The following conversation took place between the two

Akpos: Uncle, I learnt it's difficult to get admission into the university these days except you are well connected...

Uncle: That's true...

Akpos: Since you are connected, I came to ask you if you can help me get admission into the university after my JAMB...

Uncle: That's true... am connected and I will help u.

Akpos: Thank you Uncle...

Uncle: You welcome...so how is your result, is it WAEC or NECO and how many credits did you get?

Akpos: Uncle, it's WAEC, I had only two credits in agric and Yoruba language but I failed the rest...

Uncle: Well, that's not bad... you can still be a doctor, not a medical doctor really but native doctor

(Babalawo)...

You will use your credit in agric in collecting herbs from the forest, and Yoruba language for incantations...



➤ ABOUT THE PUBLICATION

ICRC E-Bulletin is a quarterly newsletter of the Infrastructure Concession Regulatory Commission under the Presidency of the Federal Republic of Nigeria. This newsletter is a useful tool for communication and is part of the Commission's thrust to engage staff and stakeholders by providing timely, accurate and knowledgeable information on its activities.

We value your views, contributions and opinion. For enquiries, comments and suggestions on this issue, you may email us at comms@icrc.gov.ng.

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'If PPP can be done flawlessly, sustainably and Productively in Malaysia, Philippines, South Africa and Canada to deliver world class infrastructure services, we in ICRC must take appropriate and agile regulatory action to ensure same is done in Nigeria for the benefit of all Nigerians'

Ag. DG ICRC