

ENABLING POSITIVE EXPERIENCE BY USING THE PPP MODEL FOR THE PROVISION AND MANAGEMENT OF PUBLIC INFRASTRUCTURE AND QUALITY ASSETS

PRESENTED AT THE WORLD FACILITIES MANAGEMENT DAY, 2018

Engr. Chidi K. C. Izuwah, Snr.

ACTING DIRECTOR GENERAL/ CEO

INFRASTRUCTURE CONCESSION REGULATORY COMMISSION



THE NIGERIAN FM ROUNDTABLE 2018

THEME

Enabling Positive Experiences in a Post-Recession Real Estate Market

Commercial & Retail | Industrial | Public Sector | Corporate Offices | Residential | Healthcare

Speakers:

- ENGR FEMI AKINTUNDE
CEO, Alpha Mosaic Group
- KUNLE OSELAJA
Group Head, Real Estate, Ecobank
- UDO OKUNJO
CEO, Fine & Country
- EREJAYIA GBADEBO
CEO, BEP, Nigeria
- TOKUNBO TALAB
President, Superflux FM, Ltd
- PROF. BABATUNDE GREEN
MD, Alpha Mosaic Healthcare

May 16, 2018

Eko Hotel & Suites, Victoria Island

castles

www.fmroundtable.com

Infrastructure Possibilities



**AMERICA HAS GOOD ROADS, NOT
BECAUSE AMERICA IS RICH, BUT
AMERICA IS RICH BECAUSE IT HAS
GOOD ROADS - John F Kennedy Former
US President.**

**The implication of this quote from the 60s
is an eternal economic truism. No country
can become economically buoyant without
good infrastructure.**



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Comment of Former Critique of FM PPPs



“Now I have someone with the right knowledge and expertise to take care of the building, so I can focus my time on the students, teachers and parents.”

Jan Marshall, Sherwood Ridge Primary School

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Outline



- ☐ Introducing a New Nigeria
- ☐ Facilities Management and PPPs
- ☐ PPP Procurement and FM
- ☐ PPP Framework in Nigeria
- ☐ Sample PPPs from Nigeria
- ☐ Sample FM PPPs and Pilot Nigerian FM PPP
- ☐ PPP Opportunities in Nigeria
- ☐ Conclusion
- ☐ Transforming Nigeria

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Nigeria

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Expressway !!!



Small scale IPPs supplied by China



Political Commitment



EXCERPTS OF SPEECH OF PRESIDENT MUHAMMADU BUHARI ON AUGUST 23, 2015

“.....We also have a **huge infrastructure deficit** for which we **require foreign capital and expertise to supplement** whatever resources we can marshal at home. In essence, **we seek public private partnerships** in our quest for enhanced capital and expertise.”

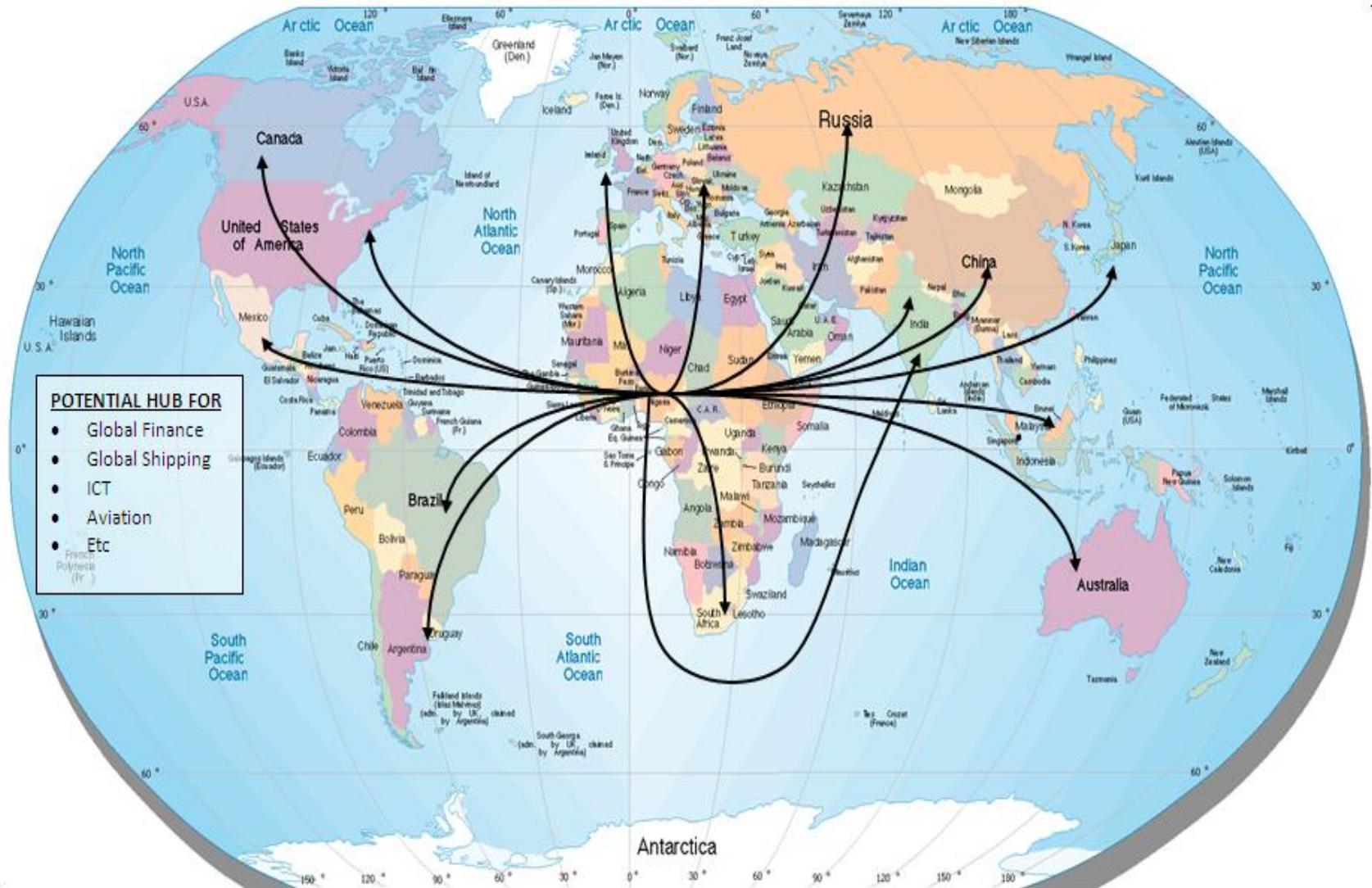
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Leadership Commitment



Excerpts of speech of His Excellency
Vice President Yemi Osinbajo
AT 10th Year Anniversary Lecture of Crescent University,
Abeokuta, Ogun State
June 11, 2016

.....the Buhari Administration will tackle corruption in all sectors of the economy and establish a sufficient tax culture. The Administration will encourage **Public-Private Partnerships** ensuring a **transparent framework** that reduces the bottlenecks in doing business.



Africa's Most Formidable CV – Past and Present



- Largest Economy in Africa, Half a Trillion GDP
- First TV Broadcast in Africa
- Mandela hid in Nigeria for 6 months to escape the Apartheid Regime
- Previous longest Bridge in Africa (11.8 Kms) – Egypt now
- Largest Black Country in the World – 170 Million (1/5th of Africa's Population)
- Largest Entrepreneurial Population in Africa, Large Mobile Phone User Base
- Third Largest Movie Industry in the World – Now 2nd
- Diversifying Economy With Growing Non Oil Sector – 51% Services, Agric 22%, Industry 26%, Oil 15%
- Richest Man in Africa – Aliko Dangote
- Leading Destination for Investment in Africa – UNCTAD
- IF YOU ARE NOT IN NIGERIA, YOU ARE NOT IN AFRICA

Facilities Management

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Facilities Management (FM)



- ❑ Facilities Management is an integrated approach to operating, maintaining and improving the buildings and infrastructure of an organization, in order to create an environment that allows an organization to concentrate on its core business activities.
- ❑ FM is often associated with the upkeep, maintenance and operation of buildings such as office buildings, hospitals, schools, prisons, sporting complexes, convention centers, shopping complexes, hotels, etc
- ❑ FM is relevant and applicable across the full spectrum of infrastructure sectors including industry, transport, defence, water and environment.

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The role of FM



- ❑ Create an optimal, safe and cost effective environment.
- ❑ Deliver effective and responsive services.
- ❑ Enable changes in the use of space and anticipating future asset needs.
- ❑ Ensure the facility is compliant with all relevant codes and regulations.
- ❑ Create competitive advantages for the organizations core business.
- ❑ Enhance the organization's culture and image.

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FM Categories



Hard FM	Soft FM	Other support services
<i>includes services which are directly connected to the asset and its availability.</i>	<i>relates to the day-to-day supporting services required in the operation of an asset.</i>	<i>often fall within the scope of FM</i>
Building & Asset maintenance. Grounds maintenance. Energy/Utilities/Environmental management. Equipment management – Computers, ICT Backbone & Wireless, Furniture & Fittings.	General Management. Cleaning. Catering and hospitality. Portering/janitors. Security. Laundry/linen. Helpdesk. Waste management. Reception. Pest control.	Fleet management. Mailroom management and Postal services. Reprographics. Switchboard. Stores and logistics.

The PPP Model



- ❑ The use of Public Private Partnerships (PPPs) has become recognized globally as an effective option for implementing public infrastructure and providing services. As emerging PPP markets evolve, it is vital to utilize the knowledge and experience from mature PPP markets to benefit from lessons learned and embed 'best practice
- ❑ Across Africa, the Public-Private Partnership (PPP) model has become increasingly critical as both a funding and operational mechanism for social (e.g. hospitals and schools) and economic infrastructure such as ports, railways, roads and airports.
- ❑ PPP arrangements are particularly useful for large complex infrastructure projects that require highly-skilled workers and a significant capital outlay to execute.
- ❑ The PPP model is also useful in countries that require the state to legally hold an interest in any public infrastructure but permits a level of private sector participation.
- ❑ PPPs have been a growing and an increasingly important part of public sector investment in infrastructure and services

Facilities Management (FM) and PPP

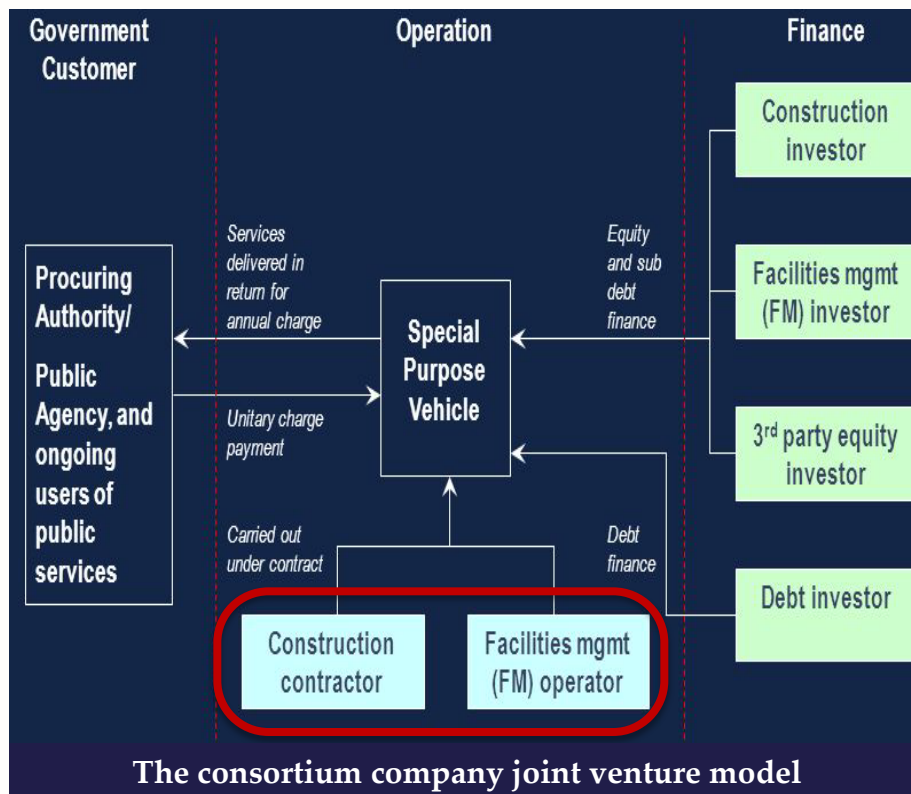


FM can be integrated with PPP for the upkeep, maintenance and operation of buildings such as offices, hospitals, schools, sporting complexes, convention centres, shopping complexes, hotels, etc.

Outsourcing FM services enables public entities to focus on the provision of the public service while the FM operator provides the best working environment.

FM Integration with PPP aims to remove the discontinuities between design, construction and FM services, optimizing life cycle costs.

FM PPP represent a growing percentage of all PPPs being delivered today worldwide.



Implementing FM through PPP



- ❑ The spectrum of FM services delivered through a PPP contract can vary depending on the requirements of the public sector and the long-term implications on VfM, affordability and flexibility requirements.
- ❑ Hard FM services are always an integral part of PPP projects and are carried out by the private sector.
- ❑ Hard FM is inherent in a PPP contract due to the contractual commitments to maintain the asset to an agreed level of quality and functional performance throughout the Contract Period.
- ❑ The performance outputs associated with Hard FM service provision can be defined at the outset of a PPP contract with a high level of confidence that they will be not subject to substantial changes during the Contract Period

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Implementing FM through PPP Cont'



- ❑ The provision of Soft FM services is less intrinsically embedded in PPP contracts and, therefore, they can either be retained by the public sector or transferred to the private sector.
- ❑ Soft FM services are generally more susceptible to changes. Changes in Soft FM services during the Contract Period are typically associated with:
 - Changes to quality / level of service requirements.
 - Changes in regulations that dictate how services are delivered.
 - Changes in use of certain spaces within the facility.
 - Changes in service demand volume.
- ❑ Soft FM services are often separated from the PPP contract and implemented as short-term outsourced contracts that are reviewed at regular time intervals on an ongoing basis.

Benefits of implementing FM through PPP



- ❑ **Whole life cost consideration:** Implementation of FM services through PPP facilitates ‘whole life cost’ approach that takes account not only of the cost of constructing and maintaining the building but also the optimization of operational efficiency.
- ❑ **Access to private sector expertise:** PPPs allow the public sector to benefit from the introduction of private sector technology and innovation thus providing services to the public through improved FM processes.
- ❑ **Better Value for Money:** suitably structured PPP projects have the potential to deliver better VfM compared with that of equivalent services procured conventionally.
- ❑ **Structured and comprehensive risk management approach:** The PPP process requires a detailed analysis of project risks at the outset. Examination of risks by both the public and private sectors means that cost estimates are robust and investment decisions are based on better information.
- ❑ **Accountability:** Contracting Authority payments are conditional on the PPP Contractor providing the specified outputs at the agreed quality, quantity, and timeframe.

Benefit Cont'



- ❑ **Innovation:** Specifying outputs, rather than prescribing inputs, provides a wider opportunity for private sector innovation.
- ❑ **Access to private sector funding:** The use of PPP enables the public to deliver services and infrastructure without the need for the initial capital investment that would be needed under traditional procurement.
- ❑ **Focus on service delivery:** Allows a procuring authority to enter into a long-term contract for services to be delivered as and when required.
- ❑ **Commercial approach to public service delivery:** PPPs are helping the public sector develop a more disciplined and commercial approach to infrastructure development and operation, whilst allowing the public sector to retain strategic control of the overall project and service.

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Challenges of implementing FM through PPP



Procurement of FM through PPPs necessitates consideration of a range of issues that do not typically feature in traditional procurement:

- Complexity of Procurement and management of FM through PPP poses contractual difficulties.
- Higher costs of capital for the private sector in comparison to public finance and transaction costs (advisors, tendering, due diligences, administration)
- Challenging performance monitoring and enforcement, as requirements may be hard to formulate in a way that can be objectively quantified.
- Flexibility constraints due to duration of contract (20 to 30 years is typical), hence it is impossible to anticipate changes such as in technology, service demand, standards, etc.
- Unilateral early terminations of services is of particular concern for FM service operators, as services may require significant upfront capital investment.
- limitations on making payments, such as long-term contracts payments adjusted to inflation and/or indexed to forex, affect the bankability of projects.
- Insufficient interest from the private sector in taking on the responsibility for delivering services (and the associated risk) often leaves limited choice
- Fiscal Space

PPP Imperatives



- ❑ The development of an enabling environment for the implementation of FM services through PPP necessitates the public sector to transform itself and develop certain capabilities. The areas to develop capabilities include:
 - **Policy:** Policy that facilitates and encourages the consideration of FM services through PPP as an option for the delivery of FM.
 - **Law and regulation:** A legal and regulatory framework that is aligned with PPP principles and does not present undue limitations in the delivery of public services by the private sector.
 - **Standard guidelines and procedures:** Guidelines and procedures in line with recognized international best practice that promote standardization, the achievement of efficiencies and ultimately, facilitate the achievement of VfM.
 - **Public sector capability and capacity:** The promotion of wider public sector awareness of FM through PPP and the enhancement of knowledge and experience of public sector staff directly involved in infrastructure procurement of PPP.

PPP Procurement and FM

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Definition of PPP



A Public-Private Partnership is a contractual agreement between a public agency (federal, state or local) and a private sector entity. Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public. In addition to the sharing of resources, each party shares in the risks and rewards potential in the delivery of the service and/or facility (Nat. Council on PPP USA)

Wide
Infrastructure
Gap

Growing demand
for private sector
participation in
infrastructure

Small and
depleting
Government
resources

Urgent need for
alternative funding of
Infrastructure

The goal is to combine the best capabilities of the public and private sectors for mutual benefit

PPPs are Fundamentally Different



Formal contract between public and private partner (over the years duration the service will be provided) – usually multiple years duration

Entered through competitive procurement

Using output specification – government specifies ‘what’, private sector can define ‘how’

With suitable risk allocation between parties

Putting private investment at risk

With regulation or contract management of performance of the private partner

Example

Government defines output = connection to let 1,000 vehicles p.d. travel between islands

Government tenders for best solution over 30 years – e.g. ferry, tunnel, bridge??

Government enters 30-year contract with private company

Private company designs, builds, finances bridge, then operates and maintains it for 30-years

Private company receives payment if the bridge works and is available for traffic

Government checks on safety and availability

If the bridge is closed, or unsafe, the private company loses money

PPP a procurement option



The final responsibility for service delivery continues to remain with the public sector agency

- PPP is only one of the several options available for procuring infrastructure
- PPPs should not be seen as a replacement of traditional public procurement
- PPP should be applied only where it can provide optimal value for money for the public sector
- PPPs recognize that both public & private sector have their own strengths
- PPPs attempt to balance strengths of both parties, to create a win-win combination

PPP is not a panacea to all infrastructure requirements. It is a tool that should be considered along with other options of procurement

What is & What it is not PPP?



1. PPP is not privatisation or disinvestment
2. PPP is not about borrowing money from the private sector
3. PPP is more about creating a structure
 - ... in which greater value for money is achieved for services
 - ... through private sector innovation and management skills
 - ... delivering significant improvement in service efficiency levels
4. This means that the public sector
 - ... no longer builds roads, it purchases kilometres of maintained highway
 - ... no longer builds prisons, it buys custodial services
 - ... no longer operates ports but provides port services through world class operators
 - ... No longer builds power plants but purchases power

The PPP Framework in Nigeria

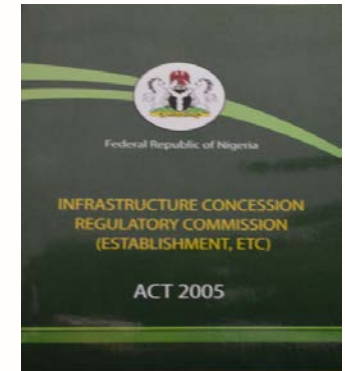
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Framework for PPP

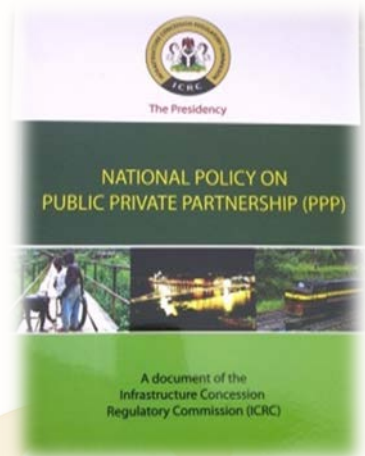


The Infrastructure Concession Regulatory Commission Act (Establishment Etc,) Act 2005.

In 2009, the Federal Executive Council (FEC) approved a **National Policy on PPP** which provides guidance on PPP project structuring.



Presidential Circular of September 2013 directing All MDAs to engage with the FMoF and ICRC **PRIOR** to commencing PPP projects. MDAs to establish PPP units



Annual Report to the President presented every year in June.

Transparency and Competition

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ICRC's Functions:

- ☐ Regulate Public Private Partnership (PPP) procurement by:
 - a. Guiding MDAs in structuring PPP transactions for both **green field** and **brown field** infrastructure – Pre Contract regulation
 - b. Taking custody of all executed agreements and ensuring compliance-Post Contract Regulation
- ☐ Issue PPP regulations and guidelines
- ☐ Collaborate with state governments to develop a sustainable national framework

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PPP Framework Cont'...

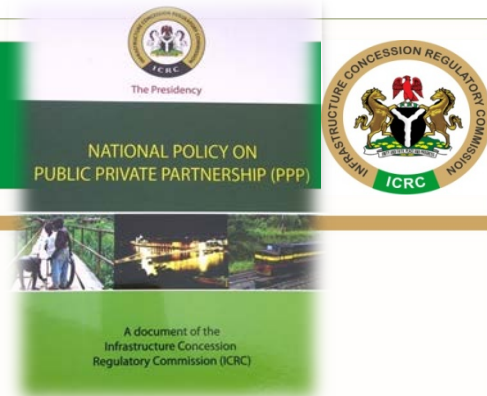


What others do :

- Initiate PPP projects – **MDA responsibility**
- Develop the Projects – **MDA responsibility**
- Approve PPP projects – **FEC approves**

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PPP Lifecycle in line with National Policy



Preliminaries

- *Project Identification*
- *Project Prioritization*
- *Project Selection*

Development Phase

Procurement Phase

Implementation Phase

TRANSACTION ADVISER
NEEDS ANALYSIS
PPP OPTIONS APPRAISAL
VALUE FOR MONEY
AFFORDABILITY
SUSTAINABILITY
PRELIM RISK MATRIX
VIABILITY/BANKABILITY
VGF
OBC
OBC APPROVAL BY FEC

TRANSACTION ADVISER
EoI/RFQ Phase AND RFP
BIDDING
BIDDERS CONFERENCE
BID EVALUATION
VALUE FOR MONEY TEST
PREFERRED BIDDER
FULL BUSINESS CASE
BY FEC

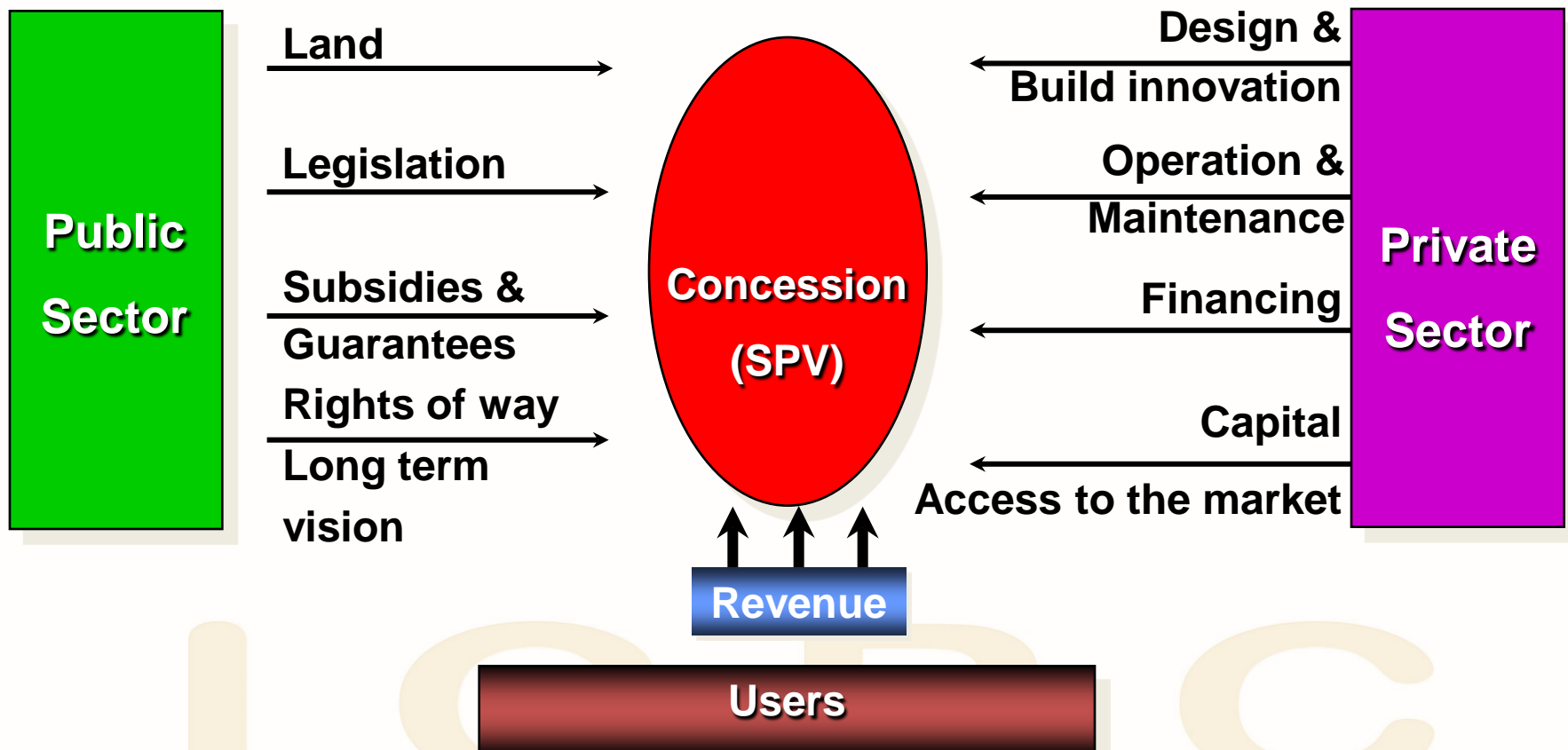
INDEPENDENT ENGINEER
MONITOR DESIGN AND
CONSTRUCTION
COMMISSIONING TEST
VERIFY OUTPUT
REQUIREMENTS
CONTRACT MANAGEMENT

**PREPARING AND IMPLEMENTING EFFICIENT
AND EFFECTIVE PPP TRANSACTIONS**

PPP Advantages (1)



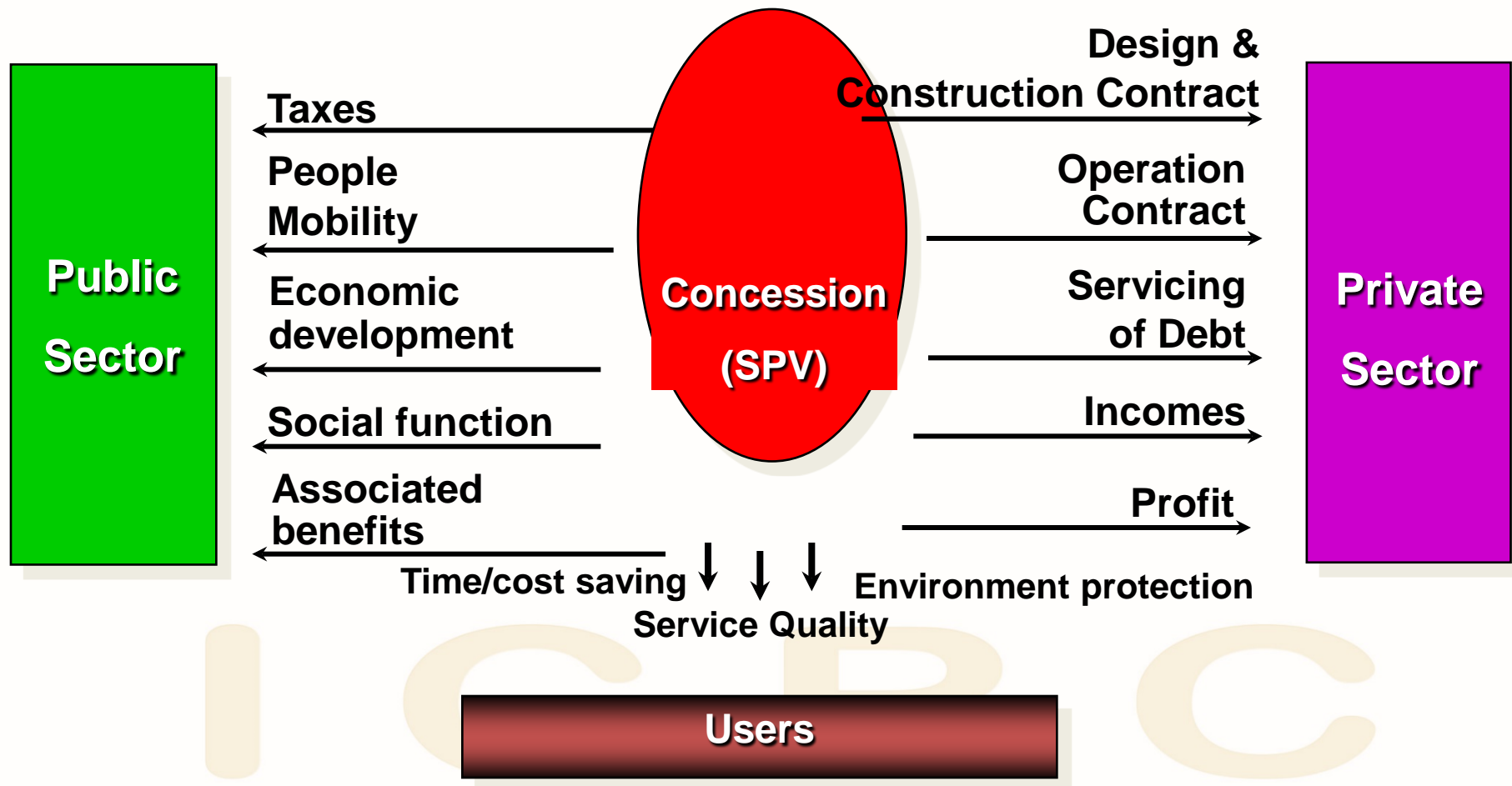
- What each party brings to a PPP



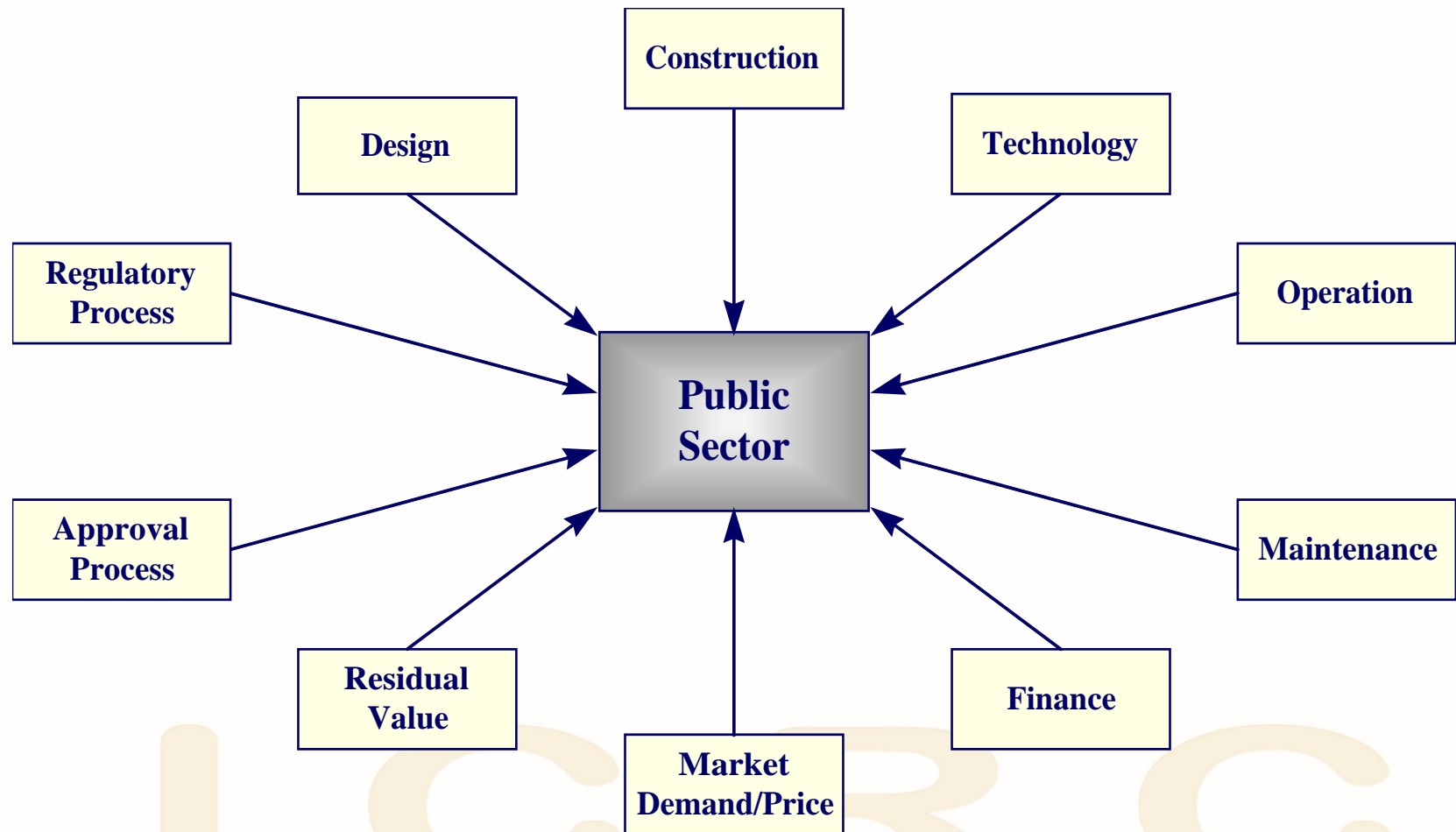
PPP Advantages (2)



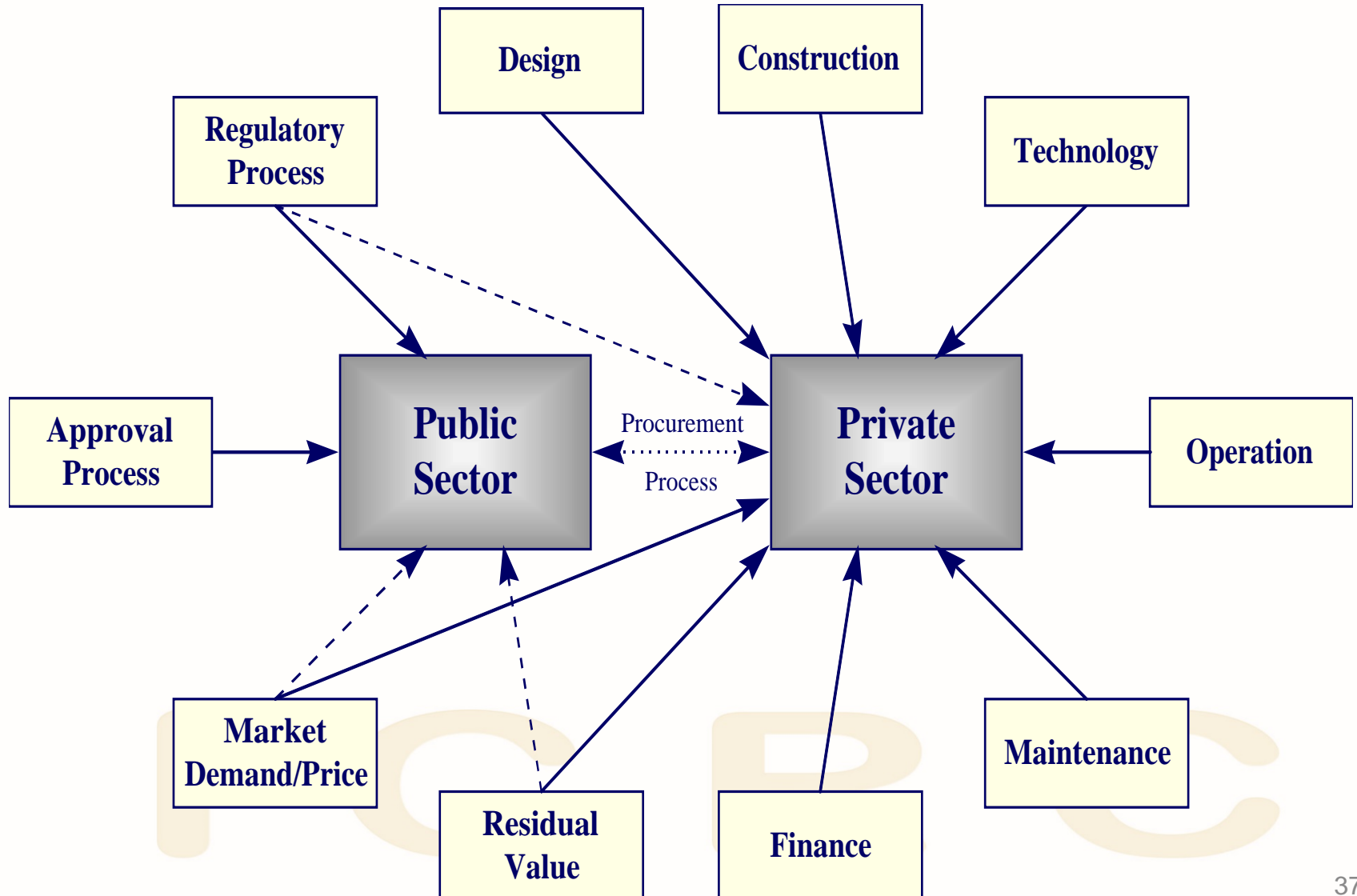
- What each party gets from a PPP



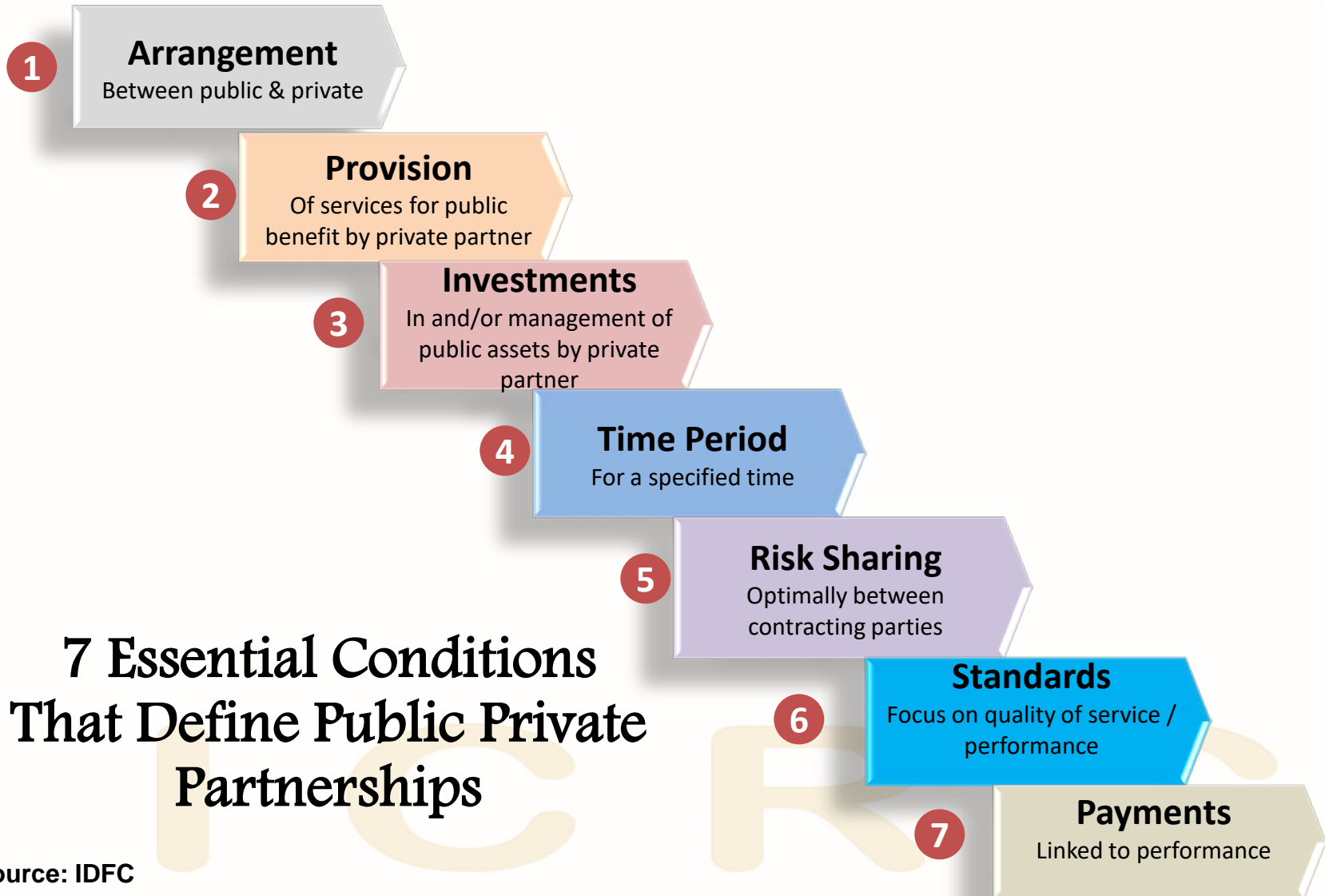
Traditional Risk Allocation



PPP~ Risk Allocation



7 Essential Conditions



Sample PPP Experience From Nigeria

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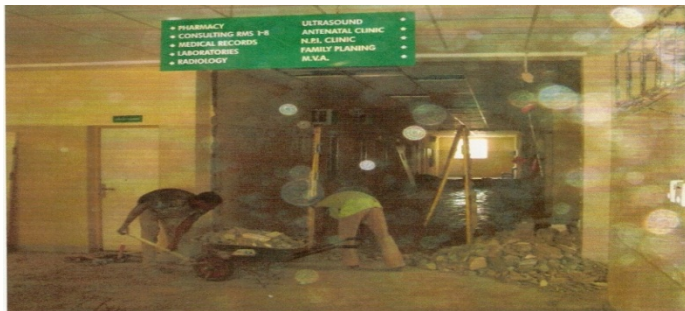
Garki Hospital Abuja



- **Client:** FCT Health and Human Services
- **Sector:** Social Infrastructure~ Health Sector
- **Year the project was signed:** 2007
- This was concession to NISA Premier Hospital Ltd in 2007 for a period of fifteen years (15yrs).
- The introduction of a public private partnership (PPP) arrangement in the hospital has been very effective in the delivery of services. The hospital performed its first successful heart surgery in July 2013 and also performed three (3) successful kidney transplants on the same day in November 2013. The hospital ranks in the top 50 of all evaluated hospitals in Nigeria.



(Cont...)



AFTER



BEFORE



Pre PPP Theatre



 **Garki Hospital Abuja**



PPP Theatre: One Of Our 3 Theatres (June 2015 Cardiac Surgery)



 **Garki Hospital Abuja**



PPP: ICU During June 2015 Cardiac Surgery



 **Garki Hospital Abuja**



Pre PPP Radiology



 **Garki Hospital Abuja**



PPP Radiology (CT Scanner)



Pre PPP Laboratory



PPP – One of our laboratories



 **Garki Hospital Abuja**



Ports

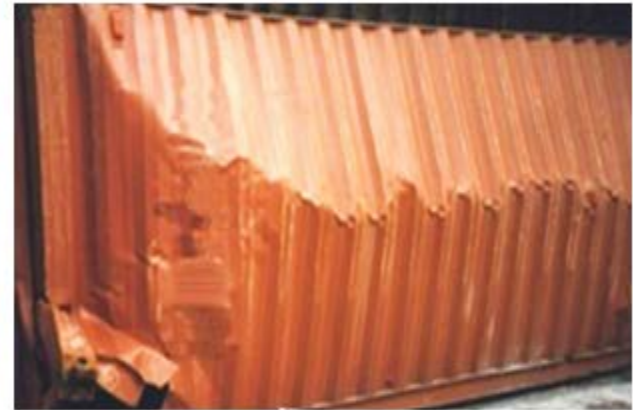
- Average Ship waiting time before berthing was 21 days
- Vessel turnaround time was 5 days
- Dwell time for cargo was as high as over 30 days.
- Ports had poor infrastructure
- Heavily congested leading to insecurity and pilferage, delays in cargo clearance

Before the concession in 2006

Congestion



Poor Security



Traffic Gridlock



Poor Infrastructure

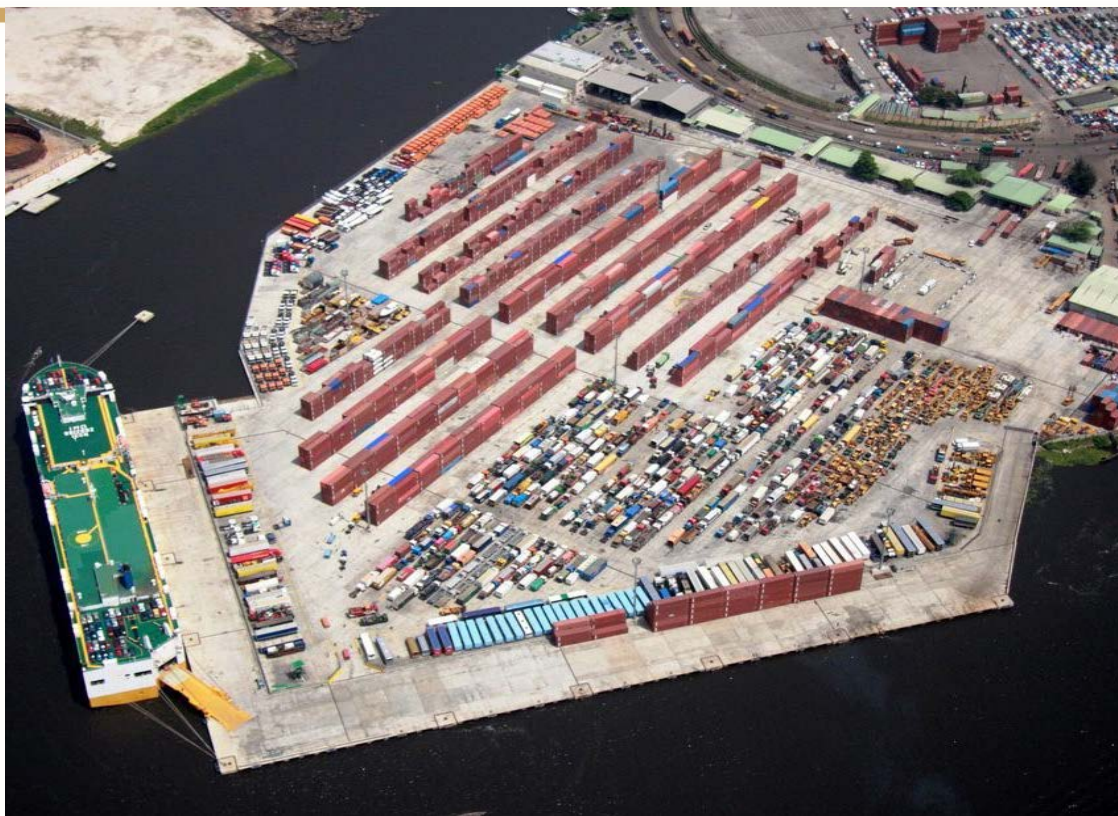


Ports after concession in 2006



The Terminal Operators assumed ownership of the ports in 2006 and have made significant investments estimated at N200billion within a period of 10years.

The estimated investment, derived from interviews with the major Terminal Operators, has exceeded the N50billion planned in the concession agreement for the entire period of the concession i.e. 25 years license. This represents a multiple of about 400% of the planned investments.



Terminal Operators Metrics	Pre-concession (before 2006)	Post-concession (After 2006)
Ship Waiting Time	21 days	No waiting Time
Vessel Turn Around Time	5 days	41 hours
Container Dwell Time	Over 30 days	14 days
Operational Time	9am to 4pm (Mon. to Sat.)	24 hours (7 days a week)

Recent Successes ~ Hydro



- **Client:** Federal Ministry of Power
- **Project Name:** PHCN 3 Large Hydro Power Plants
- **Description:** Concessioneering of Kainji, Jebba and Shiroro in partnership with BPE
- **Preferred PPP Model:** Concluded



- **Client:** Federal Ministry of Power
- **Project Name:** Small and Medium Hydro Power Projects
- **Description:** Hydro Power generation of up to 43 mega watts from existing Ten (10) Small and Medium dams
- **Preferred PPP Model:** Rehabilitate/Build Operate Transfer (RBOT) model



PPP Recent Accomplishments



1. Lekki Deepwater Port Flag Off
2. FMWPH Rooftop Solar PPP
3. Warehouse in a Box Medical Stores
4. NIWA Onitsha River Port
5. Kiri Kiri Terminals I and II Modernization
6. Lilypond Terminal Conversion to Agro Processing and Export
7. Ibom Deepwater Port
8. Dadin Kowa Hydro
9. Gurara Hydro O & M
10. AKK Pipeline
11. Farm Mechanization PPP

Lekki Deepwater Port - Flagship PPP



Lekki Deepwater Project - Flagship PPP



INFRASTRUCTURE
CONCESSION
REGULATORY
COMMISSION
(ICRC)

The Ag. Director General, Infrastructure Concession Regulatory Commission (ICRC), Engr. Chidi K.C. Izuwah Snr, on behalf of the management and staff of the Commission, wishes to congratulate His Excellency, Mr President; The Vice President; The Governor of Lagos State; The Honourable Minister of Transportation; The Managing Director, Nigeria Ports Authority; and Lekki Port LFTZ Enterprise on the

Official Flag Off of Lekki Deep Sea Port Project

On Thursday 29th, March, 2018 at the Lagos Free Trade Zone, Ibeju Lekki, Lagos.

This momentous achievement will transform positively the maritime transportation sector and reaffirm Nigeria's position as the pre-eminent maritime hub in West Africa.



HIS EXCELLENCY
MUHAMMADU BUHARI GCFR
PRESIDENT, FEDERAL REPUBLIC OF NIGERIA



HIS EXCELLENCY
PROF. YEMI OSINBAJO SAN
VICE PRESIDENT
FEDERAL REPUBLIC OF NIGERIA



HIS EXCELLENCY
MR. AKINWUNMI AMBODE
GOVERNOR OF LAGOS STATE



MR. ROTIMI AMEACHI
HON. MINISTER OF TRANSPORTATION



MS. HADIZA BALA USMAN
MANAGING DIRECTOR
NIGERIAN PORTS AUTHORITY



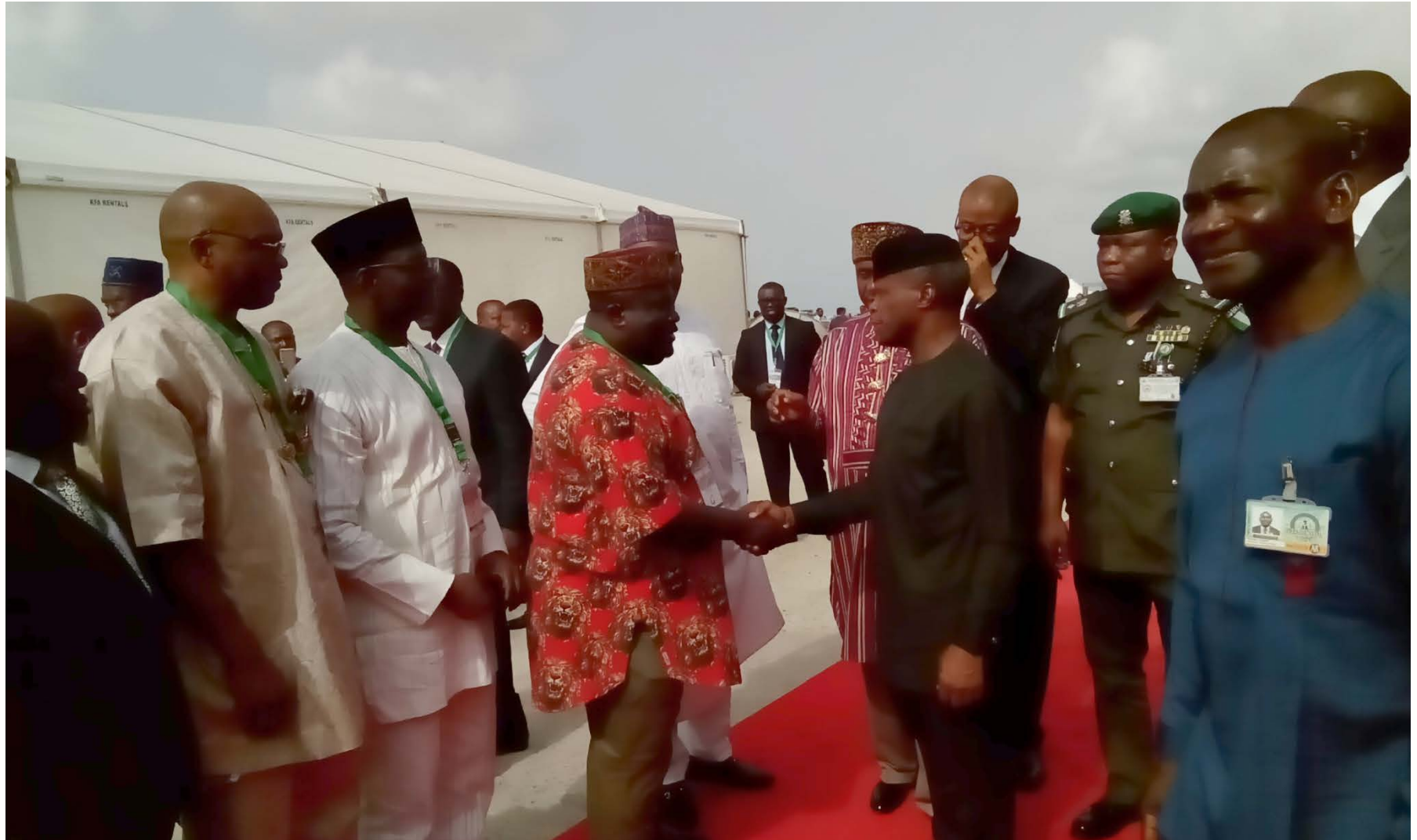
MR. HAREESH ASWANI
MANAGING DIRECTOR
LEKKI PORT LFTZ ENTERPRISE



ENGR. CHIDI K.C. IZUWAH SNR
AG. DIRECTOR GENERAL, ICRC, ICRC

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Tel: +234-9-4604900, email: info@icrc.gov.ng
Website: www.icrc.gov.ng

Lekki Deepwater Project - Flagship PPP



Ibom Deepwater Port - Flagship PPP



IDSP PHASE 1 & 2 CONCEPTUAL LAYOUT



Ware House in Box - Flagship PPP



Dadin Kowa Hydro - Flagship PPP



Farm Mechanization - Flagship PPP



Farm Mechanization - Flagship PPP



Farm Mechanization - Flagship PPP



Farm Mechanization - Flagship PPP



Flagship PPP Project - National Theatre - Lagos



- Development of 65 hectares fallow land around the 134 hectares theatre complex. Completed in 1976 for FESTAC in 1977.



Nigeria Entertainment City - Lagos



Sample FM PPP Experience From Other Regions and Pilot Nigerian Project

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Schools



Hospitals



PPP contracts in force – the “dual PPP”

U T A P

The model of “dual PPP” hospitals

- Four hospitals under operation, fully integrated in the NHS network
- Two private partners per hospital:
 - Manager of the building (InfraCo), 30 year contract
 - Provider of healthcare services (ClinCo), 10 year contract



Hospital
Cascais
Dr. José de Almeida

Beds: 277
Investment: 90 M€



 **Hospital
Braga**

Beds: 705
Investment: 160 M€



 **HOSPITAL
BEATRIZ
ÂNGELO**

Beds: 424
Investment: 115 M€



 **Hospital
Vila Franca de Xira**

Beds: 280
Investment: 101 M€

Portugal Hospital case:
Lessons from the Re-tender process

18

FM services in the Turkish Health Transformation PPP programme

With the support of the World Bank, the Turkish Ministry of Health is implementing a 50,000-bed Health Transformation PPP Programme to renovate healthcare infrastructure throughout Turkey, in order to meet increasing healthcare demands.

The PPP projects implemented through this programme include a wide range of clinical support services including laboratory services, rehabilitation, sterilisation and disinfection services.

ADANA PPP HOSPITAL PROJECT



**BED
CAPACITY**

1.550



**CLOSED
AREA**

540.000 m2

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ELAZIĞ PPP HOSPITAL PROJECT



**BED
CAPASTY**



**CLOSED
AREA**

1.038

356.000 m2

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BURSA PPP HOSPITAL PROJECT



**BED
CAPACITY**

1.355



**CLOSED
AREA**

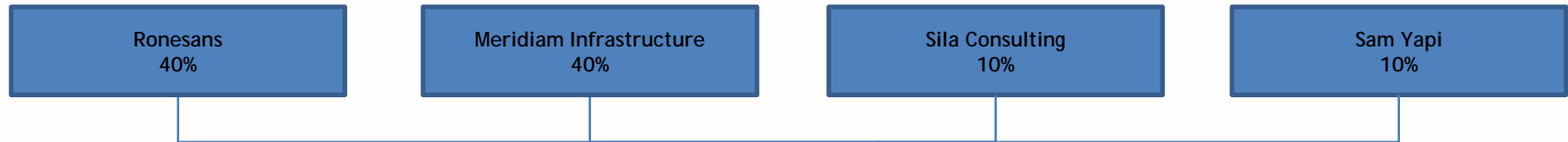
460.000 m²

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Adana Integrated Health Campus Project

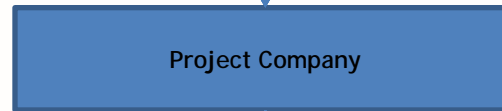


A strong consortium, comprised of Rönesans Holding/Medical, Meridiam Infrastructure, Sila Consulting, and Şam Yapi, which combines strong construction and development experience, local and international know-how, as well as specific medical knowledge, concessions, and health PPP expertise.



Consortium Strengths:

- Local know-how - *Ronesans, Sila and Sam*
- Global know-how - *Meridiam*
- Experienced Sponsors for BOT and Facility Management - *Ronesans and Meridiam*
- Hospital construction in Turkey - *Ronesans, Sam*
- Strong track record of Health PPP projects - *Meridiam*
- Healthcare sector expertise - *Sila, Sam*



Consortium's Other PPP Experience in Turkey

SPV Equity Providers:	EPC
Rönesans Holding A.Ş. – Rönesans Sağlık Yatırım A.Ş. – Meridiam Eastern Europe S.a.r.l. – Sila Danışmanlık Bilişim Eğitim İnşaat Taah. Sağlık Hizmetleri A.Ş. – Ş.A.M. Yapı San. Ve Tic. Ltd. Şti. – TTT Sağlık Hizmetleri Eğitim İnşaat San. ve Tic. A.Ş.	RMI Rönesans Medikal Taahhüt İnşaat A.Ş.
Projects	Capacity(Bed No)
Bursa Integrated Health Campus (On Preferred Bidder Stage)	1355
Elazığ Integrated Health Campus (On Contract Stage)	1038
Physical Therapy Centres (On Preferred Bidder Stage)	2400
Yozgat Training and Research Hospital (On Contract Stage)	475

ICRC Actions



To expand the use of FM PPP in Nigeria, ICRC will:

- Promote awareness of FM through PPP and the associated business prospects for the private sector through publicity campaigns, seminars, events (such as FM roundtable) and information material.
- Provide early notice of projects included in the project pipeline that are selected for implementation and provide details in relation to the FM scope included in projects.
- Engage with organised private sector institutions to strengthen and foster collaborative relationships and to enable each party to effectively advocate business interests and opportunities.
- Provide practical guidelines and advice for existing FM companies (such as Alpha Mead) and for companies who want to grow their business in the FM area.
- Develop standardized output specifications through consultation with the private sector.
- Ensure that the payment mechanism is appropriately linked with output specifications.
- Provide forums for meetings and networking between local and international companies.

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FM PPP Opportunities Nigeria



- Roads – MOT Concessions
- Public Offices
- Urban Infrastructure – Street Lights, Public Toilets, Transport Terminals, Waste Transfer and Mgt Systems
- Schools – Primary, Secondary and Tertiary
- Hospitals
- Airports
- Marine Infrastructure – Jetties
- Power Transmission Infrastructure

PPPs Opportunities in Nigeria

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Ports and ICD Opportunities



- Bakassi Deepwater Ports
- Badagry Deep Sea Port
- Ontisha Inland Container Depot (ICD), Anambra State
- Asaba Container Freight Station (CFS), Delta State
- Nnewi Inland Container Depot, Anambra State
- Gombe CFS, Gombe State
- Dagbolu Inland Container Depot, Osun State
- Lolo Inland Container Depot, Kebbi State

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Rail, Aviation and FCT Opportunities



- NRC Narrow Gauge
- New Standard Gauge Lines
- Abuja Light Rail Lots 1A and 3
- Bus Rapid Transit for Cities
- Lagos, Abuja, Kano and Port Harcourt Airports
- Aircraft MRO Facility
- NNPC Pipeline and Depot System
- National Stadium
- Transmission
- Health Facilities – Hospitals, Diagnostics, PHC etc

Road PPP Opportunities



1. Rehabilitation and upgrade of 368 Km Shagamu~Benin~Asaba Expressway
2. Reconstruction and Upgrade of Abuja – Kaduna – Kano Dual Carriage Road
3. Reconstruction and Full Dualization of Ibadan – Ilorin ~ Tegna ~ Kaduna Highway
4. Reconstruction and Upgrade of Enugu to Port Harcourt Expressway
5. Reconstruction and Upgrade of East West Road
6. Reconstruction and Upgrade of Aba~Ikot Ekpene ~ Calabar

PPP Support Initiatives



- Nigeria Integrated Infrastructure Masterplan
- Nigeria Infrastructure Development Fund
- Nigerian Sovereign Investment Authority (NSIA) and Infra Credit Guarantee Fund
- PPP Units in MDAs
- Federal Roads and Bridges Tolling Policy
- Standardization Efforts (Business Case, Contracts etc)

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What's The Road Block to Good PPPs



**Awareness & Education,
Political Will, Execution
Discipline and Due
Process**



Conclusion – 1



PPP model is critical globally as both a funding and operational mechanism for public infrastructure.

The Federal Government supports PPPs, and instituted the ICRC to develop and enforce guidelines, policies, and procurement processes for PPP at all government levels.

FM integrated with PPP is a growing percentage of all PPPs, for the maintenance and operation of infrastructure and buildings such as offices, hospitals, schools, etc.

PFI, a variation of PPP, where private firms are contracted to complete and manage public projects for a regular payments over years has proven viable globally.

FM services integrated to PPP is critical in addressing deficit in asset maintenance in Nigeria.

Nigerian ports concession and Garki General Hospital are two examples of successful FM PPP arrangements in Nigeria.

ICRC will support FM PPP projects and seek to expand its application nationwide!

Conclusion ~ 2



- ❑ PPPs offer Nigeria a dependable and sustainable funding option, increased accountability, accelerated infrastructure provision and faster implementation of projects.
- ❑ Nigeria's huge infrastructure deficit is an opportunity to partner on a win win basis with the private sector in virtually all economic and social infrastructure spaces.
- ❑ Project preparation and development is key and PPP also stands for Preparation Preparation Preparation and Patience Patience Patience
- ❑ The Federal Government is mobilising relevant agencies and parastatals to make available incentives, such as land use reforms, subsidies, building materials, cost reduction programs, and tax exempt status that will ensure increased housing delivery in the appropriate price bracket.

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Transforming Nigeria is Doable – Transformation here involves more than an incremental or evolutionary change.....we are implying a radical/dramatic/revolutionary change in the course of things for the better.....should lead to improved overall performance that is sustained for all Nigerian's.....if you cannot provide for the many...you cannot protect the few

Everybody Has a Role to Play

DUBAI 1990



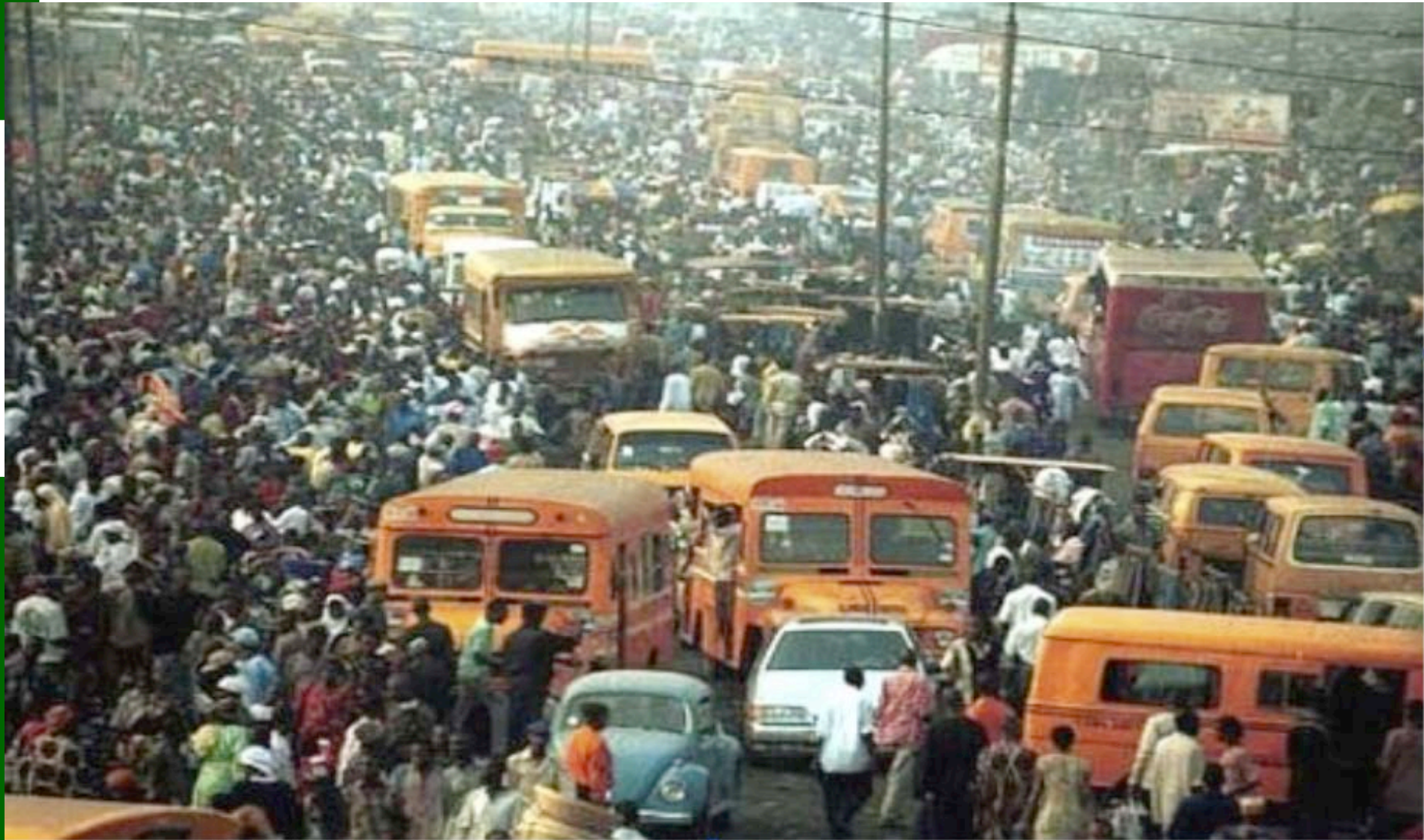
SAME STREET IN 2003



DUBAI TODAY



GOOD OLD LAGOS – OSHODI (2008)



THE NEW LAGOS – OSHODI (2009)



LATEST OSHODI (2018)



THE '6' REMINDERS FOR PUBLIC OFFICIALS WHILE CONSIDERING PPP PROPOSALS

The following "reminders" were offered by James Cuorato, City Representative and Director of Commerce for the City of Philadelphia, at Public-Private Real Estate Partnerships workshop conducted by NCPMP on June 5, 2002.

James Cuorato argued that for a partnership to succeed, it must have the following characteristics:

1. It must be a real partnership, with shared burdens and shared rewards for both the public and private participants
2. There must be real incentives for the private sector or they will not participate
3. The public-sector must use its resources effectively and judiciously, focusing on projects where there can be success
4. Keep it simple for the private-sector by minimizing the bureaucratic procedures that can cripple a project
5. Remember that "Land is King"--it provides the public with the opportunity to control the projects
6. Public-private partnerships are a necessary and important part of the process of doing public good when properly planned and delivered

ICRC – Passion That Will Make A Difference

THANK YOU

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