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ICRC Bulletin

"Agriculture is a business, it is not only about what you eat, it is about quality and standard of what is being produced. It is a value chain that deals with land preparation, land development, farming, management, marketing and finance. Precision in farming is a factor that affects productivity increase."

Dr. Ahmed Adekunle
Chief Executive, NAMEL

Ai africainvestor | Infrastructure Investment Awards

Ai Infrastructure Regulator of the Year

Infrastructure Concession Regulatory Commission of Nigeria

WINNER 2018

INSIDE THIS ISSUE

Message from the Editor-in-Chief

Dear reader,

On behalf of the ICRC Bulletin Editorial Team, we are happy to present the second edition for the year 2018.

In the period under review, the Commission emerged winner in the Infrastructure Regulator of the Year category at the Africa Investor (Ai) Infrastructure Investment Awards presented at the Ai CEO Infrastructure Project Developers Summit. The Commission emerged winner from a shortlist of 10 utilities regulatory agencies across Africa.

Nigeria is working towards self sufficiency in its agricultural sector in order to be able to meet the primary need of food for its teeming population. It is in recognition of this that the edition covers the role of PPP towards the development of the country's agricultural sector. It also contains an interview on farm mechanization with Dr. Ahmed Adekunle, Chief Executive of the Nigeria Agricultural Mechanization and Equipment Leasing Company (NAMEL)

The Commission's monitoring teams paid on the spot assessment visits to the Tincan Island Port Terminal A in Lagos, Lilypond Container terminal in Lagos and Dadin Kowa Dam in Gombe state. After the visit to Dadin Kowa Dam, the ICRC team paid a courtesy visit to the executive Governor of Gombe state. The team was well received by the Governor.

Unforeseen events often have an impact on the implementation of PPP projects, therefore under the knowledge management section, we discussed the complexity of PPP implementation.

Another article under the knowledge management section is on "The Public Servant as a Transformational Leader", written by a Professor of Public Administration at Lead City University in Ibadan.

Dietary supplements have become a major part of our lives, so under our health and well being, we discussed certain things we need to know about supplements.

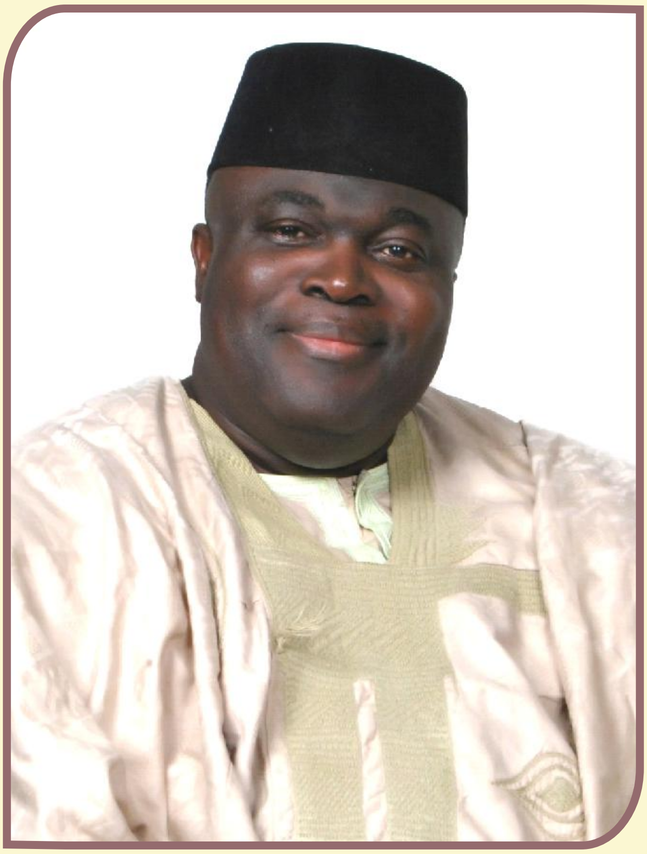
We hope you will enjoy reading this edition. We will be grateful if you can use any of our communication channels to send us a feedback on this or any other previous editions.

Happy read.

Mrs. Manji Yarling
Editor-in-Chief

Director General's Desk

An important aspect of PPP is that it can permit public authorities to reduce capital expenditure and its upfront need for infrastructure delivery dramatically, PPPs allow you to convert the cost of infrastructure into affordable operating expenditure spread across an appropriate time scale. PPP is indeed the procurement methodology that forces both the public and private sectors to work together to provide better public services
- John Davie in the PPP Book



Public Private Partnerships (PPPs) has over the years proven to be a viable tool for infrastructural development in virtually all countries in the world. Building modern, sustainable, and reliable infrastructure is vital for meeting the rising aspirations of billions of people especially when planned and implemented in an unbiased regulatory environment. PPPs when well done ensures efficiency and sustainability in the provision of public services such as water, sanitation, energy, transport, telecom-munications, healthcare, and education. It also allows for better allocation of risks between public and private entities; and better still promotes competition for investment and clear focus on outputs not inputs. Effective delivery of outputs and flawless provision of infrastructure services via PPP to the populace translates to optimal value for money for all stakeholders.

Undoubtedly, first-rate infrastructure in any country is an investment that ensures economic growth; new economic opportunities; and improvement in quality of life and human capital critical for overall national development. Suffice it to say therefore, that significant investment in infrastructure in Nigeria would certainly reduce the level of poverty, increase our GDP and of course create employment opportunities. It therefore behooves on the ICRC to continuously ensure (as regulators) that we provide the necessary enabling regulatory environment that would foster the growth of PPP in all the sectors of our economy. Since the beginning of the year, the Commission has been supporting the Nation to record giant strides in PPP projects which are pointers to the fact that we are on the right track and committed to ensuring that our citizens' lifestyle is enhanced in line with the change and social investment agenda of HE President Muhammadu Buhari GCFR.

It is indeed delightful to see that additional PPP projects have been added to our dear country's PPP project development, procurement and implementation basket such as the farm mechanization program (deployment of 10,000 tractors), establishment of a Maintenance, Repairs and Overhaul (MRO) facility, establishment of an Aviation Leasing Company (ALC), the national carrier, production of ECOWAS biometric identity cards, and the concession of 20 silo projects. These are well-chosen PPP projects targeted at providing a world class standard service and of course enhance economic activities. I believe that if we all continue with the same momentum, with God's grace and benevolence by the end of 2018, we would be very proud of our unmatchable achievements and proud of our dear country.

According to the old saying, you cannot give what you don't have, the Commission in partnership with donor agencies has been and will continue to provide capacity building programs for member of staff and MDAs in ensuring that actors in the PPP field are not only versatile but also well grounded and knowledgeable in world class PPP procurement processes so as to ensure that the country is not dragged into colossal errors and failed PPP projects. It is my delight to see the enthusiasm displayed by most MDAs in carrying out PPP projects. The Commission is committed to working with you all in ensuring that we have the Nigeria of our dreams rich and sufficient in infrastructure services across all sectors.

I sincerely appreciate the team of very committed and loyal staff of ICRC, according to the ***Hon. Minister of State (Aviation), Senator Hadi Sirika,***'***Public Private Partnership is new in Nigeria, ICRC has demonstrated competence, caught up with the speed in terms of knowledge acquisition as we can see it is deposited in ICRC staff. You can see this when you deal with them. Indeed ICRC is doing a good job***'. I say a big well done to all of us in the Commission and I charge us to do more to keep the flag flying. The reward for good work after all is more work.

Vala Afshar once said that *"we are not a team because we work together. We are a team because we respect, trust and care for each other"*.

- **T**ogether
- **E**veryone
- **A**chieves
- **M**ore

God bless Nigeria, God bless ICRC.

Engr. Chidi K. C. Izuwah, Snr.
Ag. Director- General, ICRC

Editor's Desk

A reflection on the raison-d'être of the *ICRC Bulletin*

Peter Drucker, an Austrian born American management consultant, educator, and author once said "Knowledge has to be improved, challenged, and increased constantly, or it vanishes". This is one of the guiding principles that propels our resolve to continuously produce this bulletin and constantly improve on the content as evident in this edition. Painstaking efforts were made to focus our attention on issues, developments, activities and information, which in my humble view, would be beneficial and add value to the body of knowledge.

Consistent with the foregoing, this edition was prepared not only to update member of staff on the events within the Commission but to also improve readers' knowledge on PPP, considering the fact that this successfully proven procurement option (PPP) is relatively new in Nigeria. It is therefore appropriate that the Commission through this bulletin (as one of the means of information dissemination) always ensure that stakeholders are knowledgeable in PPP project development, procurement and implementation. As knowledge is being disseminated through the bulletin, we are hopeful that the publication will serve as a reference document to clarify issues (where necessary) by which stakeholders will be properly guided in their decision making process.

For this edition, we appreciate the Ag. Director General, Engr. Chidi K.C. Izuwah, Snr and other member of staff that have contributed to the content despite their very busy schedule. We are grateful to Dr. Chiedu Ndubisi (retired ICRC Director DGs Office); Mr. Olusa Busari, Head Energy and Urban Infrastructure; Mr. Yusuf Haruna; Mrs. Rahina Sirika; Mr. Okolo Akwu; Priscilla Jiwunde, Mr. Monday Williams; Patrick Ederaro; Mrs. Peace Douglas; Abubakar Bambale; and Muhammed Sanusi Ahmed. We appreciate Mr. Togunde Dada Hammed, Director Internal Audit who has already sent in his contribution for the next edition.

We would like to appreciate Dr. Ahmed Adekunle who despite his very busy schedule created ample time for the interview.

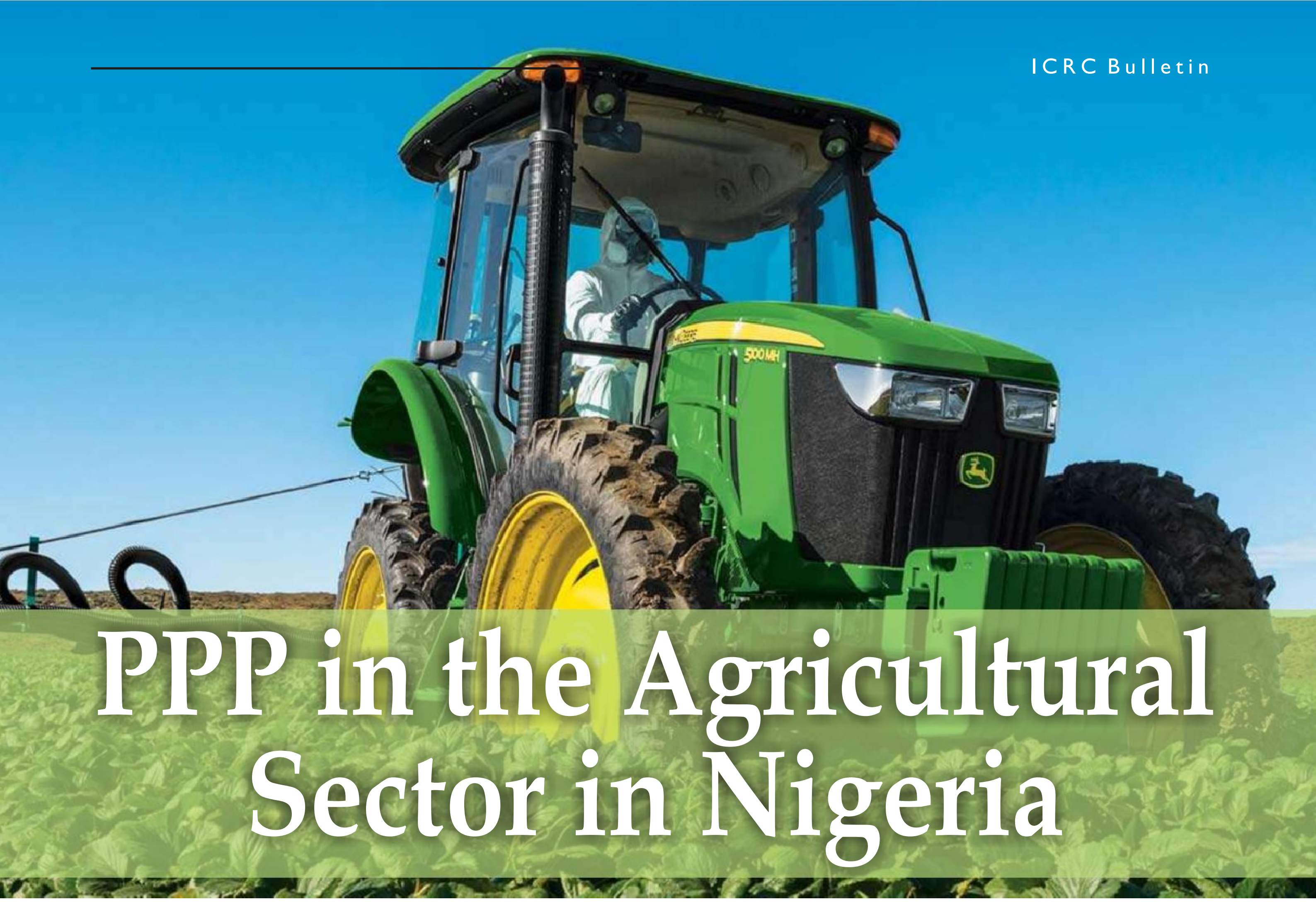
It is our belief that the content of this edition will enrich our readers' knowledge on PPP as we all work together and contribute our quota to ensuring that our dear country becomes infrastructure sufficient.

We encourage all members of staff and stakeholders to freely forward their articles and contributions for the next edition.

Knowledge driven initiative that is strategically implemented will add value to national growth.

Shola Elias-Fatile (Mrs.)

Editor



PPP in the Agricultural Sector in Nigeria

Busari Olusa
Head, Energy and Urban Infrastructure - ICRC

Agriculture is a significant sector in the economy of Nigeria, providing employment for about 70% of the population and contributing to the Gross Domestic Product (GDP). The country has highly diversified agro-ecological conditions, which makes it possible for the production of variety of agricultural products. Despite the fact that Nigeria is buoyantly endowed with agricultural and other natural resources, the agricultural sector is still growing at a very slow rate as only a little over half of the country's agricultural land is under cultivation.

Agriculture is the most important and resilient sector in the Nigerian economy. The sector has withstood the "bubbles and bursts" of the wider economy, as a result, government over years have formulated and implemented policies and programmes aimed at restoring agriculture sector to its strategic position in the economy.

The role of Agriculture production in Nigeria is not only to provide the food needed to feed the rapidly growing Nigerian population, but also to provide material resource needed for industrialization. In order to carry out this role, the agriculture system needs to be reorganized with new techniques of operation.

The importance of resources in any given economy depends on the roles such resources play in economic growth and development of the nation. In developing economies like Nigeria, agriculture constitutes backbone and critical sector of the economy, as the contributions of the sector to the growth and sustainable development of the country cannot be overemphasized. It contributes immensely to economic growth and development of the economy in various ways, such as creation of employment opportunities for the country's workforce, provides food requirement of the economy and industrial raw materials to industries, generates foreign exchange earnings and revenue to the government, and as well eradicates extreme poverty in the country (Eze, 2017).

Over the years, agriculture financing has been through direct investment by the government. Although the use of PPP in agriculture sector is relatively new in Nigeria, but has been discovered that PPP is a veritable tool to unlock private capita into agriculture value chain. There is a growing consensus on the application of Public Private Partnerships (PPPs) in agriculture financing, operation and management and if the tempo is sustained, agriculture will contribute more to the Gross Domestic Product (GDP), improve employment opportunities and enhance Foreign Direct Foreign Investment (FDI) in the very near future.

Currently High Impact Ppp Agriculture Projects That Are Being Regulated by the ICRC Include the Concession of 20 Silo Complexes and Agriculture Mechanization which are at various degrees of implementation.

This effort is consistent with the holistic value chain intervention of the President in the Agric Sector; if we have a system where our rice is harvested by harvesters and taken to silos, we don't need to spend billions of Naira's installing de-stoners.
Ag. DG - ICRC

SILO CONCESSION IN NIGERIA

It has been estimated that supply of grain in Nigeria is far in excess of 25m MT demand per annum. The supply and demand market is growing at about 3% per annum. Currently, there is inadequate storage facilities for grains and other farm produce leading to loss of huge numbers of yield yearly.

In order to achieve the goal of food self-sufficiency in the country, The Ministry of Agriculture & Rural Development embarked on the concession of 33 Silo Complexes nation-wide. The Silo Complexes were constructed to store grains purchased by Strategic Grain Reserve Department (SGRD). The total combined storage capacity of the silo complexes is 1,360,000MT. Most of the silos currently in operation are under-utilized as a result of inadequate budgetary provisions.

Economic benefits of silo concession

- Increase the quality of post-harvest grain handling at the silo complexes;
- Increase private sector engagement with and investment in Nigerian grain value chains;
- Increase the competition and efficiency of opportunities for local community engagement with grain markets
- Fairly appropriated risks related to operating the silo complexes and participating in grain value chains between public and private sectors, and thereby aligning incentives for

This project is in line with the FGN reform agenda and its strategic vision of exploring PPPs for the operations and management of Silo infrastructure. With private sector participation, it is expected that there will be enormous improvement in the management of Silos thereby improving efficiency and capacity. Field surveys have revealed chronic lack of funding which hampers adequate maintenance. The concession of these complexes is expected to bring new and long term funding from the private sector, thereby contributing to resolving these enduring scrounging issues that has overtime crippled full utilization of the silos.

concessionaires and the FGN ICRC has granted a Full Business Case (FBC) Certificate of Compliance to the project while draft final concession agreement has been cleared by the Federal Ministry of Justice. It is currently being scheduled for presentation to the Federal Executive Council (FEC).

AGRICULTURAL MECHANIZATION

Nigeria's current agricultural mechanization rate is estimated at about 0.03hp/hectare compared with the FAO's recommended 1.5hp/ha, it is considered the lowest in Africa. Although, the Federal Ministry of Agriculture and Rural Development (FMARD) is implementing a Federal Government enabled and Private Sector Driven Agricultural Mechanization Intervention Programme (AMIP), with about 600 tractors available for this intervention.

It is obvious that 600 tractors is far from what Nigeria requires to mechanize its Agriculture especially in its new drive to diversify its economy, with agriculture and solid minerals being targeted as the main drivers. It is therefore imperative to continuously expand strategic investments in Agriculture, especially in the area of Agriculture Mechanization, which will provide the platform for expanded crop planting and timely smart operations by the youths.

The AMIP is also targeted at setting up 210 Agricultural Equipment Hiring Enterprises (AEHEs) with Tractors, various harvest and post-harvest equipment. These AEHEs render value added services such as leasing/hiring of mechanized equipment for land preparation, planting, harvest and post-harvest operations.

The Agriculture Mechanization project is a partnership between FMARD and the Private Sector through a Special Purpose Vehicle (SPV) namely the Nigeria Agriculture Mechanization and Equipment Leasing Limited (NAMEL). The project aims at deploying, 10,000 units of tractors and various planting, harvest and post-harvest equipment to setup 2,500 Agricultural Equipment Hiring Enterprises (AEHE) across the 774 LGAs in order to catalyze the achievement of the Green and Alternative Economic Recovery and growth Program.

The objectives of the project are to:

- Build a PPP Mechanization Intervention Programme and Tractorization scheme with robust technical and financial capacity operating through a network of equipment leasing agents.
- Build local capacity through establishing training and maintenance centers and providing technical and 1,400,000 agri-preneur training and employment of a range of skilled labour.
- Expand the market for mechanization service delivery to boost revenue generation Create linkages, harmonization and alignment with MDAs and non state actors and agri-business.

Economic benefits of the project include the following:

- Optimize yield per hectare
- Training and certification of tractor operators and local technician to optimize equipment lifespan and ensure efficient field operations
- Create direct jobs in crops production and many other indirect jobs along the value chain
- Increase food production
- Optimize mechanization extension delivery system through creation of mechanize farm demonstration centers across the federation.

Interim Certificate of Compliance has been granted by ICRC to enable FMARD implement and test run the project on a pilot scheme.

Reference

Eze, O.M. (2017). Agricultural sector performance and Nigeria's economic growth. Asian Journal of Agricultural Extension, Economics & Sociology, 15(1), 1-13.doi:10.9734/AJAEES/2017/31828

Http://www.worldbank.org/en/results/2013/04/15/agriculture-results-profile

ICRC bags 2018 Infrastructure Regulator of the Year Award

The Infrastructure Concession Regulatory Commission (ICRC) was named the Africa Infrastructure Regulator of the Year. ICRC won this award at the just concluded African Infrastructure (Ai) Investment Awards ceremony, hosted in St. Regis Hotel, Le Morne Mauritius on the 18th June 2018 by Africa Investor. The Commission emerged winner from a very strong shortlist of 10 regulatory agencies across the continent of Africa.

During the award ceremony the ICRC was commended for the massive world class accomplishments in the Nigerian Infrastructure and PPP space in the last 12 months. Amongst those achievements included the first in the world PPP Disclosure Web Portal launched by the Commission in September 2017, the accelerated delivery and regulatory process put in place by the ICRC for PPP projects in Nigeria leading to the recent flag off of landmark projects like the Lekki Deepwater Port etc, farm mechanization PPP for agricultural transformation, commercial close on the Abuja - Kaduna-Kano (AKK) segment of the Trans Saharan Pipeline Project and many other PPP projects on the very active Nigeria PPP pipeline.

ICRC was recognized for her world class efforts in driving Nigeria's PPP pipeline including the launch of the world's first PPP Disclosure Web Portal. In the category of the Infrastructure Regulator of the Year, Nigeria's Infrastructure Concession Regulatory Commission (ICRC) was given the award.

Africa investor (Ai) is an investment holding platform that aligns its client base of sovereign wealth funds, pension funds, family offices and long-term investors with vetted infrastructure, private equity and technology investment opportunities in Africa.

Ai was founded in 2002 to facilitate

investments across Africa and be the Pan African specialist advisory service, to assist and advise African project developer's access international capital and provide foreign investment and transaction advisory services to African governments, the private sector and global investors. Fundamental research, the pursuit of investment insights and continuous innovation, facilitated with over 70 years of industry experience working across every market on the African content.

On behalf of the staff of ICRC the Ag. Director General, Engr. K.C. Izuwah, Snr. received the meritorious award.

Interview with Dr. Ahmed Adekunle, Chief Executive, Nigerian Agricultural Mechanization and Equipment Leasing Company (NAMEL)

Can you give us a brief introduction of NAMEL and what it stands to achieve?

The former Hon. Minister of Agriculture who is now the 8th President of African Development Bank (AfDB), Akinwumi Adesina invited me from the private sector where I manage tractor leasing both old and new ones to make a presentation on how the agricultural sector in Nigeria can be boosted in terms of farm mechanization.

The Agricultural Ministerial Mechanization Committee (AMMC) was then set up with members from the corporate organizations, bank of agriculture, Federal Ministry of Agriculture, and money deposit banks. I was appointed as the chairman. The purpose was to drive a lease of agricultural equipment's within a period of 2-3 years of which after the third year, the Federal Government will exit and the program will run purely under the private sector. A tractor can actually generate money for itself under a conducive business environment and pay for itself over a period of time. the program kicked off and along the line, the current Minister of Agriculture, Chief Audu Ogbe continued with the committee and on his instance, a proposal was sent to the presidency showing how the private sector will participate with 65% of the financing to be provided by the Bank of Agriculture, while the Federal Government provides 35% financing.

The project is about managing 10,000 unit of tractors, funding and recouping private sector investment. Approval was granted to the ministry to commence and ICRC was to finalize the process. After careful scrutiny by ICRC, an interim PPP Certificate for the deployment of 10,000 tractors and other mechanized equipment's was issued. The committee is what has now transformed into NAMEL. The project is about management of ten thousand unit of tractors and recouping investment.

What is the period for the recoup?

The period for executing the ten thousand units of tractors, is 5 years (the tractors will come in set of two thousand) but the period of recouping investment is in tranches. Recoup for the first tranche (two thousand tractors) is six years, and the same goes for the next set. So that means it will take about 12 years.

NAMEL not only give out tractors but also manages the utilization and sustainability of the tractors. This is because history has shown that for over 50 years, Nigeria became a dumping ground. The most annoying and dangerous fact, is that the recession has shown clearly that tractors are no longer affordable not even to the medium scale farmers because our productivity per hectare is very low. NAMEL bridges the gap for the turnaround of production per hectare through mechanization. NAMEL is now the leasing arm of the Federal Ministry of Agriculture. A turn around in production per hectare will increase productivity per hectare through the application of mechanization.

So far, how will you rate this program in terms of performance? How about the farmers, are they really into it?

I think it is too early in the project to start rating them, considering what we are doing. At the same time I will not say it's too early because we already have close to a thousand tractors working under the program and we have organized tractor users and associations such as the Tractor Owners Association of Nigeria (TOAN) and TOFAN.

The rating of such organized farmers honestly is very high. To the extent that the private financial institutions are saying that they do not need guarantees to release funding to them again because they have borrowed over ten billion naira and the rate of default is almost zero. So, in terms of utilization and equipment management, I think we have discovered a scheme that the banks are very comfortable with to invest in. Even the approval of NAMEL by the Federal Government goes again to prove that the scheme is guaranteed to achieve returns on investment.

The farmers that are currently benefiting from the current one thousand tractors, where are they located in Nigeria?

One thing we need to understand is that the farmers don't own the tractors, this is the common mistake with this program, farmers cannot afford the tractors. Majority of the farmers we are targeting to mechanize operate under 0.5 to 1.5 hectares. And if you don't have between 50 to 100 hectares, you don't need a tractor. It makes no economic sense to operate a few insignificant hectares of farm lands and own a tractor. What has been done is to create a platform, a scheme that raised a cluster of enterprises that provides mechanization services at farm gates. They go around to farmers (who don't need to own these equipment's) and provide the interim services at a fee.

Where are these tractors located and how is it being operated?

These tractors are demand driven and not allocated. It covers areas where there is intensity of farming. Most of the service providers identify areas and they deploy their tractors to service those areas. We cannot specifically say, "this is where they are" but they are all over the country. Where demand exists that is where the tractors go. In each state you'll find tractor hiring scheme.

From your experience sir, what do you see as challenges for this scheme?

Firstly, one major challenge is funding from both the private and public sector. This is a

major challenge to mechanization. This is due to the obvious fact that mechanization is capital intensive and is undoubtedly out of the reach of medium and large-scale farmers in Nigeria due to the obvious reason of affordability. Most farmers in Nigeria cannot afford to own a tractor which runs to millions of naira in investment. Kudos to this leasing scheme which have provided farmers access to mechanization. Sustainability of the mechanization itself, which has to do with maintenance of the mechanical aspect is also a problem. Recently, the economic crouch and recession has further shown that there is a hidden factor that we do not talk about. All this while the professors and engineers like myself, have not realized that the economy, the commerce of mechanization is a factor that can threaten everything we do. For example, a farmer buys a tractor for 14 million, production per hectare is 2 metric tons, there's no way the farmer can pay for the tractor in twenty years, and the lifespan of tractors in Nigeria is about ten years. So, this is a great challenge, productivity per hectare using mechanization.

***Operation and management is also a challenge. At least these are some clear and visible challenges*.**

Right now, the NAMEL deal with the Federal Ministry of Agriculture, is one big step to taking away the burden of financing. I've not seen anywhere where government funds a mechanization project 100%. What we did was to develop a scheme that shows guarantee on investment by wooing the surplus funds in the private banks and bring it in and also show the private banks that this is how this money is going to be paid back. The NAMEL mechanization private sector driven scheme, Agriculture Equipment Hiring Enterprise (AEHE) made it possible for a farmer to get mechanized without indefinitely owing that equipment.

In the next 10,15, 20 years, will farmers in Nigeria be able to buy a tractor?

Absolutely, part of the NAMEL program is how do we intend to sustain the supply of tractor for the next 10 years. In solving part of the funding challenge, a program called SMART was created and incorporated into NAMEL. The smart program talks about; funding, sustainability of the equipment, operation, the mechanical and management. If the SMART program is applied, productivity will increase by 300. This is envisaged to sustain the cost and supply of tractors. Now, the normal profitability scenario with a farmer is that if the farmer produces, manages, harvests and warehouse, and can sell the produce, the following year, the farmer will increase to 2 hectares, the subsequent year to 3 hectares, then 4 and so on. In China and India right now for example, most farmers living comfortably don't have more than 3-4 hectares of land but their productivity per hectare is extremely high.

The question is how we intend to raise the productivity level per hectare of Nigerian farmers to achieve maximum profitability. To do that, we intend to open more lands, go into a more contiguous land development project. While we are requesting state governments to release 13, 000 hectares. It will be distributed to farmers through the leasing scheme of NAMEL. Production will be strictly guided and it will be mostly cash crops and not farming to feed themselves as is common with some farmers. Agriculture is a business, it is not only about what you eat, it is about quality and standard of what is being produced.

How will it be disposed? How do you get return on investment? who will take it from you?

This is what matters in our land development project. It is a value chain scheme dealing with land preparation, land development, farming, management, market and finance.

How do you see the economy in Nigeria relating to farming and business?

I will tell you that the economy in Nigeria is saying a lot on the farmer in the sense that you'll find out that the cost of input, cost of mechanization, cost of transportation is affecting the price of what we are producing. Nevertheless, in all honesty, one of the things affecting the farmers basically is our output per hectare. We're not getting the maximum. What we're getting now, is like 25% or 20% of what is expected.

What can we say could be the cause?

Wrong inputs. Inputs include fertilizer, seedlings and its application. Land clearing as well contributes to the cause. Land clearing is scientific and it hugely affects production. If you don't clear the land very well, and you remove the top soil, which implies that almost 70% of the nutrient of the soil have been taken out. Stones, rocks and other interfering properties hinder tractor performance and the spread of input will not be even. Precision in farming is a factor that affects productivity increase.

Presentation of Full Business Case (FBC) certificate to the Hon. Minister of Agriculture and Rural Development, Chief Audu Ogbeh for the concession of 20 silo projects

Interim PPP Certificate for deployment of 10,000 tractors and other mechanized equipment to the Hon. Minister of Agriculture and Rural Development, Chief Audu Ogbeh

SUMMARY OF OBC CERTIFICATES ISSUED Q2 2018

MDA	Project Summary
Federal Ministry of Agriculture & Rural Development	Interim PPP Certificate for deployment of 10,000 tractors and other mechanized equipment
Federal Ministry of Transportation (Aviation)	Establishment of a Maintenance, Repairs and Overhaul (MRO) Facility
Federal Ministry of Transportation (Aviation)	Establishment of an Aviation Leasing Company (ALC)

SUMMARY OF FBC CERTIFICATES ISSUED Q2 2018

MDA	PROJECT SUMMARY
Federal Ministry of Interior	Production of ECOWAS Biometric Identity Cards
Federal Ministry of Agriculture & Rural Development	Full Business Case (FBC) compliance certificate for the concession of 20 silo projects

Addressing Infrastructure Gap In Achieving Sustainable Economic Growth

Chiedu Ndubisi, PhD

The fact that Nigeria lacks the minimum level of infrastructure required to meeting the demands of global competitiveness in the 21st-Century is no longer news. Also it is without contention that infrastructural inadequacy has severely constrained productivity, economic growth, and global competitiveness.

The country's national infrastructure stock is merely 30% to 40% or less of our GDP and this does not compare favourably with emerging economies like South Africa and Brazil which have achieved infrastructure stock levels in excess of 70% of GDP. Inadequate supply of Infrastructure was mentioned as the most problematic factor for doing business in Nigeria. Indeed, Nigeria's diminished competitiveness is directly attributable to the abysmal level of infrastructure development in the country.
Except for the recent throes of short-term economic pressures - recession from which the country is still recovering, Nigeria has maintained a growth rate of between 6% and 8% GDP growth in real terms since 2011.

According to Goldman Sachs projections, Nigeria has the potential to be the 20th largest economy by 2025 on the basis of its GDP growth; 21st on per Capita Income (2025); and 12th largest economy if Nigeria maintains its growth trajectory to 2050, overtaking Korea, Italy and Canada on GDP.

Sadly, Nigeria has not been able to translate resources into efficient essential services such as electricity, water, roads, railways, ports, communications, etc., needs to quickly address several critical infrastructure challenges, diversify the economy (Boston Consulting Group, 2016).

Economic Impact of Infrastructure

Infrastructure affects economic diversification, competitiveness, growth, and development through reductions in transaction costs, international competitiveness, domestic market development, economic diversification and structural changes; and improvements in welfare and quality of life of the citizens (Kessides, 1993; Batten & Karlsson, 2012).

Cost reduction
Infrastructure development contributes to the growth of the economy through its effects on production, investment and employment. Productive activities in the real sector utilize infrastructure such as electricity, telecommunications, water, and transport services as intermediate inputs. A 1988 survey of manufacturing establishments in Nigeria report that infrastructure accounts for about 9% of variable costs, with half of this share going to electric power (Adenikinju, 2005). According to the Manufacturers Association of Nigeria (MAN), the cost of power and electricity input alone ranges from 44% to 70% of variable cost in Nigeria (Kessides, 1993).

Global Competitiveness
Globalization has transformed the traditional organization of

production and marketing to the management of logistics, leading to cost savings in inventory and working capital, and permitting rapid response to changing consumer demands. The result has been intensified competition in finance, trade and investment.

The net effect of the drastic reduction in transportation costs, lower the cost of doing business, increased global competitiveness, increased profitability, incomes, employment and the cost, service and quality of international trade (Kessides, 1993). Recall that Nigeria currently ranks 125 of 137 countries in global competitiveness with the uncompetitive state of public infrastructure.

Domestic Market Development

Empirical studies in developing countries indicate that rural (farm-to-market) roads have a major effect in improving marketing opportunities and reducing transaction costs. The marketing of agricultural commodities, excluding the stages of processing, often account for 25-60 percent of final prices for foodstuffs in developing countries, of which about a half are marketing costs attributable to transport alone (Kessides, 1993).

In Nigeria, for instance, 30-40 percent of the market price of agricultural produce, particularly food crops, consists mainly of transport costs and other incidental services (Kessides, 1993). Farm-to-market costs on the rural road network are three times as high as what they could be with satisfactory road rehabilitation and subsequent maintenance.

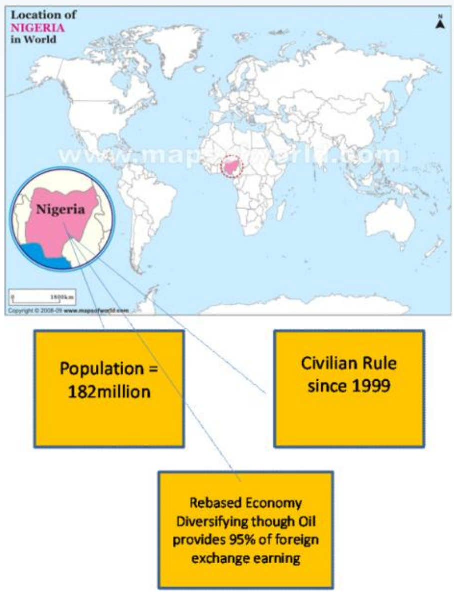
Economic Diversification and Structural Changes

Infrastructure generates economic diversification through technological innovation and changes in the structure of production and consumption. As with industry, infrastructure has a direct effect on production costs and profitability of agriculture, as well as creates significant structural changes on the rural economy. Improved rural roads in Thailand for instance, with attendant reduction in transport cost, was found to shift local demand away from some cheap locally produced goods to imported substitutes as costs of competing manufactured consumer goods were reduced.

The improved roads were found to contribute more non-farm jobs than were lost. Infrastructure provides the key to modern technology in practically all sectors. While the railroad and electric power brought significant changes in markets and production in the past, these pales in significance compared to recent advances in informatics, digital technology, telecommunications and the growth of the internet. These technologies underlie a very large share of production/distribution activities in secondary and tertiary sectors of the modem economy, including commerce, banking, government, and culture and tourism (Kessides, 1993; Batten & Karlsson, 2012).

NIGERIA'S INFRASTRUCTURE GAP AND COMPETITIVENESS

According to the NIIMP document, the International Benchmark for core infrastructure is about 70% of GDP. By 2012, Nigeria infrastructures spend was between 20% - 25% of GDP (USD 461 billion)., and compares unfavourable with those of other emerging economies such as Brazil (47%), India (47%), China (47%), South Africa (47%), Indonesia (47%), and Poland (47%) in the same year (ICRC, Nigeria, 2018). The infrastructure spend comprise public and private investment of about $10bn with ICT (28%), transport (23%), energy (19%), and others (30%). Figure 5 below illustrates the result of this expenditure pattern over the years. For instance, whereas Nigeria's power consumption per capita was 138 kWH (enough to power a light bulb), those of India, Brazil and South Africa were respectively 498 kWH, 2,384 kWH, 4803 kWH. In the same



Source: Adapted from World Bank Performance Indicators, 2014 vein, whereas India, Brazil and South Africa have 19, 30, and 17 houses per 100 people respectively, Nigeria has only 7 km.

The result of the above infrastructure expenditure pattern over the years is evident in the state of energy, transport, agriculture and water resources, social infrastructure and security sectors today. No airport in Nigeria is certified by the International Civil Aviation Organization (ICAO). The country's port facilities have fared better due to the concession of the ports and inflow of private capital. Months after the concession of the Apapa-Lagos container terminal, delays for berthing space dwindled, and shipping lines reduced congestion surcharge from $525 to $75, saving the Nigerian economy an estimated $200 million a year.

However, it is now common knowledge in the maritime industry that Nigeria's existing seaports, especially the Lagos ports system is overstretched. With capacity for 60mn metric tons of cargo handling, the ports run at 100mn metric tons with the renewed delays in cargo handling and processing. Furthermore, the multiplicity of ports with shallow berthing draughts outside the Lagos port complex, requiring constant unsustainable dredging costs, together with additional transshipment cost significantly reduces the viability of most of the ports currently in the Niger Delta region.

Figure 8: The Nigerian PPP Framework

Source: Adapted from the National Policy on Public Private Partnership. Downloaded From https://ppp.worldbank.org

The Nigerian Rail transport system which consists of 3"6' narrow-gauge single track lanes extending from South-West to North-East and from South-East to North-West and the newly build standard gauge lines has nearly remained underdeveloped and out-modelled. We also have many abandoned rail projects and poor connectivity with our ports with respect to the rail system. The country has a 25 year Railway Master plan to connect the entire country. This plan has remained on the shelf due to paucity of resources.

Based on a 30-year National Integrated Infrastructure Masterplan (NIIMP), Nigeria requires an expenditure of US$ 3.10 trillion in 30 years to launch the economy on an accelerated growth path. A significant proportion of the planned investment of US$ 3.10 trillion or about 48% is expected from the private sector by way of public private partnership (PPP) arrangements. The expenditure requirement for the first five years of the plan comprises Energy (US$13bn), Transport (US$11bn), Agric. (US$3.2bn) and ICT (US$3.7bn). Others are Housing (US$1.4bn), Social Information (US$2.1bn) and Vital Registration and Security (US$ 0.6bn).

PPPs AS A VIABLE OPTION

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

The PPP procurement methods have some distinct advantages. First, there is evidence of better quality in design and construction than under the traditional procurement method. It focuses on the whole life cost of the project comprising the capital and maintenance costs throughout the life of a project. Thus, repairs and maintenance are planned at the outset and in consequence assets and services are maintained at a pre-determined standard over the full length of the concession. PPP also uses private finance, expertise, and innovation, leading to international best practices and value-added. Besides, the PPP process makes it difficult to avoid taxes and requires a full analysis of projects risks at the outset. Moreover, PPPs create efficient and productive working relationships between the public and private sector and under PPP, and helps the public sector develop a more disciplined and commercial approach to infrastructure development. As the private sector will not receive payment until the facility is available for use, PPP structure encourages efficient completion, on budget without defects.

Benefits of PPPs to the Government and Taxpayers

The benefits of PPPs for the government and taxpayers include: improved service delivery, improved cost-effectiveness, increased investment in public infrastructure, improved budget certainty, makes better use of assets, and other benefits.

- Improved service delivery: PPPs provide an opportunity to improve service delivery by allowing both sectors to do what they do best. Government's core business is to set policy and protect public interest. It is better positioned to do that when the private sector takes responsibility for non-core functions such as operating and maintaining infrastructure.
- Improved cost-effectiveness: By taking advantage of private sector innovation, experience and flexibility, PPPs can often deliver services more cost-effectively than traditional approaches. The resulting savings can then be used to fund other needed services.
- Increased investment in public infrastructure: Investments in hospitals, schools, highways and other provincial assets have traditionally been funded by the State and, in many cases, have added to levels of overall debt. PPPs can reduce government's capital costs, helping to bridge the gap between the need for infrastructure and the State's financial capacity.
- Reduced Public Sector Risk: Public sector risk is reduced by transferring to the private partner those risks that can be better managed by the private partner.
- Improved budget certainty: Transferring risk to the private sector can reduce the potential for government cost overruns from unforeseen circumstances during project development or service delivery. Services are provided at a predictable cost, as set out in contract agreements.
- Makes better use of assets: Private sector partners are motivated to use facilities fully, and to make the most of commercial opportunities to maximize returns on their investments. This can result in higher levels of service, greater accessibility, and reduced occupancy costs for the public sector.
- The use of private finance enables the public to have access to improve services now, not years away when the government's spending plan permits.
- The expertise and experience of the private sector encourages innovation, resulting in shorter delivery times and improvements in the construction and facility management processes. Developing these processes leads to best practice and adds value.
- The tax payer also benefits by avoiding paying higher taxes to finance infrastructure investment development.
- The PPP process requires a full analysis of projects risks at the outset. This fuller examination of risks by both the government and lenders means that cost estimates are robust and investment decisions are based on better information.

Other benefits of PPP to the government and tax payers include construction is completed to plan and to budget; repairs and maintenance are planned at the outset and in consequence assets and services are maintained at a pre-determined standard over the full length of the concession. An early delivery of good quality premises and services delivers wider social benefits (“IPFA | Benefits of PPPs,” n.d.).

Enabling Environment for PPP

Enabling environment must be in place to ensure security and predictability of investment and value-for-money (VfM). The enablers include favourable investor climate, public commitment, risk management, and public sector capacity. PPP arrangements thrive under well-defined legal and regulatory frameworks, PPP policy and supportive national and sectorial laws.

These frameworks allow contracts to be determined with certainty, allow parties understand the boundaries of their engagement, and allow contracts to be determined with certainty. The absence of a favourable climate leads to increased riskiness, cost and suboptimal project performance.

Public commitment is reflected in strong political support and appropriate policy framework consisting of land and right-of-way, permits, licenses, guarantee of alternative routes on transport projects, access to government capital grants and loans. Examples of enables include viability gap funding (VGF), sovereign guarantees, toll fee policy, construction of complementary facilities, and sanctity of contracts.

PPPs are averse to uncertainty. Uncertainty are political, legal, or regulatory. Uncertainty increases project cost and prevents private investment. The existence of effective frameworks for identifying and procuring the partner in the best way to mitigate and limit uncertainty.

Nigeria has developed a 30 year NIIMP requiring an infrastructure spend of over $ 3.1 trillion dollars over 30 years to achieve the benchmark 70% infrastructure stock for emerging countries. Sectoral spending requirements over the next 5 years are Energy ($48 billion), Transport ($36 billion), and Agriculture and Water ($18.5 billion). It is expected that over 40% of this infrastrcture spending will come from the private sector.

For the aviation sector, the spending requirements are estimated to be $5 billion over the next 5 years and $50 billion over the 30 years NIIMP timeframe. In truth, Nigeria is in a race for funding with other countries

The FGN is looking to Public-Private Partnership (PPP) to meet its critical infrastructure gap and improve resource management/service delivery to the people. By so doing, it hopes to shares risk and responsibility with the private sector, but ultimately retain accountability and control with improved resource utilization and service provision; while avoiding the politically contentious aspects of full privatization; unemployment, higher prices and corruption. This paradigm shift is inevitable, given the increasing mismatch between government resource and expanding and competing needs.

PPPs offer dependable and sustainable funding, increased accountability, accelerated infrastructure provision and faster implementation of projects. Nigeria's huge infrastructure deficit has also thrown up opportunities for investment in virtually all physical infrastructure and resource extraction sectors, notable roads, rail, waterways, aviation education and power
Case studies show that those partnerships that have been most successful in Africa have been characterized by thorough planning, good communication, strong commitment from parties and effective monitoring, regulation and enforcement by government.

Project preparation is key to PPP. With the appropriate legal and regulatory framework and strong political commitment, the FGN government believes that PPP will offer value for money to Nigeria and good opportunities for investors, and ultimately fill the infrastructure gap.

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ICRC PPP Web Portal

Analytical Synopsis of the Portal

ICRC is the main repository of information on Federal PPP projects in the country

Priscilla Jiwunde

The Disclosure framework is a feature that benchmarks the Disclosure of Information in PPPs in Nigeria against the World Bank Framework; A Diagnostic Report on Nigeria's Disclosure of Information in PPPs was developed following the World Bank Disclosure Guidelines and series of awareness, consultations and Focus Group Discussion (FGD) events, with Industry players and other stakeholders.

The PPP Disclosure Diagnostic Report on Nigeria examined the political, legal, and institutional environment for disclosure in PPPs, and contains a PPP Disclosure Diagnostic template recommended by the World Bank's Framework for Disclosure of Information in PPPs; the Diagnostic Report makes specific recommendations to improve disclosure and can be found in the ICRC Website at www.icrc.gov.ng.

In earlier publications, the Commission had published information on the Disclosure of PPP Information following the start of the Disclosure Web Portal operations which was achieved in collaboration with the World Bank Group, Washington DC. The Disclosure of Information in PPPs is itself a 3-part project comprising: the Disclosure Guidelines, the Diagnostic Report on Nigeria's Disclosure of Information in PPPs and the PPP projects information Disclosure Web Portal controlled by the ICRC. The Disclosure Web Portal was commissioned on the 25th September, 2017 by the Ag. Director General, Engr. K.C. Izuwah Snr.

> *"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".*
>
> *Engr. Chidi K.C. Izuwah, Snr. Ag. DG - ICRC*

Disclosure Framework for PPPs

Source: World Bank

Note: FOI = Freedom of Information; PPP = Public-Private Partnership; RFP = request for proposal.

The figure above depicts the elements of the PPP Disclosure framework as recommended by the World Bank pursuant to the goal of achieving transparency and accountability in PPPs in Nigeria. It is essential to note that the PPP Disclosure framework complies and aligns with the provisions of the:

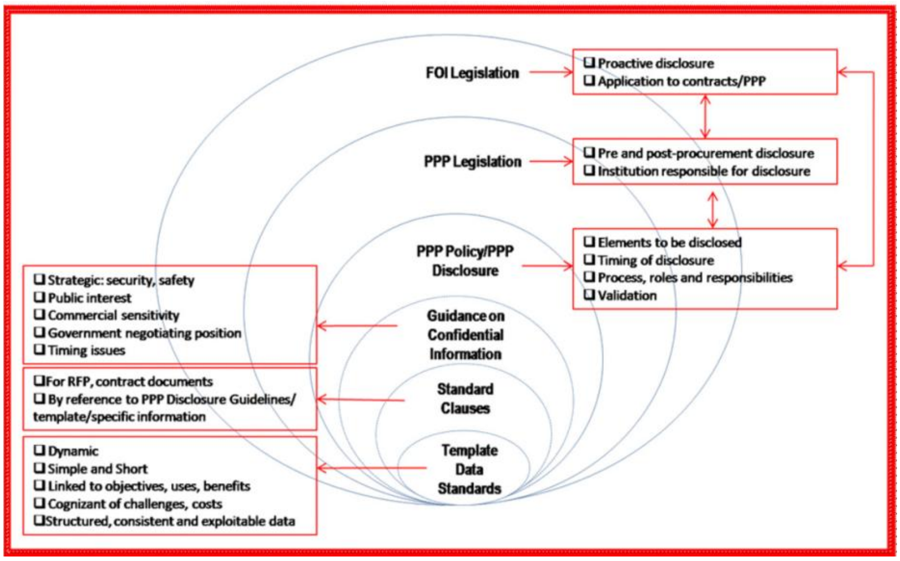
- FOI Legislation
- PPP Legislation
- National PPP Policy
- Disclosure Guidelines
- Permissible disclosure levels for confidential information.

Confidential Information

For the purposes of the Disclosure Framework, the

> *"The Federal Government's resolution to proactively disclose the salient features of all Public Private Partnership contracts, agreed standards of service, and key performance indicators underscores its determination to achieve openness, transparency, fairness and de-risking of the PPP process"*
>
> *Mr. Mohammed Bamalli*

Figure 1: Elements of the World Bank Recommended



following elements will be considered as confidential. However, these elements will be reviewed every two years for any modifications:

1. Technology/inventions
2. Intellectual property
3. Pricing methodology
4. Bid evaluations
5. Trade secrets
6. Financial model
7. Bill of quantity
8. Internal rate of return

Interaction with the PPP ICRC Web Portal by the public

- Responsibilities for populating and managing the platform is shared between ICRC, contracting authorities and SPV
- Support is being provided for the design and creation of the web portal under World Bank technical assistance. The ICRC PPP Portal provides a platform for the public to review project information and be knowledgeable about the respective PPPs in the country and their deliverables and expectations

Disclosure of PPP Project Information consists of the following elements:

- Confidential information, as provided above, will be removed before publication.

a. **PPP project pipeline:** - published PPP project pipeline within 15 days from ICRC approval.

b. **Basic project information:**- Basic project information along with estimated dates for key milestones to be provided within 15 days after issuance of the Certificate of Compliance for the Outline Business Case (OBC).

c. **Project milestone tracking:**- Dates of achievement of key milestones to be provided as the project progresses.

d. **Project preparation documents:**- The OBC (including the value-for-money analysis report, feasibility study report, and environment and social impact assessment) to be published within 30 days after approval by the Federal Executive Council.

e. **Procurement information:**- The expression of interest, list of short-listed bidders, and request for proposal (RFP), will be published within 15 days after approval for publication,

f. **Project summary**: - Summary information on the PPP contract will be provided within 30 days of signature of the contract. The project summary will include basic contract information, including parties to the contract, project risk matrix, amounts and types of government support provided to the project, information on tariffs and pricing, termination clauses, handback provisions, and key performance indicators with target levels. Information on the financial structure of the special-purpose vehicle (SPV) will be provided within 30 days of financial close.

g. **Contract documents**:- ICRC will place the signed PPP contract40 in the public domain within 30 days of signing of contract, after the redaction of confidential information as provided in clause 4.

h. **Renegotiations**:- Summary information relating to each renegotiation will be published within 30 days of the signature of the renegotiated agreement. The approved renegotiated PPP contract will be placed in the public domain within 30 days of such variation, having been agreed to and signed into contract by the parties.

i. **Performance information:**- Information on the performance of the private party on five to 10 selected key performance indicators against agreed target levels will be published within one year of commissioning the project, with annual updates. Performance information will include details relating to performance failures, and will be updated annually. Links to performance assessments, such as audit reports, private party reports (SPV self-reporting), and independent engineer reports, will be provided and updated annually.

NO	DOCUMENT	CONTENTS	CREATOR	APPROVER FOR PUBLIC DISCLOSURE	TIME OF DISCLOSURE
1	**PPP projects pipeline**	List of projects approved for development by ICRC, including brief project description, contracting authority, sector, and estimated project cost	ICRC	ICRC	Within 15 days of approval for inclusion in the PPP projects pipeline
2	**Basic projects information**	Project name Location Sector Sponsoring agency Estimated project value Project need Description of asset and services to be provided Rationale for selecting the PPP mode Estimated dates of key milestones Estimated demand to be served annually Project additionality	CA	ICRC	Within 15 days of issuance of the OBC compliance certificate
3	**Project milestones tracking**	A section on the web-based platform that will reflect actual dates of achievement of key milestones such as: • Date of inclusion in the published projects pipeline • Date of appointment of transaction advisors • Date of issuance of OBC compliance certificate	CA	CA/ICRC	Within 15 days from the achievement of the milestones
3	**Project milestones tracking**	• Date of OBC FEC approval • Date of procurement milestones, such as EOI, prequalification of bidders, RFP, selection of preferred and reserved bidder, date of issuance of FBC compliance certificate, date of FBC FEC approval, and so forth • Date of contract signing • Date of financial close • Beginning of construction • End of construction • Commencement of operation and maintenance • Expiry of contract	CA	CA/ICRC	Within 15 days from the achievement of the milestones
4	**Project preparation documents**	OBC (OBCs pertaining to unsolicited proposals will be subject to redactions)	CA	ICRC	Within 30 days of OBC approval by FEC
5	**EOI**	CA	CA/ICRC		Within 15 days after approval
6	**List of short-listed bidders**		CA	ICRC	Within 15 days after approval
7	**RFP**		CA	ICRC	Within 15 days after approval
8	**Disclosure of the preferred bidder and the reserved bidder**		CA	CA/ICRC	Within 15 days after FBC Certificate of Compliance is issued by ICRC

9	Disclosure of FEC approval of the preferred bidder		**CA**	**CA/ICRC**	**Within 30 days after FEC approval**
10	**Value-for-money analysis report (extracted from FBC)**		CA	ICRC	Within 30 days of FEC approval of FBC
11	**Project summary**	Parties to the PPP contract Project risk matrix Government support Tariffs and pricing Termination clauses Handback provisions Key performance indicators with agreed target levels	CA	ICRC	Within 30 days of signing of contract
12	**Financial structure of SPV**	Equity-debt ratio Shareholders with proportion held and voting rights Caps on equity transfer (if any) Debt and equity providers Category of debt Amount and tenor of each, fixed or floating rate Security and step-in arrangements Forecast IRR	CA	ICRC	Within 30 days of financial close
13	**Contract documents**	PPP contract (with redactions)	CA	ICRC	Within 30 days of signing of contract
14	**Renegotiations and renegotiated contracts**	Summary information relating to each renegotiation Renegotiated contract documents	CA	ICRC	Within 30 days of signature of renegotiated contract
15	**Performance information**	Performance of the private party on 5 to 10 selected key performance indicators against agreed targets Audit report Private party (SPV) reports Independent engineer reports	Private Party/CA; Link to audit report provided by the ICRC; Private party reports uploaded by the SPV; IE reports uploaded by the ICRC	ICRC	Within one year of commissioning of project, with annual updates

Note: CA = contracting authority; EOI = expression of interest; ICRC = Infrastructure Concession Regulatory Commission;

FBC = Full Business Case;
FEC = Federal Executive Council;
OBC = Outline Business Case;
PPP = Public-Private Partnership;
RFP = request for proposal;
SPV = special-purpose vehicle.

The Public is invited to always visit the web portal regularly to check for project updates at: **www.icrc.ppp.gov.ng**

Monitoring & Evaluation

Contract monitoring procedures are components of successful PPP projects. Regulatory bodies must be vigilant in monitoring the technical and financial requirements of all PPP projects to ensure appropriate performance and mitigate stakeholder complaints. The monitoring process starts with the design, a poorly planned contract will be difficult to enforce, thereby leaving the government, consumers, and the private partner exposed to unnecessary risks. Clearly established guidelines for PPP arrangements are a critical component to a successful monitoring framework.

Contracts should contain the necessary monitoring clauses that articulate how the technical performance of the private partner will be evaluated; procedures for collecting, managing, and reporting data for internal and external use; and scenarios under which tariffs, if applicable, may be raised. Furthermore, dispute resolution procedures ought to be clearly defined in the context under which contracts can be renegotiated, for example in cases of natural disaster- "force majeure", it should state what third party body will arbitrate.

In accordance with the Establishment Act, the Commission is mandated to monitor all concessions and ensure absolute compliance to the terms of the contract. Implementing this core post PPP function, the Commission inspected projects within the quarter. Some to resolve disputes while others are to ensure compliance to the best interest of the nation. During the second quarter of 2018, the Commission carried out on site visits to some project facilities to ensure adherence to the contract terms.

Tincan Island Port Terminal A

The Terminal is a Bulk cargo facility occupying Berth 1, 1A & 2 at Tin Can Island Port, Lagos State. The concession is to enhance efficiency of port operations, decrease the cost of port services, and boost economic activities that are expected to accelerate development. The Tincan Island Port Terminal A has the capacity for staking a million tons of cargo having three (3) berths (TC1, TC1A, and TC2) with average draught of 12m measuring 484m long handling predominantly bulk cargo and to some extent general cargo. The concessionaire is Josepdam Ports Services Nigeria Limited. The concession agreement is to Develop, Finance, Maintain, Operate and Transfer (DFMOT) of Port Terminal.

Snapshots of the Monitoring Visit

Snapshots of the Monitoring Visit

Lillypond container terminal Ijora, Lagos

The Terminal is a multi-purpose logistics centre specialized in export processing and agriculture distribution. It is 120,000 square meter container terminal that is expected to perform handling and delivery services for cargo, loading and unloading of vessels, transporting, sorting, storage and the procurement, operation and maintenance of equipment; repair and maintenance of fixed assets, warehousing, stuffing/ unstuffing, shipping, ship shore handling of supplies for vessels, oversized cargo handling services, terminal handling and inland depot transfers.

The concession is to ensure increased efficiency of port operations, decrease the cost of port services to port users, boost economic activities and accelerate development, among others. It is expected that the concession will bring about improvements to the leased properties, as further described in the development plan handed over to the terminal operators during contract execution.

Dadin Kowa Dam

Hydropower is a clean, efficient, and dependable renewable source of energy that is widely-used at affordable prices. It is therefore vital to increase its power-generating capacity significantly and restore the total available capacity as this will increase power generation significantly in Nigeria. The project was conceptualized for the design, rehabilitate, operate, and maintain (DRO&M). The project requires the operation and maintenance of the existing capacity of the power station, restore generation capacity, which is currently damaged and design, construct, operate, and maintain new generation capacity. The Dam is set to start generating 39 megawatts in the course of the year which indeed is a major transformational project that will enable the North East to contribute power to the national grid.

The Dadin Kowa Hydro power plant when commissioned will provide grid power, irrigation, and potable water and also enable sustainable power generation at Kiri Dam in Adamawa State.

Power generation is a key infrastructure objective of the current administration and is being well spelt out in the Economic Recovery and Growth Plan (ERGP) launched last year. In view of this, successful take off of the Dadin Kowa Hydro Electric Power project will be a great plus to the country's quest for enhanced electricity supply and will in no little measure serve as a catalyst in promoting micro, small and medium enterprises in the state and environs thereby creating employment for our citizens and reducing the rate of insecurity within our country in general.

Snapshots of the Monitoring Visit

VISIT TO HIS EXCELLENCY, THE EXECUTIVE GOVERNOR OF GOMBE STATE DURING THE COMMISSION'S MONITORING VISIT TO DADIN KOWA DAM

The Role of the Media in Public Private Partnerships

Patrick Ederaro

Considering the mammoth growth and impact of the media, the political and social context in which public private partnership (PPP) projects are undertaken, it is imperative that communication activities be fully integrated into the PPP planning process. PPP undoubtedly offer creative solutions to financing, building and operating critically needed public infrastructure; it is a complex web of relationships which involves bureaucrats, politicians, media, general public, labor and special interest groups.

Stakeholder management is a concept that describes an organization's resolve to manage relationships with its stakeholder groups (Chinyio & Olomolaiye, 2010) in a proactive manner (Freeman 1984: 53).The aim of managing relationships is to motivate stakeholders to act in a manner that will promote the objectives of a firm (Harris, 2010). Although, the origin of stakeholder management can be traced to strategic management, its ideas and principles have been researched and applied in various fields of study including construction project management (Atkin & Skitmore, 2008).

Given the increasing wave of new thinking around how governments approach contemporary public policy questions across jurisdictions, the media has continued to grow in function and scope across the wider development spectrum perhaps beyond its traditional function which are to educate, inform and entertain.

On the specific question as to how the media impacts on public private partnerships, its role in driving the stakeholder consultation component of the PPP process stands prominent. Stakeholder management offers the platform for engaging different project stakeholders. Stakeholder management has the capacity of providing critical strategic information, resources and problem- solving techniques and offers different stakeholders the opportunity to make meaningful input to a project (Foo et al., 2011).

Various problems have been encountered in public private partnership (PPP) initiatives around the world that have eventually led to project failure. Stakeholder opposition has been reported as the main reason for failure in several instances. As such, capturing and addressing of

stakeholder inputs is crucial to the success of PPP projects.
The media plays a strategic role in disseminating the views and outcomes of stakeholder consultation and educating the public on the involvement and impact on the various stakeholders as well as promote credibility in the PPP process. The more open the communication channels and the more they are used by each partner, the greater the prospects for a successful project outcome and lasting public/private partnership. Regular communication within the partnership assists in the recognition of joint interests and ensures a more efficient decision-making and implementation process.

Strategic communication is essential to the internal dynamics of a complex partnership structure, allowing distribution of information and implementation of compatible efforts. Communication is essential to the public/private partnership process for many reasons, including ensuring a more efficient decision-making process by facilitating the exchange of information, ideas, and needs as well as creating opportunities for public involvement.

With respect to communicating externally, there is need for a consistent exchange of ideas with a broad array of actors external to the partnership. It is integral to ensure widespread support and diverse perspectives within the process. Partners should reach out, listen, and respond to stakeholders and the community, elected and appointed officials, the media, and investors. The designation of a project spokesperson from the public and private side can help deliver a consistent message about the partnership and its objectives. Leaders can also steer the project through the development process by acting as negotiator in securing political and financial support.

Furthermore, constant engagement with the media helps to amplify the activities of regulators within the PPP sphere and in shaping the reporting of such stories. It also provides a veritable basis for continuous training of key media contacts to enhance the understanding of the PPP concept. With specific reference to the activities of the ICRC, as with other channels of engagement with stakeholders, the Commission's constant interaction with the media including the yearly media briefing has resulted in better understanding and reporting of public private partnership.

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Infrastructure Development and acceleration via Public Private Partnership Procurement
- Wise words from Jeff Delmon

Jeff Delmon is a Senior PPP specialist with the World Bank; he is a thought leader in PPPs and a well respected prolific writer on PPPs. Some of his books include PPP programs, creating a framework for private sector investment in infrastructure, PPP in Infrastructure; An Essential Guide for decision makers etc. In his publication for PPIAF (The Public Private Infrastructure Advisory Facility) titled creating a framework for public private partnership programs - a practical guide for decision makers. Jeff provided at the end of the publications some really worth reading and re reading key messages and nuggets for driving PPPs. Many are common sense maxims and they aim to help uncomplicate PPPs and make them easier to realize.

PPPs are by nature complex legal technical and financial arrangements. Jeff's nuggets are produced here to help PPP professionals in emerging and African countries (national /sub national) have a pragmatic and realistic approach to implementing PPP frameworks to accelerate infrastructure delivery. Jeff's key messages and nuggets for PPP decision makers are as follows:

- **Learning by doing** - an important part of identifying gaps in the investment climate is learned while "doing", ie. while implementing PPP projects, do not wait until everything is perfect. It will never be.
- **Use small steps without being timid**- start with easier projects that are clearly financially viable and have political support. But these projects need to provide a signalling effect; they need to be sufficiently substantial and strategic to ensure Government buy-in, the interests of private investors and a statement to the market that the framework for PPP in the country is conducive.
- **Learn from the experiences of others, without being dogmatic**- there is a tendency to try to replicate the successes of other countries. While it is important to learn from the successes and failures of others, it is generally unwise to try to replicate an entire framework, wholesale.
- **Keep it simple-** complex is not necessarily comprehensive or better, the PPP framework needs to be understood by a wide group of stakeholders.
- **PPP policies should be clear, comprehensive, yet flexible -** periodic updates are a useful way to adopt lessons learned into the PPP program.

Keep the legal framework simple and clear -Do not confuse complexity with comprehensiveness. Simple is better, and will give more confidence to investors. Detail is best left to secondary legislation that is more easily amended to respond to change.

- **Do not use the legal framework to second guess**

the PPP contract by creating rights and obligations at law that should be addressed in the contract on agreed terms. If the Government is keen to establish such terms, standard form documents can achieve this, where the terms can be spelled out in detail.

- *Make sure the different roles are allocated and that the system works, ideological purity is less important.*

- **Institutions are only as good as the people in them, and the funding/ mandate they are given.** Real capacity building (not just the occasional training or trip abroad) is key to a sustainable programme. Strong, consistent leadership is keycoordination amongst different institutions and ensuring consistency of practices and focus of efforts generally requires clear direction from the highest levels of Government.
- **A robust value for money assessment and transparent, competitive procurement can protect the Government and the project from ex-post criticism,** and can make the project less vulnerable to change, external shocks and the temptation of future Governments to reverse decisions.
- **Do not cut corners in procurement.** It may seem easier to enter into direct negotiations instead of using competitive procurement, but it isn't. It takes longer and costs more money. Maximize competition (where possible) through good, transparent, competitive procurement.
- *Invest in preparation. PPP preparation takes time and money, if done well.*
- **Be clear to bidders about what you want.** Indicate clearly what results, milestones and indicators you want the investor to achieve, in particular in the bid evaluation criteria and their weighting. Help bidders to give you what you want, don't make them guess.
- **Be cautious when selecting the winning bid.** If a bid seems too good to be true (financially, technically or otherwise), then it probably is.
- **Select good projects.** Garbage-in-garbage-out; say "no" to bad projects
- **Select robust, viable projects for PPP**, these are more likely to be financed on a competitive basis and are therefore more likely to provide value for money. Projects suffering from bad design, dubious demand or weak fundamentals (even if politically popular) are more likely to fail, and may weaken the entire PPP program in the process.

If a project needs Government support, get approvals early to avoid wasting time and money on projects that do not meet viability and value for money criteria, and the awkward position of Government rejecting support for a project only after much effort is spent on its preparation.

- **A good, transparent selection process (for commercial rather than political reasons)** can reassure investors and increase competition. Projects selected for political reasons or priorities will create a perception of increased political risk amongst investors.
- **Prepare the Government to play its part from project development to expiry.** Even where a comprehensive PPP is envisaged, the Government will play an essential role in monitoring and regulating the project and the sector.
- **Be ready for challenges.** In any long-term relationship, change happens. PPP is, above all, a partnership, and it needs to be designed with challenges, changes and resolution in mind. Problems need to be elevated to appropriate levels of management before they become disputes or worse.
- **Consider all stakeholders.** PPP will have a direct influence on some stakeholders (in particular employees and management) and may raise political or philosophical concerns amongst many more. While absolute consensus will never be reached, the Government needs to consult widely, understand fundamental concerns and address them.
- **Be proactive.** Establish mechanisms intended to catch disputes as early as possible. Early in the process, options are varied, relative cost is low, and the likelihood of immediate value-added resolution is higher.
- **Facilitation can help.** Softer processes are designed to use and develop relationships as the basis for finding mutually satisfactory solutions and can work better than more formal processes.
- **Renegotiation can be an opportunity,** and can improve the PPP arrangements and protect the poor, if it is contemplated in advance, transparent and well managed when needed.
- **Get good advice**. Do not try to manage disputes or

renegotiations with internal staff alone, no matter how good they are. Get the best, external advice. It will cost money, but will save money in the long run.

- **Government support can improve financial viability and make a project more attractive for investors,** but it will not turn a bad project into a good one.
- **Use Government support efficiently**, in a targeted manner, to ensure Government goals are achieved.
- **Ensure funding mechanisms** are properly resourced and incentivized to avoid political capture or inertia.
- **Avoid perverse incentives created by Government support-** ensure private and public are motivated to make the project a success.
- **Contingent support can be a powerful instrument, but**
  - The risk borne by the Government must be assessed honestly and managed carefully,
  - Taking too much risk away from private lenders or enabling reduced equity investment, or over-protecting investors, limits the private investors' "skin in the game", so when crisis befalls the project, the investor and lender may be less motivated to help.

Hope you enjoyed reading Jeff's PPP wise nuggets. Jeff is indeed a wise and great PPP thought leaders. As Chief Obafemi Awolowo the sage said when President Shehu Shagari awarded him Nigeria's highest national honour of Grand Commander of the Federal Republic (GCFR) and i quote, recognizing greatness in others is greatness itself. QED.

Let's do our best to accelerate development of infrastructure via PPPs in Nigeria, we must learn by doing there will never be perfect conditions. No time wasting no stopping development. God bless Nigeria.

Submitted by,
Engr. Chidi K C Izuwah,
Ag. Director General/CEO,
The Presidency,
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Tips For Effective Stakeholder Engagement Through Exhibition

Peace Douglas

6th African Petroleum Congress and Exhibition

Solar Future Nigeria Exhibition

ICRC Ag DG engaging guests at our booth @ 26th COREN Assembly

From visibility to credibility, exhibitions have hundreds of benefits as it establishes strong presence, whether big or small; provides a veritable platform for educating the populace on public private partnership and its impact on infrastructural revamp in Nigeria.

Participating in an exhibition is quite expensive and most organizations try to avoid such expense. This is due to the fact that creating a booth branded specifically per occasion; sending and catering for staff; and travelling to the event itself is not a very cheap process. However, like most forms of advertising, with the right strategy, exhibitions can be a very profitable choice.

We in Infrastructure Concession Regulatory Commission see every exhibition as an opportunity to drastically expand our ever growing vital contact base; a great opportunity to learn which direction the infrastructure industry is (and isn't) going in.

During exhibitions, we usually leave our booth and walk around the floor on a fact-finding mission to know how the Commission is perceived, and what we could probably be doing wrong. Look at the type of giveaways that people remember, and take note of the type they forget. See which booths are attracting the most attendees and learn from it so we can have a better and more attractive booth for the next exhibition.

Branding is a huge aspect of organizational success, especially in industries that depend on the international community's trust. Exhibiting at events is a wonderful way to tell the industry that our agency is focused, reliable, and large enough to afford its own presence at leading events and conferences.

By using exhibitions strategically, we can position our organization as being part of a niche within the sphere of our choice. For example, in ICRC, positioning our booth next to the infrastructure industry's well known' companies creates a powerful psychological image that can help us move from 'who are you' to 'established brand' in the eyes of the Nigerian people.

Including social media information on our booths also provides an avenue where attendees can connect with you online.

WORKSHOPS
TRAININGS
SUMMITS
CONFERENCES
SYMPOSIUMS

3PUCF

Public Private Partnership Unit Consultative Forum (3PUCF) was initiated by the Commission as a platform for knowledge and experience sharing amongst Heads of PPP Units in MDAs. It was inaugurated on 5th December 2013. The Office of the Head of Civil Service of the Federation is the chair of the Forum; the Federal Ministry of Finance is the co-chair, while the Commission serves as the secretariat.

The 3PUCF holds quarterly meetings and has so far held 16 meetings/forums from inception. In addition to undertaking direct capacity building for MDAs, the Commission uses the forum to expose members to relevant trainings, workshops, seminars, etc, taking place within and outside the country. The venue is rotated among members. The first quarter 3PUCF was hosted by the Federal Ministry of Mines and Steel Development on the 10th of May, 2018.

The only thing that would redeem mankind is cooperation
Bertrand Russell

We have collectively over the course of our knowledge and experience sharing, been able to highlight areas of concern, tackle challenges and cross hurdles in the process. The commitment and adherence towards achieving our main objective of balancing the infrastructure deficit within our dear country through PPPs by all MDAs is highly commendable hoping that these efforts will not be relinquished.

This forum has overtime achieved success in knowledge and experience sharing, been able to highlight areas of concern, tackle challenges and cross hurdles in the process. The commitment and adherence towards achieving the main objective of balancing the infrastructure deficit within our dear country through PPPs by all MDAs is highly commendable'.
Engr. Chidi K.C Izuwah,
Ag. DG - ICRC

Participants at the 1st Quarter 3PUCF

Trainings

It is obvious that public sector resources alone cannot fulfill the development objectives of many developing countries and Nigeria is not an exception. The experience in most developing countries is that much needed economic growth is hampered by a shortage of roads, air and rail transport, telecommunications, power plants, sanitation, medical facilities, and other basic infrastructure, all of which are much needed to achieve sustainable development. To achieve the desired level of infrastructural revamp, the importance of the role and involvement of the private sector cannot be overemphasized. Public Private Partnership form of procurement is quite complex to prepare, well structured and transact, and usually require specialized skills.

The Infrastructure Concession Regulatory Commission in collaboration with other stakeholders both nationally and internationally have been providing advisory services, technical assistance, training and capacity development to MDAs in PPP project preparation and development. The Commission has institutionalized a capacity building program that would essentially provide the Basic PPP knowledge and to empower implementing agencies with the competencies to craft well-structured PPP infrastructure development projects. The activities and interventions that the training program can provide is founded on its training modules which cover the spectrum of project pre-implementation and implementation phases of a typical PPP project.

Selected Staff of the Nigerian Customs Service during capacity building exercise at ICRC

IMF and ICRC in Collaboration had the first PPP Fiscal Risk Assessment Model (P-FRAM) Training in Nigeria. P-FRAM is an analytical tool developed by the IMF and the World Bank to assess the potential fiscal costs and risks arising from Public Private Partnerships (PPP) projects. P-FRAM was developed as an analytical tool to quantify the macro-fiscal implications of PPP projects. It provides a structured process for gathering information for a PPP project in a simple, user-friendly, excel-based platform

ICRC SEEKS USAID SUPPORT TO UPSCALE EDUCATION IN NIGERIA

It is imperative to create an enabling environment for the Public and Private sector to harness capital to upscale the quality of education in Nigeria.

"It is absolutely pertinent at this time to make use of Public Private Partnership to pull the required capital to upscale educational services as less than 1% of school age children have access to quality education".
Engr. Chidi K. C Izuwah Snr, Ag. DG, ICRC

ICRC team led by Engr. Chidi K. C Izuwah to USAID Nigeria

AUSTRALIA AWARDS AFRICA (AAA)

Dee Hock, the founder and former CEO of the Visa Credit Card Association once said that an organization, no matter how well designed, is only as good as the people who live and work in it. Capacity building of staff members in any organization is not an option but a tactical role for achieving success. One of the Commission's strategic leadership role is ensuring that staff members are well trained in Public Private Partnership form of procurement. Building competence in a well structured manner guarantees success.

"ICRC staff always demonstrate professionalism at its core, they exhibit genuine concern to do things right. Most importantly, despite the fact that Public Private Partnership is new in Nigeria, ICRC has demonstrated competence, caught up with the speed in terms of knowledge acquisition which is clearly seen in ICRC staff. You can see this when you deal with them".
Sen. Hadi Sirika Hon. Minister of State (Aviation)

The Australia Awards Africa is the cornerstone of the Australian Government's development assistance program for Africa. It provides access to postgraduate education, training and professional development opportunities for suitably qualified Africans from eligible countries. On their return to the workplace, Australia Awards Alumni are expected to contribute to the development of their home countries. MDAs are encouraged to get on board this training program as the benefits to Nigeria are enormous.

AUSTRALIA AWARD AFRICA (AAA) 2018 ATTENDEES FROM ICRC WERE MR. AKWU OKOLO AND MR. WILLIAMS, IDORENYIN MONDAY

The AAA received sponsorship from the Australian Government through the Department of Foreign Affairs and Trade (DFAT) in Collaboration with the University of Queensland, Australia. 2018 Awardees where drawn from different countries in Africa, like Nigeria, Ghana, Cameroun, Zambia, Botswana, Cote D'Ivoire, Zambia, Kenya and Zimbawe with strategic focus on transforming Africa's infrastructure fortune using Public Private Infrastructure Partnerships model.

The in-Australia component of the course was held at the St Lucia Campus of The University of Queensland (UQ) in Brisbane, Australia for 4 weeks from 23 April 18 May 2018, while the in-Africa component of the course took place at the University of Pretoria and the University of South Africa (UNISA) from 4 15 June 2018.
The PPIP course was strategically packaged to build awardees capacity to design, prepare, negotiate, implement and monitor more effectively Public Private Partnerships (PPPs) for infrastructure development in Africa. The program is designed to equip participants with the desired skills to address the major infrastructure challenges within the varying contexts of government-business-NGO

ICRCs attendees participating at the training

Selected Staff of ICRC actively participating at the training.

relations in Africa with a particular focus on leveraging such partnerships for the benefit of national and regional infrastructure

Governments the world over, have come to the realization that with the growing spade of insecurity and poverty level in EMDE, the need to urgently tackle the wide infrastructure gap, especially in Africa cannot be wished away, hence the recognition of PPP as a viable alternative means of funding infrastructure as against the traditional/conventional method. PPP is widely accepted an efficient and effective means of funding infrastructure in a growing economy because of the many benefits which can be derived from such arrangements. For Instance, PPP ensures sufficient pull of funds from the private sector to develop public infrastructure, leverage on private sector professionalism and technical capacity and capability which often is lacking in the public sector of most economies. The PPP model guarantees proper share of risk and rewards in the execution of the project over the project's duration. PPP has been used in many developed societies to construct and manage public infrastructures which have yielded huge benefits to the citizens in addition to creation of jobs and supporting the real sector of their economy.

Imo State Public Private Partnership Initiative

The Commission in the exercise of its mandate of national PPP coordination joined HE Owelle Rochas Okorocha, Executive Governor of Imo State at Owerri the state capital to launch the Imo Public Private Partnership Initiative.

'It is pertinent at this time to put emphasis on sub national infrastructure which can be successfully achieved through PPP. Some of the areas that could be focused on are street lights, integrated transport terminals, rooftop solar, trade ports, medical facilities, medical diagnostics, mobile medical clinics, markets redevelopment, slaughter houses, roads, student accommodation and basic education just to mention a few'.
Engr. Chidi K.C. Izuwah, Ag. DG - ICRC

ICRC Bulletin With Stakeholders Around The World

The Public Servant as a Transformational Leader

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The topic of leadership has been a constant in any discourse that touches on Africa especially Nigeria. Whenever the question arises on why Nigeria or any of its component parts has not been able to reach the fullness of her potentialities and gifting, the missing piece in the picture is always leadership, and it is not just anything but right leadership.

Undoubtedly, leadership is a heavily explored concept. A quick Google search of its meaning will produce 269 million results. Despite the massive number, I doubt if definition is the issue in interrogating leadership as concept, rather it is the action and performance records that are usually in contention.

Though, there are as many definitions of leadership as can be, I will define leadership as the art of leading others to deliberately create results that wouldn't have happened otherwise. A systematic interrogation of leadership through the prisms of the fundamental indices of this definition is therefore necessary.

If we are able to define leadership, then where do we situate transformational leadership which is a higher derivative of leadership? As leadership is an instrumental process and technique serving as a means to an end, leadership experts have developed models and styles based on different methodologies in relations to followers and dynamics to reduce ambiguities associated with the concept.

Transformation Leadership model as a theory was introduced by American political scientist, James Macgregor Burns, and he described it as playing out when “leaders and followers make each other to advance to a higher level of moral and motivation”. Therefore, leaders who fit into the transformational leadership model are able to stimulate and inspire their followers to achieve extraordinary outcomes and, in the process, develop their own leadership capacities.

The agenda for public service leadership especially in the twenty-first century has been conditioned by complexities associated with fluid development environment, changing ideas of what government should do in managing the development process and a rapidly evolving global conditions shaped by ever shifting political and economic variables.

These challenges encountered by different governments across the globe were made more complex after the 9/11 terrorist attacks, the globalization of terrorism as well as the confounding threat occasioned by climate change including Hurricane Katrina and

Tsunamis among others, and not to mention the menaces of Boko Haram and Herdsmen, here at home. Today, complexity has become the core feature of most policy issues, yet governments are ill equipped to deal with complex problems.

Transformational leadership model was not expected to be effective and was less common in public organizations compared to business systems largely because transformation methodology is almost at variance with transactional bureaucratic mechanisms of public service. However, in fast growing economies, public policy makers have deployed system thinking and future research approaches, with attendant successes, in national change management programmes. So, in addressing complex problems, including but not limited to economic recession, poverty, jobless growth and income inequality, national disasters, which causes and effects are blurred and with no clear solutions, radical approaches implied by transformation have been deployed by totally changing long-established system and deep-seated culture change.

In positioning the public service as the agent for the actualization of developmental objectives of state, its systems, structures and work culture have to be reinvented through implementing change programmes that deliver positive impact. Conceptually, while change fixes the past constraints, transformation creates the future. So, a public service transformational leader is a change agent who, with insider advantage, has a deep understanding of the current state of the system and its constraints.

It is in this sense that issues usually arose with respect to the issue of whether the target of change can also be the tool for change. Whoever leads the change process, without an intimate knowledge of the current system AS-IS, is delusional trying to transform it.

Transformation results from an orchestrated and well led chain of events that successfully implements change strategy and transition plan. A strategic factor in the transformation process is leadership and is responsible for the engagement of people including managers in creating, adapting to and meeting the demands of the anticipated future. This means that a transformational public service leadership becomes real if it envisions and designs the future state and employs strategic interventions to chart the desired course in arriving at the change destination.

There are three dimensions to transformational leadership and these are Idealized Influence, Inspirational Motivation and Individualized Consideration.

Idealized influence combines the characteristics of charisma and clear visions and passion. These attributes must be present in those considered as role models, to be respected and trusted by their followers. Leaders with idealized influence are good communicators, able to connect with their followers at an emotional level. Their visions and passions are reflection of their real life experiences and it helps them build trust, inspiration and respect to win their followers' engagement

Aside this, Inspirational Motivation in a transformational leader is manifested in the leader's capacity to communicate a compelling vision and hold high expectations. It entails building team spirit, sense of belonging that facilitate ownership, loyalty, creativity and shared values that creates motivation for sacrifice and oneness. Individualized Consideration involves the technique of listening, mentoring and coaching and, it puts premium on followers as asset value to be invested in for collective benefit, commitment that creates a supportive environment.

These well tested frameworks can be applied to the Nigerian condition but it is important to address our minds to the more important question of why change oriented policies in Nigeria witness perpetual transition and arrested development.

It is a familiar narrative that Nigeria is not short of vision, development plans and ideas, but that the devil resides in the details of execution. This means that some of our past leaders have implemented policies and programmes that created varying levels of changes that unfortunately get trapped in their transition phases. Suffice to say some past leaders were far-sighted, competent and exhibited considerable measure of understanding of how to manage change. However, most of these change initiatives are often mired in perpetual transitions, and they struggled to overcome structural limitations in achieving the desired transformation owing to reasons of poor programme design, poor resource allocation, unstable macroeconomic climate, lack of disciplined execution, policy and project discontinuity, capacity deficit, political interference and Nigerian Factor, no name just a few.

Transformation, on the other hand, requires decisive transitions with multiple programmes and projects delivering significant outcomes capable of adding up to ignite massive multiplier effect to drive the national economy towards an envisioned new future state. Different from changes and transitions, transformation is unpredictable, iterative and experimental, requiring a level of risk taking and strategic policy intelligence, passion and commitment different from the traditional transactional leadership approaches for which public service is renowned. It also requires a transformational leadership model with capacity to take strategies and implementation actions through continuous adaptation to overcome obstacles and exploit opportunities.

In other words, it takes a transformational leader to identify the missing connection between existing public service mission, management culture and the public interest. This is actualized through a commitment to building a public service that embodies the aspiration of the people and the underlying values of the nation as espoused in the Fundamental Objectives and Directive Principles of State Policies as enshrined in chapter 11 of the 1999 Constitution of the Federal Republic of Nigeria.

A public service propelled by a transformational leadership model will promote a change agenda that ensures that public service values and democratic governance codes guide the actions of government and public officials throughout the system. It will produce leadership sensitivity that promotes institutional adaptations in the public interest, in measures that enhance management capacity and organizational performance required to ignite national structural transformation. The ensuing change will identify assets, empower the workforce and recalibrate the culture of public institutions to deliver improved outcomes. With these would come high expectations and investments in continuous learning and incremental system improvement as it understands the nuance of context including the diversity, thought patterns, strengths and weaknesses and, leverages the knowledge to initiate interventions to support all and sundry to fulfill their respective aspirations and potentials.

Transformational leaders are public spirited with servant leadership spirit and therefore put the needs of others before their own, and creates opportunities for others to lead. Such leadership to be effective is collaborative, facilitative and supportive in interpersonal relationship and lives by example so as to be able to build trust.

Turning the Nigerian public servant into a transformational leader requires the development of distinctive competence of adapting existing public managers to the challenges posed by the imperative of development complexities and the ever changing policy environment rather than focusing unreflectively on the mechanisms of rules interpretation and application.

The new public service would be armed with new philosophical and values foundation managed with competencies underpinned by new intellectual concepts and paradigm shift covering the processes of the governance framework, manpower planning, recruitment, training, skills set, career management, capacity utilization, performance management system as well as organizational values and culture. This new orientation would entail the development of a public service leadership model that reflects methodology for the envisioned change, and such a model would evolve from a definition of a competence profile for future leaders.

Furthermore, this will be enhanced by the deployment of predictive tools of future research based on concepts of what form the future public sector will take and possible challenges. New parameter for the identification, selection, training and mentoring of the best and brightest would be developed and reinforced with the development of new parameters for identifying, selecting, mentoring and training the "best and the brightest" and then link incentives with performance for better leadership and management development programme.

This would be followed by the second step which usually involves the setting up of new institution or system for identifying, developing and pipelining potential leaders in the public service like the Senior Executive Service (SES) as in the United Kingdom, Singapore, USA and Australia while management training would be linked with professional development programmes to encompass leadership development.

Turning the Nigerian public servant into a transformation leader requires the development of distinctive administrative leadership competence to reinvent the civil service into a self-motivated category with muscle to operate the administrative system so that every functional 'joint' is aligned to the Service's mission and with a transformation focus. The public service that would function in this new light would initiate and maintain deep rooted culture change and would prepare, motivate and propel others to cope with, and adapt to, changes and give strategic shape and content to policies that can transform the society at every level

The tendency is to lionize the decisive and inspiration leaders like Singapore Lee Kwan Yew. But the reality is that although the individual at the top does matter enormously, the essential transformation dynamic involves creating the context where leadership can be exercised at all levels.

Many of Nigeria's past leaders in the public policy space have implemented series of change initiatives that were trapped in transitions that struggled perpetually with transformation and sustainable development. The reasons are not far-fetched. Our take is that transformation approaches offer a much greater challenge than the typical change management programmes that we are familiar with and have seen.

Health & Wellbeing

Dietary Supplements: What You Need to Know

Majority of adults take one or more dietary supplements either every day or occasionally. Today's dietary supplements include vitamins, minerals, herbals and botanicals, amino acids, enzymes, and many other products. Dietary supplements come in a variety of forms: traditional tablets, capsules, and powders, as well as drinks and energy bars. Popular supplements include vitamins D and E; minerals like calcium and iron; herbs such as garlic; and specialty products like glucosamine, and fish oils.

Normally, one should be able to get all the nutritional need from a balanced diet. However, taking supplements can provide additional nutrients when the diet is lacking or when certain health conditions cause an insufficiency or deficiency. Occasional food supplements are unlikely to cause harm, but even the best of them can lack the fiber, photochemical and other health protective nutrients naturally available in a varied, well-balanced whole-food diet.

All products labeled as a dietary supplement carry a supplement facts panel that lists the contents, amount of active ingredients per serving, and other added ingredients (like fillers, binders, and flavorings). Consumers should always carefully read the information as it clearly suggests the serving size and content makeup of the drug.

People with unbalanced diet need supplements that would help get the adequate amount of essential nutrients. However, supplements can't take the place of the variety of foods that are important to a healthy diet. Scientific evidence shows that some dietary supplements are beneficial for overall health and for managing some health conditions. For example, calcium and vitamin D are important for keeping bones strong and reducing bone loss; folic acid decreases the risk of certain birth defects; and omega-3 fatty acids from fish oils might help some people with heart disease.

A good number of supplements contain active ingredients that can have strong negative effects in the body. This is likely to occur when consumers take many supplements in combination. Some supplements can increase the risk of bleeding or, if a person takes them before or after surgery, they can affect the person's response to anesthesia. Dietary supplements can also interact with certain prescription drugs in ways that might cause problems. For example, Vitamin K can reduce the ability of the blood thinner Coumadin to prevent blood from clotting. Antioxidant supplements, like vitamins C and E, might reduce the effectiveness of some types of cancer chemotherapy. Worthy of note is that some ingredients found in dietary supplements are added to a growing number of foods, including breakfast cereals and beverages. As a result, one can stand the risk of an overdose by taking more than what is needed. Getting too much vitamin A can cause headaches and liver damage, reduce bone strength, and cause birth defects. Excess iron causes nausea and vomiting and may damage the liver and other organs.

Caution is the key here as most dietary supplements have not been well tested for safety in pregnant women, nursing mothers, or children. Healthcare providers (doctors, pharmacists, and dietitians) should be informed immediately of any reaction from a dietary supplement.

Dietary supplements do not treat a health condition. The following tips are quite important;

- Supplements are not to be taken in place of, or in combination with, prescribed medications without health care provider's approval.
- Check with your health care provider (doctors, pharmacists, and dietitians) about the supplements you take if you are scheduled to have any type of surgical procedure.
- The term "natural" doesn't always mean safe. A supplement's safety depends on many things, such as its chemical makeup, how it works in the body, how it is prepared, and the dose used. Certain herbs (for example, comfrey and kava) can harm the liver.
- Before taking a dietary supplement, ask yourself these questions:
  - What are the potential health benefits of this dietary supplement product?
  - What are its potential benefits for me?
  - Does this product have any safety risks?
  - What is the proper dose to take?
  - How, when, and for how long should I take it?

Dietary supplements are products intended to supplement the diet. They are not drugs and, therefore, are not intended to treat, diagnose, mitigate, prevent, or cure diseases.

Reference

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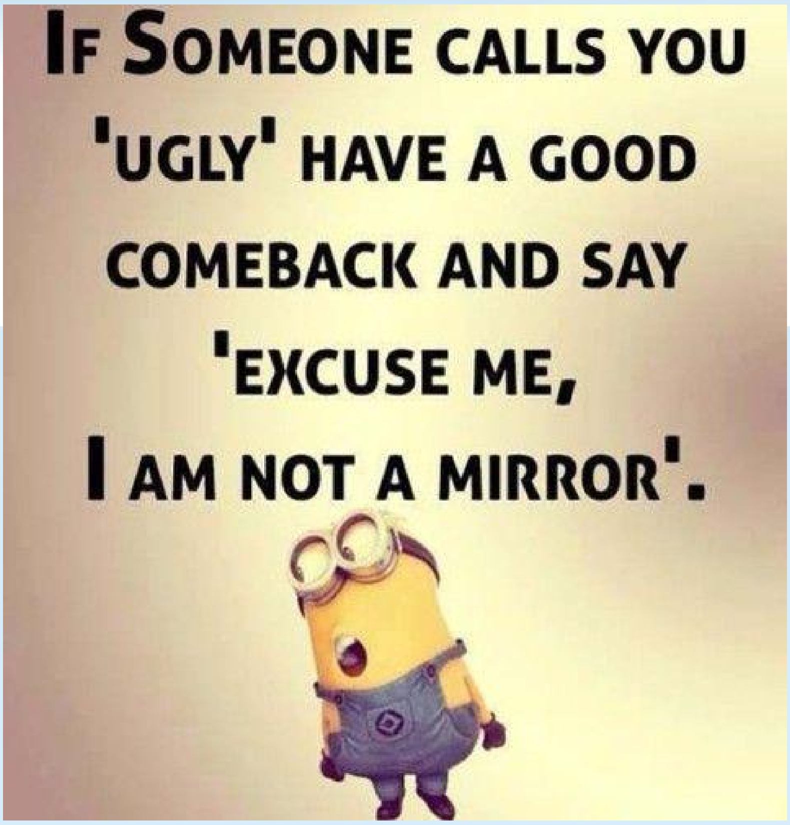
Lighter  Note



About The Publication

ICRC-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 **info@icrc.gov.ng**



ICRC Strategic Objective


The strategic objective of the Infrastructure Concession Regulatory Commission (ICRC) is to mobilize and accelerate private investments in national infrastructure by enabling the Federal Government of Nigeria through her Ministries, Departments, and Agencies (MDAs) to establish and implement effective Public Private Partnerships (PPPs).


/icrcnigeria/ /icrcng

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