



THE PRESIDENCY

INFRASTRUCTURE CONCESSION REGULATORY COMMISSION



Annual Report & Accounts 2017

A Report

Of The Activities Of The Infrastructure Concession Regulatory Commission

& the Audited Accounts for the Year Ended 31st
December, 2017.



THE PRESIDENCY

Infrastructure Concession Regulatory Commission
Plot 1270, Ayangba Street, Near FCDA Headquarters
Area 11, Garki District, Abuja – Nigeria

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

ICRC ESTABLISHMENT ACT 2005

In order to harness private sector technical expertise and financial resources for the provision of public infrastructure and services, the FGN enacted the ICRC Act in 2005 and inaugurated the Governing Board in November 2008. Since inauguration, the Commission has been providing MDAs with the necessary guidance to successfully execute infrastructure projects through PPP Procurement.

ICRC MANDATE

The ICRC Act, 2005 bestows on the Commission the functions and powers to:

- Provide general policy guidelines, rules and regulations;
- Take custody of every concession agreement;
- Monitor and inspect PPP projects; and
- Ensure efficient execution of any concession agreement or contract entered into by the Federal Government.

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).

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HIS EXCELLENCY

MUHAMMADU BUHARI GCFR
PRESIDENT
FEDERAL REPUBLIC OF NIGERIA



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



Engr. Chidi K.C Izuwah, Snr.

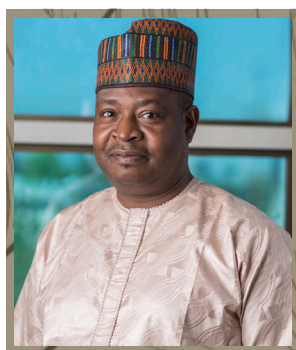
**Ag. DIRECTOR ~ GENERAL
INFRASTRUCTURE CONCESSION REGULATORY COMMISSION**

ICRC Executive Management Team



Engr. Chidi K.C. Izuwah Snr.

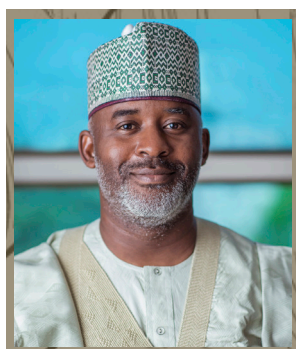
Ag. Director-General



Mr. Mike Joe Ohiani
Director, PPP Resource Department



Dr. Chiedu Ndubisi
Technical Adviser to the DG



Mr. Mohammed Bamalli
Director, Contract Compliance
Department



Mr. Emmanuel Onwodi
Director, Transportation Infrastructure
Department



Mr. Dada Hammed Togunde
Director, Internal Audit Department

EXECUTIVE MANAGEMENT TEAM

Engr. Chidi K. C Izuwah, Snr.	~	Ag. Director General / Executive Director, Support Services Department
Mr. J.A.M. Ohiani	~	Director, PPP Resource Department
Mr. Mohammed A. Bamalli	~	Director, Contract Compliance Department
Mr. Dada Hammed Togunde	~	Director, Internal Audit Department
Mr. Emmanuel Onwodi	~	Director, Transportation Infrastructure Department

GENERAL MANAGEMENT TEAM

Engr. Chidi K. C. Izuwah Snr	~	Ag. Director General / Executive Director, Support Services Department
Mr. Mike Joe Ohiani	~	Director, PPP Resource Department
Mr. Mohammed A. Bamalli	~	Director, Contract Compliance Department
Mr. Dada Hammed Togunde	~	Director, Internal Audit Department
Mr. Emmanuel Onwodi	~	Director, Transport Infrastructure+ Dept
Mr. Jobson Ewalefoh	~	Head, ICT
Dr Evelyn Alaye-Ogan	~	Deputy Director, Project Implementation Unit
Mr. Odili Onu	~	Head, Social/Urban Infrastructure Unit
Dr. Felix Ogbera	~	Head, Policy and Regulation Unit
Mr. Chorio Emmanuel Philip	~	Deputy Director/Senior Financial Strategist DG's Office
Mr. Olusa Busari	~	Head, Energy & Urban Infrastructure Unit
Mr. Mohammed Barma	~	Head, Finance and Accounts Unit
Mr. Ahmed Abdulrazaq	~	Head, Monitoring & Compliance Unit
Mall. Shehu S. Danmusa	~	Assistant Director, P3RD
Mrs. Deborah Okafor	~	Assistant Director, Planning & Research
Mr. Olusola Ogunsola	~	Assistant Director, P3RD
Engr. Amanze Okere	~	Ag. Head, Special Projects Unit
Mrs. Halima Tukur-Modibbo	~	Ag. Head, Human Resource & Administration Unit
Engr. Muktar Usman	~	Ag. Head, Procurement Unit
Mrs. Manji Yarling	~	Ag. Head, Media & Publicity Unit
Ms. Hauwa Kelo	~	Ag. Head, Legal & Governance Unit

MANAGEMENT CHANGE NOTES

Mr. Aminu Diko	~	Director General (Jan-June 2017)
Dr. Chiedu Ndubisi	~	Director, Research & Planning Department/ Technical Adviser to DG (Retired June 2018). We recognize the contributions of Dr. Ndubisi to this report. He was responsible for majority of the report content and we acknowledge & thank him for his contributions and wish him well in retirement.

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GLOSSARY OF TERMS

AfDB	African Development Bank
AGF	Attorney General of the Federation
BPE	Bureau of Public Enterprises
CCD	Contract Compliance Department
CBN	Central Bank of Nigeria
DFBOT	Design, Finance, Build, Operate & Transfer
DFIs	Development Finance Institutions
DG	Director-General
DMO	Debt Management Office
ED	Executive Director
EoI	Expression of Interest
FAAN	Federal Airports Authority of Nigeria
FBC	Full Business Case
FCT	Federal Capital Territory
FCTA	Federal Capital Territory Administration
FEC	Federal Executive Council
FGN	Federal Government of Nigeria
FIRS	Federal Inland Revenue Service
FMBNP	Federal Ministry of Budget & National Planning
FMoD	Federal Ministry of Defence
FMoEnv	Federal Ministry of Environment
FMoF	Federal Ministry of Finance
FMoI	Federal Ministry of Interior
FMoJ	Federal Ministry of Justice
FMoP	Federal Ministry of Power Works & Housing
FMITI	Federal Ministry of Industry, Trade and Investment
FERMA	Federal Road Maintenance Agency
FMoT	Federal Ministry of Transport
FMoH	Federal Ministry of Health
GAT	General Aviation Terminal
ICD	Inland Container Depot
ICRC/Commission	Infrastructure Concession Regulatory Commission
ICT	Information and Communications Technology
LCC	Lekki Concession Company
LITFC	Lagos International Trade Fair Complex
MDAs	Ministries, Departments and Agencies
MMA	Murtala Mohammed Airport
MMA2	Murtala Mohammed Airport Terminal 2
MoU	Memorandum of Understanding
NIAF	Nigerian Infrastructure Advisory Facility
NIMASA	Nigerian Maritime Administration and Safety Agency
NIWA	National Inland Waterways Authority
NEMT	National Economic Management Team
N4P	National Policy on Public Private Partnership
NIMC	National Identity Management Commission
NIIMP	National Integrated Infrastructure Master Plan
NEPAD	New Partnership for Africa's Development
NNPC	Nigerian National Petroleum Corporation
NPA	Nigerian Ports Authority
NPPPN	Nigerian PPP Network
NPC	National Planning Commission
NRC	Nigerian Railway Corporation
NSC	Nigerian Shippers' Council
NSIA	Nigerian Sovereign Investment Authority
NTIBC	National Trade and International Business Centre
OBC	Outline Business Case
OHCSOF	Office of the Head of the Civil Service of the Federation
O&M	Operations and Maintenance
PDT	Project Delivery Team
PSC	Project Steering Committee
PICI	Presidential Infrastructure Champion Initiative
PPP	Public Private Partnership
RBDA	River Basin Development Authority
RfP	Request for Proposal
ROT	Rehabilitate, Operate and Transfer
SGF	Secretary to the Government of the Federation
TBS	Tafawa Balewa Square
TSGP	Trans-Saharan Gas Pipeline
VGf	Viability Gap Fund
WBI	World Bank Institute

DIRECTOR~GENERAL'S STATEMENT



Engr. Chidi K.C. Izuwah Snr
Director General/CEO

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

~ President Muhammadu Buhari, GCFR

The administration of His Excellency President Muhammadu Buhari, GCFR is steadfast in implementing more infrastructure projects around the country to sustain our growing economy and deliver rapid national development. As part of the federal government's overall endeavors, the pivotal role of the private sector in boosting national infrastructure services delivery through public-private partnerships (PPPs) has been duly acknowledged.

Most importantly, the administration is cognizant of the need to make our business

environment more attractive to investors as evidenced in the Presidential directive on Ease of Doing Business in Nigeria and other policies that continually reassure its private partners and stakeholders that their investments are safe in Nigeria. These are considered pivotal to achieving systemic and accelerated infrastructural revamp in the country.

The Commission has taken a cue from this by ensuring that the projects in our PPP pipeline undergo very speedy but rigorous PPP development and procurement processes in line with international best practice. We are also continuously developing and adapting our PPP procedures and guidelines in a way that best fits into Nigeria's national systems while ensuring compliance with the world's best practices. The ICRC has been providing all necessary mentoring, monitoring and technical assistance to MDAs towards ensuring successful PPP project implementation. All these conscious efforts are geared to achieving one major goal – actual infrastructure sufficiency for all Nigerians. We advocate for more investor friendly policy reforms and new strategies like use of annuity payment PPPs and mono line credit enhancement to attract pension funds to infrastructure investment as we strive to achieve our objective of showcasing Nigeria as a sound PPP jurisdiction and one of the most attractive PPP environments in the emerging market and developing economies (EMDE) in the world.

The core of PPP is taking advantage of private sector capital and efficiency, hence, the Commission has refined and localized world class best practices and guidelines for solicited and unsolicited PPP procurement in a manner that would help the government tackle the infrastructure deficit in the

country. Furthermore, we have also refined other hybrid PPP arrangements from international best practice, for these hybrid PPPs mainly in the social infrastructure sector, the government will build a facility through public funding or official development assistance and grant a concession for the operations and maintenance to the private sector. The private party will recover her investment via user fees or availability payments or a combination of both. For all of these PPP procurement approaches, we are in constant discussion with relevant government agencies and stakeholders.

In view of the foregoing, the Commission has engaged the National Assembly and other key stakeholders as it sustains its advocacy for the passage of the PPP Commission Bill, which seeks to amend the ICRC Act and strengthen our regulatory powers to further enhance competition and address key challenges towards institutionalizing our PPP policy. While we pursue this very important aspect of our mandate, the year offered us the opportunity to facilitate the active development of key PPP projects with MDAs and take them to the market.

In the second half of 2017, the Commission experienced a change in management which led to my ascendance to the position of the Acting Director ~ General owing to the tenure end of the former Director General, Mr. Aminu Diko. I would like to thank Aminu for his commendable service to our nation.

At this juncture, I would like to express my profound appreciation to His Excellency President Muhammadu Buhari GCFR and His Excellency Vice President Prof. Yemi Osinbajo GCON for giving me the

opportunity to lead a most important national institution and contribute my quota to national development.

The change in ICRC leadership offered us a golden opportunity to review, redirect and strengthen our strategy in facilitating the development and implementation of PPP projects by MDAs, as well as the overall process of identifying other infrastructure and development projects to be undertaken through PPP. We have indeed come through a year filled with both victories and exciting challenges.

Nigeria's need for infrastructure is massive and we in the ICRC believe that PPPs shall continue to be a viable procurement option for infrastructural development and delivery of public services. The Commission must play key roles in sustaining this viability by continuing to work on reforms to ensure delivery of value for money projects that serve the public interest to attainable international standards.

As challenging as the year was, the Commission recorded some achievements as detailed below:

- Issued 22 OBC and 3 FBC compliance certificates for some of the projects in our PPP pipeline. With the progress made, some projects in agriculture, transportation, energy, security, etc had successfully advanced to the procurement/implementation phases. Here are few examples:
- FEC has approved the \$2.8 billion Ajaokuta–Kaduna–Kano (AKK) gas pipeline project following the Commission's issuance of the OBC Compliance Certificate.

- National Theatre and Contingent Owned Equipment PPPs were successfully procured and awaiting FEC approval to achieve commercial close and start implementation.
- Kirikiri Lighter Terminal I & II, and some Inland Container Depot projects are at the PPP procurement phase.
- Financial bid opening of Solar PV panels at Power House Maitama for the design, finance, build, operate, and transfer PPP model has taken place.
- Emergence of preferred bidders for the 22 grain silo complexes.
- Ongoing negotiations with GE on the framework for the Eastern and Western Rail Lines concession with the FEC approval of the OBC.
- Request for Proposal for six hydroelectric power plants issued.
- Successfully launched the first PPP Contracts/Projects Information Disclosure Web Portal in the world in collaboration with the World Bank, as well as published and launched the PPP Disclosure Framework for Nigeria.
- Gave impetus to the use of PPP procurement and the ease of doing business reforms of the government by discontinuing the collection of OBC and FBC Compliance Certification fees in October 2017 ~ sequel to the approval from the Federal Government. This would boost procurement of PPPs.
- Undertook PPP capacity building that benefitted the National Assembly, all Federal Permanent Secretaries, MDAs, some states and private sector officials.
- Facilitated, in collaboration with the World Bank, the APMG CP3P Certification programme at the foundation level, of which 55 out of 64 participants drawn from ICRC, MDAs PPP Units, States, and Private Sector passed.
- Ranked second out of 166 public institutions in the 2017 FOI Compliance and Transparency Ranking by the Public and Private Development Centre in recognition of the Commission's adherence to the dictates of the Freedom of Information Act.
- Accelerated dry ports delivery with Kaduna dry port planned for presidential launch in the first quarter of 2018.
- Concluded the promotion of qualified staff from the 2016 backlog after receiving approval from the Office of the Secretary to the Government of the Federation (SGF) for the exercise, and also concluded the 2017 promotion exercise.
- Notwithstanding the above achievements, the Commission is faced with challenges for which it continues to explore solutions, while at the same time seeking innovative methods of turning them into opportunities. Some of these challenges include the following:
- Insufficient funding which limits the Commission's ability to discharge its regulatory activities. We are seeking ways to improve our budgetary allocation, and at the same time engage donor agencies for technical and financial assistance to support our sensitization

- Lack of adequate enforcement powers over PPP contract agreements and disputes: A Bill to address identified gaps in the existing law of the Commission is pending before the National Assembly. The Bill aims to lay down the needed foundation regarding legal, policy and institutional arrangements for genuine partnerships with the private sector.
- Lack of Project Development Funding: the Commission is working assiduously with the Federal Ministry of Budget and National Planning and the Budget Office and other key stakeholders to develop a framework for the establishment of an Infrastructure Project Development Fund.
- Inability of most MDAs to maintain a stable pipeline of PPP projects. We are presently working to ensure that the 2018 pipeline of projects would be gazetted after the Federal Executive Council's approval. This would make it difficult for projects to be removed or replaced at ease.
- sustainability of the Nigerian PPP program by strengthening the legal, regulatory and institutional framework that are critical to its success. We will continue to push for amendments to the ICRC Establishment Act 2005 currently before the National Assembly;
- the proposed establishment of an infrastructure project development fund comes into fruition.
- improved regulatory environment through laid down guidelines for PPP stakeholders based on the adoption of best practices in project development, procurement and implementation. The Commission will work with MDAs to ensure that projects in the pipeline are viable and bankable such that they would attract local and international investors;
- intensified capacity building programmes for MDAs and pursuing initiatives with development partners and capacity building institutions towards building productive alliances and partnerships, including initiating a Nigerian PPP cadre system;

The Year 2018 brings massive opportunities for infrastructure delivery via PPP and we look forward to it with excitement. We have set the following targets for the year alongside the ones already mentioned above and we are resolute in ensuring that year 2018 will see the materialization of the following targets:

- rapid delivery of priority PPP projects by MDA using simplified PPP processes;
- stronger and better relationships with all relevant PPP stakeholders;

- establishment of the ICRC Academy and the ICRC PPP Project Finance Office in Lagos.

We cannot reiterate enough the need for long term infrastructure financing sourced from both international and domestic markets which would go a long way towards facilitating PPP delivery. These financial assets, which could be tapped domestically from funds reposed in the country's banking sector, sovereign wealth fund, pension funds and insurance funds would go a long way in

ensuring that the huge opportunities for infrastructure investment in all sectors of the economy are realized.

Government had demonstrated political will by developing the NIIMP as a framework for sustaining noble national infrastructural development over a 30-year period. The implementation of NIIMP is of essence to realize the administration's genuine efforts to shore up our infrastructure stock.

I would like to use this opportunity to earnestly thank President Muhammadu Buhari GCFR and Vice President Prof Yemi Osinbajo GCON for their unrelenting support to the ICRC and our nation's PPP programme. I also extend my profound appreciation to the Secretary to the Government of the Federation – Mr. Boss Mustapha, for his overwhelming support and exemplary leadership. The Commission continues to benefit greatly from his wealth of administrative experience. I would also like to thank the Head of the Civil Service of the Federation Mrs. Winifred Oyo-Ita for her leadership and continued insistence on the use of PPP procurement by MDAs.

I sincerely thank all our stakeholders – MDAs, National Assembly, Donor Agencies ~ such as World Bank, African Development Bank, Australian High Commission, etc ~ for their unalloyed support to the Commission in its effort to step up and increase the tempo of PPP activities. The results and successes recorded in 2017 are derived from ICRC staff's exceptional efforts and team spirit. I remain grateful to my dear colleagues for standing together through thick and thin.

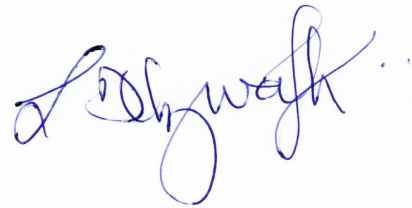
Our goal is further guided by this inspiring quote from His Excellency

the Vice President Federal Republic of Nigeria:

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

Vice President Prof. Yemi Osinbajo GCON

May God bless our country Nigeria!



Engr. Chidi K.C. Izuwah Snr.
Ag. Director General

SECTION

1

EXECUTIVE SUMMARY

Overview of 2017 Operating Year

The Administration of His Excellency President Muhammadu Buhari, GCFR took some key economic policy decisions within the year under review, like the Economic Recovery and Growth Plan (ERGP) and the Presidential Directive on Ease of Doing Business in Nigeria. These policies have great potentials of transforming the economy and their impact is already being felt in many areas of our economy including the satisfaction it is bringing to investors and the private sector in general.

One particular sector that drove the economy positively all through the recession was agriculture, but that sector alone cannot guarantee sustained increase in economic growth and development without complementary infrastructure. The envisaged bumper harvest from increased agricultural activities necessitates the need for modern storage facilities to preserve agricultural produce and more access roads to ease transportation of produce from the hinter lands to markets. There is thus the need for the government and the private sector to strengthen their partnership to provide enabling infrastructure that would make the sector more structured and competitive.

The decline in revenues of the Federal Government and the recovering economy impeded the attainment of the Commission's objectives and goals set out for the 2017 fiscal year. This is due to funding constraints from the national budget; and just like other MDAs, the ICRC had to adopt necessary measures to cut down on expenditure. Consequently, the Commission's funding level was not spared from the multiplier effects of the previous year as most activities lined up for the year had to be reprioritized and many shelved due limited funding.

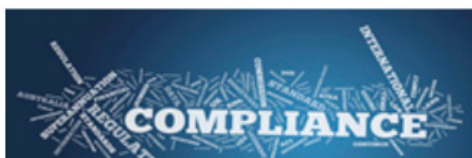
One of the key decisions taken later in the year was to discontinue the collection of Outline and Full Business Case Compliance Certification fees, after approval was obtained from the Secretary to the Government of the Federation (SGF). This was in line with Commission's strategic move to remove any impediment to the successful procurement of infrastructure through PPP and further lend credence to the ease of doing business policy of the current administration.

Planned Strategic Activities For 2017

The Commission's planned activities for 2017 covered both pre- and post-contract regulatory activities; and PPP advocacy and market development. The key targets for the year 2017 were to:

- (a) Establish an effective PPP Project Pipeline and develop a robust PPP market;
- (b) Strengthen the Nigerian PPP regulatory framework and advance the passage of the PPP Regulatory Commission Bill;
- (c) Focus on delivery of 2017 pipeline projects/first mover PPP transactions – rail, road, airport, seaport; leisure & tourism, etc;
- (d) Support MDAs to conclude transactions of pipeline projects in the development/procurement phase in line with agreed milestones;
- (e) Develop expertise in ICRC, MDAs & Private Sector in development of PPP projects and other transaction advisory services;
- (f) Monitor compliance of all on-going PPP contracts to ensure their efficient implementation within the confines of the laws, policy and regulations;
- (g) Develop and Implement the Contract Disclosure Framework and Launch the Web Portal;
- (h) Finalize & Publish PPP Policies, Regulations & Guidelines.

HIGHLIGHT OF ACCOMPLISHMENTS



Issued 22 OBC and 3 FBC certificates



Successfully launched the first PPP Contracts/Projects Information Disclosure Web Portal in the world;



Conducted PPP Awareness Sessions for House Committee on Special Duties and all Federal Permanent Secretaries.



Successfully conducted staff promotions resulting in 16 Promotions, including 2 Directors to man 2 Directorates



Facilitated FEC approval for the \$2.8 billion Ajaokuta-Kaduna-Kano (AKK) gas pipeline project proposal through the issuance of OBC Compliance Certificate to the Federal Ministry of Petroleum Resources.



Facilitated, in collaboration with World Bank, the APMG CP3P foundation level certification of 55 MDAs, ICRC & Private Sector officials as PPP Professionals.



Executed 34 capacity building programmes, which include induction courses, workshops, seminars, for ICRC staff, MDAs personnel, States and the private sector. 13 organizations benefitted.



Provided regulatory guidance for the development and procurement of Eastern and Western narrow gauge railways.

Governance and Management

The Executive Management Committee met regularly during the period under review. The Committee provided strategic leadership to the Commission on key governance activities geared towards strengthening its internal processes. Some of the key issues were the Annual Monitoring Plan for the Commission; Commission's Internally Generated Revenue; concluding the backlog of Staff Promotions; approval of Internal Business Rules for the Commission, Staff Handbook and Conditions of Service, performance incentives among others.

The Commission's amendment Bill ~ the Public Private Partnership Commission Bill, which is currently at the National Assembly made appreciable progress within the year. A public hearing was held on the 30th May, 2017 by the House Committee on Special Duties during which the Commission made its submissions. Further amendments to the Bill were proposed by various parties present at the hearing. The final report of the House Committee on the Bill is being awaited.

The Commission submitted the 2016 Annual Report and Audited Accounts to the President in line with Section 26(1) of the ICRC Act.

Policy Guidelines/ Circulars and Strategic Initiatives

The Commission has developed the following draft guidelines to guide the PPP process:

- A comprehensive review of the National Policy on Public Private Partnerships (N4P) to include aspects ~ such as: Hiring

Transaction Advisers, Joint Venture in PPP Transactions.

- A Guideline for PPP Contract Management by MDAs to guide project managers in the MDAs for effective monitoring of project implementation.
- A guideline for Extension/Renewal of Port Concessions.

Some of these documents are currently on the Commission's website awaiting stakeholders' inputs and comments. They are similarly being subjected to necessary expert consultations, reviews and approvals. All inputs will be collated and will form the basis for focused group discussions with segments of stakeholders, before final publication in later half of 2018.

Stakeholder Engagements

The Commission engaged the following stakeholders, MDAs, local and international bodies, States and the National Assembly on diverse issues in its efforts to strengthen the institutional and regulatory framework for the PPP programme in Nigeria.

- Engaged IMF in January on Nigeria's infrastructure development programme as part of the Fund's yearly Article IV Consultations.
- Collaborated with the World Bank on rigorous capacity training of Staff, MDA's, States and private sector geared towards obtaining certification as PPP professionals. Under the Bank's sponsorship, the foundation training and follow-up exam was concluded in the month of September and 55 out of 64 trainees were certified.

- Collaborated with the Australian High Commission on capacity building program for staff & MDAs.

The Ag. DG, Engr. Chidi K.C. Izuwah (4th from left) and the Head of the Civil Service of the Federation, Mrs. Winifred E. Oyo – Ita (5th from right) at the PPP Certification Training in collaboration with World Bank.



Capacity building for staff & MDAs in collaboration with Australian High Commission in Nigeria



Participants at the PPP Certification Training in collaboration with World Bank



Ag. Director - General, Engr. Chidi K.C. Izuwah (1st from right) at the capacity building for staff & MDAs in collaboration with Australian High Commission in Nigeria

- Engaged with Federal Permanent Secretaries by taking them through a one-day training session on PPP.



Ag. DG, Engr. Chidi K.C. Izuwah (1st from right) making a presentation at the one-day PPP training for permanent secretaries



Participants at the one-day PPP training for permanent secretaries

- Conducted the quarterly meetings of the PPP Units Consultative Forum towards knowledge exchange and experience sharing amongst PPP personnel in MDAs. The year saw the setting up of a joint monitoring team under the Office of Head of Service of the Federation that will oversee MDA's projects and provide needed interventions.



Participants at the first Quarter 3PUCF



Participating MDAs at the second quarter 3PUCF



Third quarter 3PUCF



Cross section of participants at the fourth quarter 3PUCF

- Engaged with the NNPC over the Ajaokuta-Kaduna-Kano Trans Nigeria Gas Pipeline Project, as a component of the Trans-Saharan Gas Project (TSGP). The Commission concluded the OBC review and issued compliance certificate within the third quarter of the year.



AKK gas pipeline

- Engaged the National Assembly on the Commission's activities and PPP form of procurement, policies and procedures. Awareness training was conducted for the law makers on the PPP framework/fundamentals in Nigeria.



PPP awareness training for members of the house committee on special duties

Human Resource

In line with the Commission's policy of rewarding hard work and supporting staff career progression, the 2016 promotion exercise was successfully concluded and 16 staff who met the criteria for elevation received their promotion letters, following approval from the Office of the Secretary to the Government of the Federation.

Finance and Accounts

Summary of Income and Expenditure for the Year Ended 31 –December 2018

	TOTAL RELEASE (N)	EXPENDITURE (N)	BALANCE(N)
PERSONNEL	708, 536.004	708, 536,004	NIL
OVERHEAD	102, 702,454.28	102, 609,991.02	92, 463.08
CAPITAL	17,155,122.59	4,204,625.00	12, 950,497.59

Challenges

- The Commission continued to experience funding constraints that hampered overall effectiveness in the conduct of its operations and regulatory activities in the realization of set goals and objectives.
- Lack of Project Development Fund to develop, promote and implement PPP projects continues to present serious setbacks and slow down the process.
- Capacity gap in the MDAs to prepare bankable projects ready for the market.
- Lack of enforcement powers over PPP contract agreements and disputes. A bill to address identified gaps in the existing law of the Commission is pending before the National Assembly.
- Inability of some MDAs to maintain a stable pipeline of PPP projects.

The year 2017 witnessed a change in the leadership of the Commission and a ramp up of activities aimed at increasing the Commission's visibility and raising awareness on its mandate and essential elements of the Nigerian PPP framework. To this end, determined efforts were made to engage crucial stakeholders, share the PPP success stories and challenges in local and international forums, publish vital information on PPP projects under the Commission's custody through the newly launched web portal, and embark on capacity building activities to increase PPP knowledge and develop core competencies in the country.

The new leadership also worked assiduously to engage staff and motivate them towards achieving planned goals and objectives for the year by clearing backlog of promotions and initiating strategic consultations through town hall meetings. The Commission is committed to working with all critical stakeholders, especially implementing MDAs and private sector partners

Conclusion

in fast-tracking the development and implementation of major road, agriculture, health, rail and aviation projects that will bring about inclusive growth and sustainable development.

In line with its mandate, the Commission continues to maximize the potential of PPPs for the development of the country and for the benefit of the Nigerian people. For the coming year, it targets to achieve even more, powered by the collective strength of its staff, as well as all individuals, institutions and agencies involved in the Nigerian PPP process.

SECTION

2

ROLE & MANDATE

2.0. In order to harness private sector technical expertise and financial resources for the provision of public infrastructure and service, the FGN enacted the ICRC Act in 2005 and inaugurated the Governing Board in November 2008 leading to the commencement of the Commission's operations, subsequently.

2.1. The ICRC Act confers on the Commission the powers to:

- a) Provide general policy guidelines, rules and regulations;
- b) Take custody of every concession agreement;
- c) Monitor and inspect PPP projects; and
- d) Ensure efficient execution of any concession agreement or contract entered into by the Federal Government.

2.2. The Act also provides for MDAs to enter into contracts with or grant concession to any duly pre-qualified private sector proponent for the financing, construction, operation, and maintenance of any infrastructure that is financially viable or any development facility of the Federal Government.

2.3. Deriving from this mandate, the role of the ICRC consists of four main components:

- Promoting, facilitating, supporting, coordinating and implementing a sound PPP Process; while ensuring that the principles of good governance are applied to all of the functions that form part of it;
- Providing transaction support and building capacity in all Federal Government MDAs for project development, tendering, negotiation and contract execution;
- Developing guidelines for monitoring contract compliance during construction, operation and contract termination; and
- Collaborating with other agencies, including similar State-level PPP Units, to implement an integrated national regulatory environment that is conducive to private sector investment in infrastructure projects.

SECTION

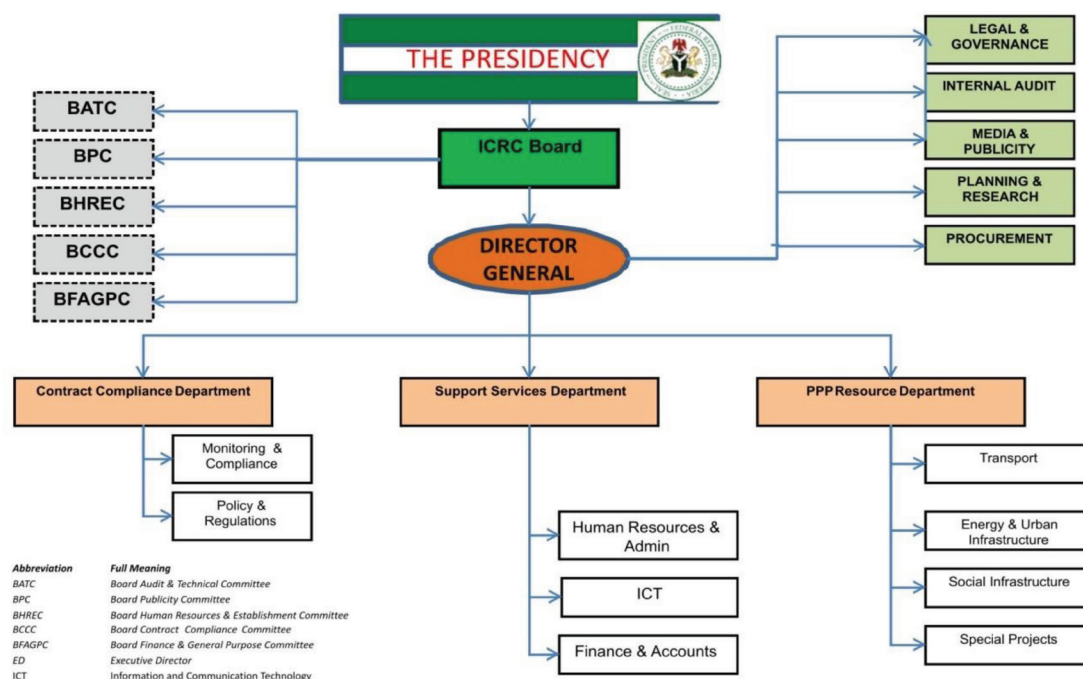
3

INSTITUTIONAL
STRUCTURE &
GOVERNANCE

3.0.

STRUCTURE AND FUNCTIONS

ICRC Organogram



The Governance and Organizational Structure of the ICRC is designed to facilitate the delivery of the Commission's mandate. The ICRC Act provides for the establishment of a Governing Board for policy formulation and other statutory functions.

Table 1 below shows the Governing Board Structure:

Table 1: ICRC Governing Board Structure

S/No	Status	
1	Chairman	Chairman
2	Secretary to the Government of the Federation (SGF)	Ex-Officio Member
3	Attorney General to the Federation (AGF)	"
4	Hon Minister of Finance (HMF)	"
5	Governor, Central Bank of Nigeria (CBN)	"
6	Rep South-South	Member
7	Rep South-West	"
8	Rep North-East	"
9	Rep North-Central	"
10	Rep South-East	"
11	Rep North-West	"
12	Director General, ICRC	Member/Secretary

The previous Board constituted the following five committees to aid its functions:

- a) Contract Compliance Committee (oversees activities of the Contract Compliance Department);
- b) Audit and Technical Committee (oversees the activities of the PPP Resource Department);
- c) Human Resource and Establishment Committee (oversees issues of human resource, governance, institutional relations, etc.);
- d) Finance and General Purpose Committee (oversees finance-related matters); and
- e) Media and Publicity Committee (oversees communication related matters)

However, within the review period, the Governing Board had not been reconstituted. Hitherto, all matters relating to the Board were brought to the attention of the office of the SGF which provided oversight on the Commission's operations in the absence of the Board.

3.1. Executive Management

Reporting directly to the Director General (DG) are Directors, manning the various directorates comprising: PPP Resource Department, Transportation Infrastructure Plus Department, Contract Compliance Department, Support Services Department, Internal Audit Department, and Research & Planning Department. The DG, all Directors and the Head Legal and Governance constitute the Executive Management Committee (EMC) of the ICRC, which met regularly during the period under review. Some of the key issues discussed and acted on were the Annual Monitoring Plan for the Commission, Internally Generated Revenue, Staff Promotion, Internal Business Rules, Staff Handbook and Conditions of Service, performance incentives among others.

3.2. General Management

The General Management Team comprises all Heads of Departments and Units which comprises of Information Communication Technology, Procurement, Monitoring & Compliance, Policy & Regulations, Legal & Governance, Media & Publicity, Finance & Accounts, Human Resource & Admin, Special Projects, Transport Infrastructure, Energy & Urban Infrastructure, and Social Infrastructure.

The General Management Team met thirty eight (38) times during the year to deliberate on the general administration of the Commission. The team recommended the publication of draft regulations and guidelines on the ICRC website for stakeholder input to the EMC, PPP capacity building programmes for staff and MDAs and other administrative processes.

3.3. 2016 Report of Activities & Audited Accounts

The Commission submitted the 2016 Annual Report and Audited Accounts to the President in June in line with section 26(1) of the ICRC Act.

3.4. Quarterly Reports to the Secretary to the Government of the Federation (SGF)

The Commission prepared mandatory quarterly reports of activities within the year for the SGF's office. On the whole it submitted four reports within the quarters: January-March/April-June/July-September/October-December 2017.

SECTION

4

MAJOR ACTIVITIES IN 2017

Some of the Commission's key activities during the period included providing pre- and post-contract regulatory guidance to MDAs in the following areas:

- a. Supported MDAs in establishing an effective PPP project pipeline aimed at developing the PPP market.
- b. Provided regulatory guidelines for MDAs to deliver public infrastructure services in line with best practices.
- c. Provided technical support to MDAs in preparing and structuring PPP projects in accordance with work plans and agreed milestones.
- d. Organized periodic training programmes for staff of PPP Units of MDAs aimed at building capacity to prepare, manage, and execute projects.
- e. Monitored PPP projects under implementation and ensured compliance with the contract terms and conditions within the confines of the law, policy, regulations and other best practices.
- f. Mediated between parties over disputed projects.
- g. Sustained the advocacy for and engagement of stakeholders on PPP procurement methods.

4.0 ACHIEVEMENTS WITH- IN THE YEAR UNDER RE- VIEW

The year 2017 marked significant changes for the Commission with the change in leadership and charting of a new direction that focused on maximizing the PPP potential of the Federal Government. The Commission scored major triumphs, and transformations as it strived to ensure the sustainable development of PPP projects in its pipeline. However, it remained undaunted and continued to perform its mandate creditably as the main facilitator of the PPP program and projects in the country. The following achievements were as a result

of genuine efforts of both internal and external stakeholders who wished the Nigerian PPP program to be a success story;

(a) Fast-tracking develop- ment of PPP projects in the pipeline

The Commission issued 22 Outline Business Case (OBC) and 3 Full Business Case (FBC) Certificates. The OBC certificates issued covered various projects in the agriculture, seaport, education, power, transport, and gas sectors of the economy which were undergoing preparation for PPP procurement.

The concession and leasing of 22 silo complexes across the country is at the final stage of procurement, as the Federal Ministry of Agriculture and Rural Development, under the regulatory oversight of the Commission, has concluded negotiations with preferred bidders. Draft Final Concession Agreements were being reviewed by the Project Delivery Team.

The Commission facilitated the FEC approval of the OBC for the \$2.8 billion Ajaokuta–Kaduna–Kano (AKK) gas pipeline project by the Federal Ministry of Petroleum Resources.

(b) Disclosure and Trans- parency

The Commission successfully launched the first PPP Contracts/Projects Information Disclosure Web Portal in the world with support from the World Bank PPP team. The portal provides detailed information on all PPP projects of the Federal Government of Nigeria under the Commission's custody as part of its disclosure process. Since then the portal has generated interest in the Nigerian economy and enhanced the country's regulatory framework. This in turn has earned Nigeria the highest PPP rating by the World Bank in the

fourth quarter, 2017.

A refresher training programme was organized for selected MDAs to acquaint them with information management on the portal. The web portal which undergoes regular updates can be located at: www.ppp.icrc.gov.ng

(c) Capacity Building Initiatives

The Commission undertook 34 PPP capacity building programmes for Staff, MDAs, States and the private sector. Its foremost desire to start building a crop of PPP professionals gained traction during the review period with the PPP foundation level certification of 55 MDAs, ICRC & Private Sector officials, with the support of the World Bank. A PPP awareness session with all Federal Permanent Secretaries was conducted in a bid to deepen the knowledge of government's key decision makers and create knowledgeable and committed PPP advocates.

(d) Staff career growth and development

As part of the Commission's plan to reward performing staff and elevate deserving ones to higher positions of responsibility, it has embarked on promotion exercises to clear existing backlog. It concluded the 2016 promotion exercise which saw 16 staff elevated to senior, middle management and directorate cadres, with two Directors emerging to expand the executive management team. The 2017 exercise which involved 14 officers is about to be concluded.

(e) Ease of Doing Business in PPP Procurement

The Commission in its bid to remove encumbrances to projects development caused by the country's present economic challenges

which have severely affected budgetary allocations to MDAs for project preparation, discontinued collection of Outline and Full Business Case Compliance Certification fees in October 2017. This was sequel to approval from the Federal Government and has, as expected, given an additional push to the ease of doing business in Nigeria which is the policy of HE President Muhammadu Buhari, GCFR geared at eliminating a major bottleneck that ab initio restricted the use of PPP procurement by MDAs.

(f) Freedom of Information Compliance

In recognition of its effort to adhere to the requirement of the Freedom of Information Act with respect to PPP transactions, the Commission was in the course of the year presented with a copy of the 2016 FOI Compliance and Transparency Ranking by the Public and Private Development Center. The ranking which placed the ICRC in the second position out of 166 public institutions under review, based on an assessment of levels of access to procurement related information, specifically procurement plans and processes, acts as a peer review mechanism among these institutions.

(g) Regulatory Oversight

As part of fulfilling its mandate, the Commission provided regulatory guidance, nurtured and carried out diligent oversight functions on all projects submitted by MDAs.

(h) PPP Project Development Fund

The Commission hosted the inaugural meeting of Technical Committee on the establishment of the proposed PPP Project Development Fund in January, 2017. It further developed a concept note on the nature and structure of the fund scheme that is currently undergoing review by the committee estab-

lished to work out the modalities for implementation. When put in place, the fund will enable Ministries, Departments and Agencies (MDAs) to develop bankable PPP projects and thus assist in implementing the National Integrated Infrastructure Master Plan (NIIMP).

(i) Overseeing the PPP Units Consultative Forum (3PUCF)

Through this Forum, the Commission undertakes knowledge sharing and direct PPP capacity building for MDAs through which members are exposed to relevant trainings, workshops, seminars, etc, taking place within and outside the country.

(j) Developed Policy Guidelines for PPP procurement

The Commission has developed some policy documents to guide the PPP process which are currently on the ICRC website awaiting stakeholders' inputs. The guidelines developed ranges PPP Contract Management by MDAs; extension/Renewal of Port Concessions.

4.1 2017 Pre-Contract Activity

Effective PPP implementation is anchored on proper selection and thorough project development. The Commission renders technical assistance and project advisory services to MDAs and sub-national governments, ensuring that PPP projects go through proper selection, preparation, and bidding. During the review period, the Commission assessed, for possible implementation, a total of 77 project opportunities in the pipeline as part of its pre-regulatory activity.

4.2 Targets for the Year 2017

The key targets for the ICRC in terms of pre-contract regulation were:

- Develop a robust PPP market in Nigeria.
- Focus on delivery of priority projects in the pipeline by providing enabling regulatory guidance.
- Support MDAs and guide them towards the conclusion of projects in various phases of the PPP processes.
- Coordinate the quarterly PPP Units' Consultative Forums and ensure knowledge and experience sharing
- Support the Federal Government drive to deliver critical infrastructure to citizens by simplifying some of the PPP processes.

4.3 Activities

A major activity undertaken by the Commission in fulfillment of its pre-contract regulatory function is the review of Outline Business Case (OBC) and Full Business Case (FBC) documents on projects submitted by the MDAs and the issuance of Compliance Certificates where merited. Other activities include: developing the capacity of staff, MDAs, private sector and key stakeholders on PPP fundamentals; coordinating the activities of the PPP Units Consultative Forum (3PUCF); updating projects in the pipeline regularly, and liaising with States on their PPP programme to ensure integration with the federal government infrastructure master plan.



Participated in the 26th Council for the Regulation of Engineering in Nigeria (COREN) assembly.



Ag.DG, Engr. Chidi K.C Izuwah (1st from left) and the Honourable Minister FCT His Excellency, Alhaji Muhammad Musa Bello (1st from the left) at the inauguration of inter- ministerial committee for Katampe district project.



Signing of Memorandum of Understanding with Nigerian Bar Association (NBA)



Signing of Memorandum of Understanding with Aninver

REVIEW OF OBC/ FBC REPORTS

The Commission reviewed 28 and out of this number, 22 OBCs and 3 FBCs received from MDAs were issued compliance certificates where appropriate (see full list in appendix 2). This means the 22 projects can proceed to procurement while the 3 projects can proceed to implementation phase after the approval of the Federal Executive Council (FEC).



Presentation of OBC Compliance Certificate to the Federal Ministry of Power, Works & Housing; National Open University (NOUN) Federal Ministry of Agriculture and Rural Development.

PPP UNITS CONSULTATIVE FORUM (3PUCF)

The Forum was initiated by the Commission to provide knowledge and experience sharing platform for Heads of PPP Units in MDAs; and 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.

Table 2: 2017 Quarterly 3PUCF Schedules

Quarter	Venue/Host
1 st Quarter - 2 nd March 2017	Federal Ministry of Water Resources
2 nd Quarter - 1 st June 2017	Nigerian Ports Authority
3 rd Quarter - 7 th September 2017	Federal Ministry of Power, Works & Housing (Power Sector)
4 th Quarter - 7 th December 2017	National Inland Waterways Authority

The Monitoring and Evaluation (M&E) Committee of the 3PUCF, which was constituted in 2016, developed a framework to serve as a guide in carrying out its functions. The framework covered visitation to MDAs PPP Units to assess the governance structure, staffing and operations, staff capacity and other PPP project delivery issues. The Committee has so far visited 8 PPP Units between May and September, 2017 in Lagos and Abuja. These included the Nigerian Airspace Management Agency (NAMA), Nigerian Railway Corporation (NRC), Nigerian Ports Authority (NPA), Nigerian Maritime Administration and Safety Agency (NIMASA), Nigerian Shippers' Council (NSC), National Arts Theatre, Centre for Management Development (CMD) and Federal Ministry of Education (FMoE).

The visit revealed some common issues faced by the MDAs:

- Lack of synergy between supervising ministries and their agencies which hinder success of projects.
- High turnover of staff and lack of commitment from management
- Understaffing and insufficient office space which constitute an impediment to the Units' efficient operations.
- Deficient capacity knowledge of PPP transactions.
- Funding constraints militating against projects development and Units' smooth operations.

As a way forward, the forum has intensified its advocacy for the setting up of a Project Development Fund by the Federal Ministry of Budget and National Planning in order to help MDAs fast track PPP projects preparation. The process for approvals is in progress.

CAPACITY BUILDING

The Commission also undertook several in-house and external capacity building programmes with focus on basic PPP training/awareness on the Nigerian PPP framework. Some of the MDAs that received capacity building trainings as a result include: Federal Ministry of Science and Technology, Nigerian Shippers Council, Federal Ministry of Defence, Federal Ministry of Petroleum Resources, Federal Ministry of Information and Culture and Nigerian Railway Corporation (see appendix for a full list). Where necessary, collaborated with relevant development partners, such as the World Bank, to deliver PPP knowledge based trainings.



Participants at the PPP training for selected staff of Abuja Investment Centre

4.4 PPP Project Updates

At the end of 2016, and sequel to submissions by several MDAs, the Commission published a list of 77 projects as eligible projects for the National PPP opportunity. In the course of the year, there were periodic project updates following regulatory guidance activities of the Commission.

The Concession of the fallow land around the National Arts Theatre which recorded tremendous progress with the issuance of a Full Business Case (FBC) Compliance Certificate and development of the draft Concession Agreement by the Commission did not progress further than its 2016 status.

The Commission is pushing that the project advances to the implementation stage. Consultations are still ongoing between the Commission, the Federal Ministry of Information and Culture and other key stakeholders on the way forward. The Commission however remains committed to the successful conclusion of the concession contract as the best way forward for the National Theatre.

The Ajaokuta – Kaduna –Kano Gas pipeline project gained momentum during the year with granting of the OBC Certificate of Compliance, paving way for the required approval by the Federal Executive Council (FEC) for the project to proceed to the next stage. The concession and leasing of 24 Grain Storage Facilities across the country is at the final stage of procurement, and the Federal Ministry of Agriculture and Rural Development, under the regulatory oversight of the Commission, has concluded negotiations with preferred bidders. The Ministry is now in the process of finalizing the draft concession agreement and FBC.

By the end of the year, while some projects made little progress, (due mainly to MDA related issues), the 48 projects in the table below made significant progress.

Table 3: Status of Pre-Contracts Projects as at 31st December, 2017

SN	PPP Project	MDA	Status
1	<p>The Development of the Bakassi Deep Sea Port</p> <p>The Cross-River State Government (CRSG) proposes to construct a sea port at Bakassi in collaboration with the Federal Government of Nigeria, under a PPP arrangement and in accordance with existing legal framework for port development.</p>	Federal Ministry of Transportation	Cross River State has procured Feedback Infrastructure Services as the consultant to prepare the OBC for the proposed project with a completion period of 12 months.
2	<p>Kirikiri Port Lighter Terminal I&II - Nigerian Ports Authority (NPA)</p> <p>The Federal Ministry of Transportation, through the Nigerian Ports Authority (NPA), proposed a concession to rehabilitate and upgrade the terminals. The project development and procurement costs are funded under the International Development Association (IDA) credit for PPP support projects.</p>	The Federal Ministry of Transportation	Evaluation of prospective bidders Technical proposals took place in October 2017 and the qualified firms proceeded to the next stage of the process, which is the financial proposals bid opening.
3	<p>The Development of Inland Container Depot (ICD) in Dagbolu, Osun State</p> <p>The ICD when developed will provide storage and cargo handling facilities for export and import of containerized cargos to and from the hinterland of Nigeria especially around the Southwest states.</p>	The Federal Ministry of Transportation/ Nigerian Shippers' Council.	<p>The Commission re-issued the Nigerian Shippers' Council (NSC) an OBC Certificate November 8th, 2017.</p> <p>The project is to proceed to procurement phase for the competitive selection of preferred concessionaire.</p>
4	<p>The Development of Inland Container Depot (ICD) in Onitsha, Anambra State</p> <p>The proposed ICD has a modular design to handle 5,000 TEUs annually. The site measures approximately 100 hectares.</p>	The Federal Ministry of Transportation/ Nigerian Shippers' Council.	<p>The Commission re-issued the Nigerian Shippers' Council (NSC) an OBC Certificate November 8th, 2017.</p> <p>The project is to proceed to procurement phase for the competitive selection of preferred concessionaire.</p>

5	Eastern and Western Railway Lines – Nigerian Railway Corporation This project involves the Concession of the Western and Eastern railway lines for the provision of rail services	The Federal Ministry of Transportation	The Ministry of Transportation announced in 2017 that GE Consortium would invest in resuscitating the existing narrow-gauge railways. FEC gave approval for the OBC on 17 th May 2017 FMoT is negotiating with the GE Consortium on Framework Concession agreement.
6	Development of a Maintenance, Repairs and Overhaul (MRO) Facility The FGN intends to develop an MRO to provide services to the airlines locally and regionally	The Federal Ministry of Transportation (Aviation)	The Ministry has procured Catamaran Consortium to act as the Transaction Advisers for the process.
7	Concession of 4 International Airports (Abuja, Lagos, Kano and Port Harcourt)	The Federal Ministry of Transportation (Aviation)	The Ministry has procured Proserve Consortium to act as the Transaction Advisers (TAs) for the process.
8	Warehouse in a Box (Lagos and Abuja) The management of the Warehouse-in-a-Box (WIB) Project for Abuja and Oshodi, Lagos, under a PPP arrangement to promote efficient and integrated health sector supply chain management in Nigeria.	Federal Ministry of Health	The Commission issued an OBC Certificate of Compliance on March 10 th , 2017 RFQ Evaluation concluded. Next stage is issuance of RFP to successful bidder emerging from the RFQ stage.
9	Upgrade of the 3rd Phase of Teaching Hospital Rehabilitation Project. The Federal Government through the Federal Ministry of Health seeks to Rehabilitate 7 Teaching Hospitals and Construct a 500bed state-of-the-art specialist hospital through PPP. This is the 3rd of the Teaching Hospitals rehabilitation process. The 1st and 2nd Phases were procured traditionally.	Federal Ministry of Health	Inaugural meeting of the Project Development Team (PDT) held on the 25th of August, 2017 at the Minister's Conference Room Transaction Adviser (TA) to the project is Facilicomm Nig. Ltd.

10	<p>Industrial Development Centres (IDCs) - Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)</p> <p>The objective of the project is to redevelop 23 Industrial Development Centers (IDCs) into Industrial Clusters across Nigeria (in 6 geopolitical zones) using the PPP Model.</p>	Federal Ministry of Industry, Trade and Investments	<p>Logic Triangle was selected as TA for preparation of OBC.</p> <p>Site visit to the 23 IDCs Centers was conducted and led by the TA, Logic Triangle. OBC development in progress.</p>
11	<p>National Automotive Design Development Council (NADDC)</p> <p>The Council intends to develop a World-class training centre towards the realization of the Federal Government's National Industrial Revolution Plan and Nigeria Automotive Industry Development Plan of 2014. The proposed centre is a 9-storey building on a 5,428sqm land that is located in Jahi district of the FCT. The project will provide an office space for NADDC and the following additional services; Training area, exhibition room, workshop, office space, halls to let and a restaurant. The PPP option is Design, Finance, Build, Operate and Transfer (DFBOT).</p>	Federal Ministry of Industry, Trade and Investments	<p>Negotiation meeting held on Tuesday, December 19th 2017, between NADDC and PAN Learning Centre, the preferred bidders.</p> <p>Project review by ICRC was in progress to resolve all regulatory issues and move the project forward.</p>
12	<p>Development of Transnational Border And Regional Markets across the country</p> <p>(Okerete Market, Sarki LGA, Oyo State as pilot scheme)</p>	Federal Ministry of Trade, Industry & Investments, Abuja	<p>Meeting on the way forward held on the 27th of July, 2017 in the Permanent Secretary's conference room during which the Ministry was advised to engage the services of a TA.</p>
13	<p>Trans-Nigeria Gas Pipeline (AKK) project 614 kilometers 40" pipeline from Ajaokuta to Kano.</p> <p>Procurement of EPC Financier - Contractors for Lots 1, 2 & 3.</p> <p>Lot 1: Ajaokuta to Abuja.</p> <p>Lot 2: Abuja to Kaduna.</p> <p>Lot 3: Kaduna to Kano</p>	Federal Ministry of Petroleum Resources / Nigerian National Petroleum Corporation (NNPC)	<p>OBC Compliance Certificate granted to NNPC 10th July 2017</p> <p>FEC approved OBC report for implementation of the project.</p>

14	Concession of Defence Jetty, Marina Lagos Messrs. Inspium Multi-Services Limited (IMSL) is proposing through Build-Operate and Transfer (BOT) PPP model the rehabilitation and construction of the Ministry of Defence Jetty at Marina, Lagos to provide the following services: Ferry Service Parking, Helicopter Parking, Car Parking, Office Letting, Berthing	Federal Ministry of Defence	The Commission issued the Federal Ministry of Defence an Outline Business Case Certificate November 8th, 2017.
	Services, Afloat Repair Services, Warehousing Services, Restaurants & Café, Professional Training Services.		
15	Biometric ID Cards This project involves the adoption of smart card and biometric technology to secure the identification of documents as a prerequisite for managing migration and to enhance regional security, which is the outcome of the deliberation of ECOWAS Heads of Governments in order to meet the challenges posed by migration.	Federal Ministry of Interior	The Ministry was issued an OBC Certificate of Compliance to the Ministry of Interior to present to FEC for approval.
16	Development of Fallow Land around the National Theatre	Federal Ministry of Information & Culture	Negotiations have been concluded with the preferred bidder Topwide/Apeas Consortium. A revalidated FBC certificate of compliance was granted.
17	Development of hostel facilities and accommodation for Staff and Students	Federal University, Wukari/Federal Ministry of Education	The submitted document was reviewed and the University advised to prepare an OBC for the project.
18	Concession and Leasing of Grains Storage Facilities (22 silos across the country)	Federal Ministry of Agriculture	Negotiation with the preferred bidders ended on 14th November, 2017. Submission of FBC and Draft Final Concession Agreement in progress.
19	Marina Quayside Strip Project	Federal Ministry of Power, Works & Housing (FMPWH)	The updated OBC was reviewed and a Certificate of Compliance granted on August 16, 2017.

20	Development of Hydroelectric power plants. 10MW Oyan Dam, Ogun State and 450KW Owena Dam, Ondo State with Messrs Green Stratos Private Consulting Ltd as Transaction Advisers.	Federal Ministry of Power, Works & Housing (FMPWH)	OBC review concluded and Compliance Certificate issued.
21	Ajaokuta Steel company Ltd & National Iron Ore Mining Company (NIOMCO) Rehabilitation, completion, management and operation of Ajaokuta Steel Company and National Iron Ore Mining Company (NIOMCO) through PPP arrangement	Federal Ministry of Power, Works & Housing (FMPWH) and Federal Ministry of Mines & Steel (FMMSD)	Greenwich Trust Ltd was appointed as Transaction Adviser by the Ministry for ASCL Meanwhile a Business Plan for the ASCL operation submitted by Global Infrastructure Nigeria to the Ministry of Mines and Steel Development was reviewed and a number of gaps noticed. This has been communicated to Global Infrastructure Nigeria Limited for update. Project Strategy being reviewed by the Ministry of Mines and Steel Development.
22	Solar Power Generation Facilities Development of Electrical Solar Power at Power House, Maitama. 750KW daytime on the rooftop.	Federal Ministry of Power, Works & Housing	Technical and Financial proposal evaluation completed.
23	Transformer Repair Services The project is an unsolicited proposal by Kilowatt Electrics Limited (KWEL) for a joint venture partnership with the Nigerian Electricity Management Services Agency (NEMSA), to operate the transformer repairs workshop in Ijora Lagos and construct transformer repair workshops in Port Harcourt and Kaduna centers. The partnership will also include the role of electrical inspection, testing and certification of all electrical installation hitherto performed by NEMSA.	Federal Ministry of Power, Works & Housing	OBC Compliance Certificate granted 16th August 2017. A work plan for the project was circulated by ICRC at the PDT meeting of 21st November, 2017 Preparation for the publishing of the Expression of Interest (EOI) is ongoing.

24	<p>Development of Hydroelectric power from existing 6 Small & Medium from dams across the Country</p> <p>Federal Executive Council (FEC) gave an approval on the 30th November 2016 for hydropower generation from following 6 dams.</p> <ul style="list-style-type: none"> i. Bakolori Dam, Zamfara State ii. Omi - Kampe Dam, Kogi State 	Federal Ministry of Power, Works & Housing	<p>The Request For Proposal (RFP) was sent to pre-qualified bidders while the pre-bid conference was held on the 10th October 2017. Submission of RFP was extended to 11th January 2018.</p> <p>There were site visits to the dams and River Basin</p>
	<ul style="list-style-type: none"> iii. Doma Dam, Nasarawa State iv. Jibiya Dam, Katsina State v. Zobe Dam, Katsina State vi. Ikere Gorge Dam, Oyo State 		Development Authorities between the 14th - 19th December 2017.
25	<p>Concession of the Power components of the Gurara 1 dam (30MW)</p> <p>The project is an operation and maintenance (O & M) of the dam hydro power plant, as the FMoWR has completed the construction of this facility and its multi-purpose assets, including a completed 30MW generating facility.</p>	Federal Ministry of Water Resources	<p>FEC granted OBC approval to proceed to procurement stage on January 11th, 2017.</p> <p>Bidders conference to clarify all outstanding issues/actionable items before bid submission took place on 20th December, 2017.</p>
26	Abuja Light Rail Lot 2 PPP Project.	Federal Capital Territory	A meeting was held on December 22, 2017 at the SGF's office whereby IRMG made a presentation on the way forward with the project The meeting was adjourned to a later date.
27	Ibom Deep Sea Port	Federal Ministry of Transportation / Nigerian Ports Authority	<p>Request for Qualification (RfQ) placed in the print media for the selection of concessionaire.</p> <p>Next step: Selection of a preferred concessionaire.</p>
28	The Development Of Deep Sea Port In Badagry, Lagos	Federal Ministry of Transport/ Nigerian Ports Authority	<p>FEC approval for OBC has been obtained.</p> <p>Next step: NPA to procure a transaction adviser to guide the concessionaire procurement stage of the process</p>

29	Onitsha River Port Project	Federal Ministry of Transport (FMoT)/ National Inland Waterways Authority (NIWA)	Technical evaluation for concessionaire procurement concluded and awaiting approval of NIWA and FMoT. Next Stage: Financial Bid opening and Negotiation with preferred concessionaire.
30	Koko Port Concession	Federal Ministry of Transportation / NPA	NPA to procure a Transaction Adviser (TA) to prepare an OBC to determine the project's viability and bankability.
31	Ikorodu Lighter Terminals	Federal Ministry of Transportation / NPA	The Ministry is in the process of procuring a TA to prepare an OBC to determine the project's viability and bankability.
32	Provision of Utilities to the Ports	Federal Ministry of Transportation / NPA	The Ministry is in the process of procuring a TA to prepare an OBC to determine the project's viability and bankability.
33	Development of Inland Container Depot (ICD) in Benin, Edo State	Federal Ministry of Transportation / Nigeria Shippers Council (NSC)	This is an unsolicited cited proposal from MRS.
34	The Development of Inland Container Depot (ICD) in Lokoja, Kebbi State	Federal Ministry of Transport/ Nigerian Shippers Council (NSC)	OBC Compliance Certificate issued for the project. <u>Next step:</u> Negotiation with the preferred concessionaire, Deltatlantic Nigeria Limited
35	The Development of Container Freight Depot (CFS) in Ogwashi-Uku, Delta State	Federal Ministry of Transport/ Nigerian Shippers Council	Halcrow Infrastructure Consortium was procured as Transaction Adviser to take the project throughout the procurement process. A suit was filed at the Federal High Court, Asaba by Intercontinental Freight Limited and the Commission was joined with six others as defendants. The Commission is awaiting outcome of litigation

36	Development of Truck Transit Park (TTP) in Obollo-Afor, Enugu State	Federal Ministry of Transportation / Nigeria Shippers Council (NSC)	Catamaran Nigeria Limited was appointed as TA. Next Step: Preparation and submission of Outline Business Case
37	Development of Truck Transit Park (TTP) in Lokoja, Kogi State	Federal Ministry of Transportation / Nigeria Shippers Council (NSC)	Halcrow Infrastructure Consortium was appointed as Transaction Adviser. Next Step: Preparation and submission of Outline Business Case
38	Contingent Owned Equipment (COE)	Federal Ministry of Interior	Joint OBC/FBC Compliance Certificates were issued for presentation to FEC. Next step: Awaiting FEC approval
39	Rehabilitation, Expansion and Operation of the Nigerian Prisons Service Shoe Factory (NPS SF), Aba	Nigerian Prisons Service	OBC Compliance Certificate was issued Next step: The Commission advised NPS to commence procurement process which will lead to the preparation of a FBC and the emergence of a preferred project proponent
40	The Naval Ship Dockyard, Lagos	Federal Ministry of Defence	The Commission issued OBC Compliance Certification Next Step: Awaiting FEC approval of OBC
41	Trans-Nigeria Gas Pipeline	Nigerian National Petroleum Corporation (NNPC)	OBC Compliance Certificate issued, while FEC approved the project for implementation. Next step: Finalization of EPC and project financing agreements for the three (3) project lots
42	Establishment of Nigerian Passport application support Centers	Federal Ministry of Interior/ Nigeria Immigration Service	The Commission issued an OBC Certificate of Compliance Next Step: Awaiting FEC approval

43	Immigration and Border Line Management	Federal Ministry of Interior	The Commission issued OBC Compliance Certification Next Step: Awaiting OBC FEC approval
44	ONEX through Mpape-Gurku-Ado/Gurku-Nyanya in the FCT, Abuja	Federal Capital Territory, FCTA	The project is at development phase involving procurement of Transaction Adviser and preparation of OBC.
45	Establishment of an Aviation Leasing Company (ALC)	Federal Ministry of Transportation/Aviation	Catamaran Consortium was procured as TAs and is currently developing an OBC. Next step: OBC report being awaited
46	Development of an Aerotropolis (Airport City)	Federal Ministry of Transportation/Aviation	The Infrastructure Bank (TIB) Consortium was procured as TAs and is currently developing an OBC. Next step: OBC report being awaited
47	Development of a 6 Cargo/Agro Airports in the Geo-Political zones.	Federal Ministry of Transportation/Aviation	The Infrastructure Bank (TIB) Consortium has been procured as TAs and is currently developing an OBC. Next step: OBC report being awaited
48	Establishment of a National Carrier.	Federal Ministry of Transportation/Aviation	The Federal Executive Council has just given approval to replace Lufthansa Consulting with Airline Management Group (AMG) to undertake the Transaction Advisory assignment. Next step: OBC report being awaited
49	Concession of National Stadium Lagos/Athletes Hostels Abuja. The Federal Ministry of Youth & Sports Development would like to engage Concessionaires for the following projects:	Federal Ministry of Sports and Youth Development	Procurement of TA.

50	Development of Commercial hub by the National Open University of Nigeria (NOUN) at their Head office, Jabi, Abuja	National Open University of Nigeria/Federal Ministry of Education	Issued an OBC Certificate of Compliance on 30 th September, 2017
51	Development of Recreational park at National Commission for Museum of Monuments land in Enugu 	Federal Ministry of Information and Culture	Issued an OBC Certificate of Compliance on 16 th October, 2017
52	Sugarcane Bio-Factory, Zaria. The Council would like to engage Concessionaires for the Operation and Management of the facility to make it more efficient and productive.	National Sugar Development Council	PDT Constituted and Inaugurated on 14 th Nov 2017. Project preparation in progress.

4.5 2017 POST-CONTRACT ACTIVITY

4.5.0 Projects under the Commission's Custody

Currently, the Commission has 51 PPP contracts under its custody comprising: 3 PPP contracts in the Aviation sector, 27 Ports, 6 Inland Container Depots, 2 Information Technology, 3 Social Infrastructure (complexes), 3 Hydro Electric Power projects, 2 Telecommunications Infrastructure, 1 Health Care Delivery Service, 1 Urban District Infrastructure, 1 Marine Security, 1 Housing Development, and 1 Iron Ore Mining concession project. Of this total number of concessions, 4 contracts have been terminated, namely (2 National Identity Card concessions, 1 Port Terminal concession and 1 Aviation concession). Additionally, 1 concession has been temporarily suspended (a Maritime Security Contract). These concessions are valued at over N3.2 trillion/USD 9 billion, representing private capital investment in the provision of public infrastructure.

The Commission is however optimistic that with the drive towards growing the nation's infrastructure using PPP by the current administration, considerable number of new PPP projects in sectors like the aviation, rail transport, sea ports, power, agricultural extension and road sub-sectors will reach both commercial and financial close in 2018.

Within the year under review, the Concession for the Development, Finance, Maintenance, Operate and Transfer of Port Terminal (AP Moller Finance/Lilypond Container Depot ~ Ijora) expired and the Commission

held discussions with the Nigerian Ports Authority on the way forward. The Building Complex/Trade Centre– Finance, Maintain and Development Contract of the Lagos International Trade Fair Complex (LITFC) was cancelled in 2017 by the National Council on Privatization and the Commission is liaising with relevant stakeholders to grant another concession over the facility.

The Commission has been involved in the Inter Agency Committee set up by the Nigerian Ports Authority to review the port concession contracts. The Committee is made up of Federal Ministry of Transportation, Federal Ministry of Justice, BPE, ICRC and NPA.

4.5.1 ICRC's Dispute Resolution Activities

The Commission within the year under review intervened in disputes over the following PPP contracts:

- Concession Agreement for the Design, Build, Finance, Operate TCN's Fibre Optic Cable Telecommunications Infrastructure for the Western and Eastern parts of Nigeria, signed between the Transmission Company of Nigeria (TCN) and Phase 3 Telecom Limited, and between Transmission Company of Nigeria (TCN) and Alheri Engineering Company Limited;
- Concession to Design, Develop, Finance, Construct, Complete, Test, Commission, Operate, Manage, Maintain and Transfer of the MMA2 Terminal signed between The Federal Airports Authority of

Nigeria (FAAN) and Bi –Courtney Aviation Services Ltd;

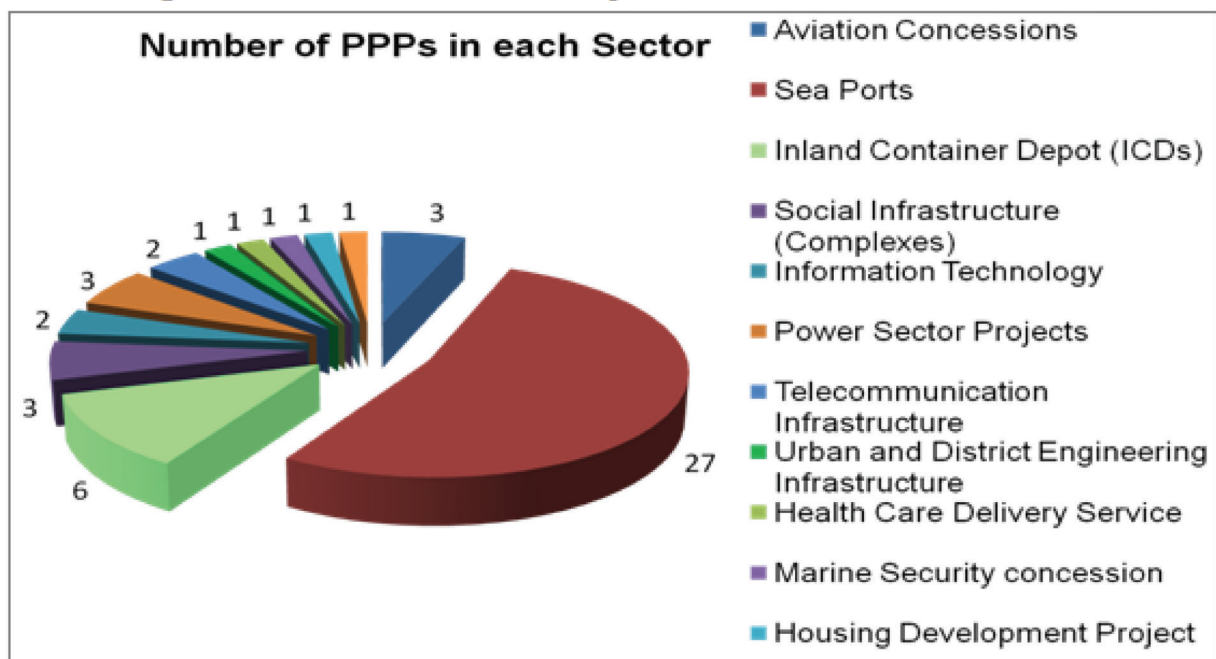
- Concession for the Construction and Development of a Hotel & Conference Centre at the MMA2, Ikeja – Lagos, signed between Federal Airports Authority of Nigeria (FAAN) and Bi –Courtney Ltd.
- Concession for the Acquisition, Installation, Operation and Management of World Class Integrated System in Designated Airports (MMA –Lagos, Abuja & Kano) signed between the Federal Airports Authority of Nigeria (FAAN) and Maevis Nigeria Ltd.

From the tabular presentation below, sea ports rank the highest in terms of sectors with PPP projects, followed by inland container depot contracts.

Table 4: Projects under the Commission's Custody

Sectors/Projects		% PPPs by Sector	
S/No		Number of Projects	
1.	Aviation Concessions	3	6
2.	Sea Port Terminals	27	52
3.	Inland Container Depot (ICDs)	6	12
4.	Social Infrastructure (Complexes)	3	6
5.	Information Technology	2	4
6.	Power Sector Projects	3	6
7.	Telecommunication Infrastructure	2	4
8.	Urban Infrastructure	2	4
9.	Health Care Delivery Service	1	2
10.	Marine Security concession project	1	2
11.	Housing Development Project	1	2
12.	National Iron Ore Mining	1	2
	Total	51	100

Sector Representation of the PPP Projects



4.5.2 Monitoring Visit to Garki Hospital Abuja

In December 2017, the Commission visited Garki Hospital Abuja. The objective of the visit was to inspect the facilities and interact with the management of the hospital, in a bid to assess the commitment and performance of the concessionaire and other operational challenges.

During the facility tour, the Commission took note of the following:

- Hospital operates a fully digital and paperless system, including billing.
- Hospital provides free healthcare for poor patients through its Pro-Poor Healthcare Safety Net as required by the agreement.
- Waiting time for patients has significantly reduced.



Ag. DG, Engr. Chidi Izuwah (3rd from right - front row); Director, Contract Compliance Department, Mr. Bamalli (1st from right - front row), the Group Medical Adviser of Garki Hospital, Dr. Ibrahim Wada (4th from row) at the monitoring visit to Garki Hospital.



Ag. DG, Engr. Chidi Izuwah (3rd from right), The Group Medical Adviser Garki Hospital, Dr. Ibrahim Wada (2nd from left) and the Director, PPP Resource Department, Mr. Mike Ohiani (2nd from right) at the monitoring visit to Garki Hospital Abuja

Table 5: Post Contract Activities - Status of PPP Contracts under Implementation

S/N	Project	MDAs/Concessionaires	Duration	Status
1.	Concession for the Development, Finance, Maintenance, Operate and Transfer of 12 Port Terminals: 6 in Apapa, 1 in Ijora, and 5 in Tin Can Island.	<p>MDA: Federal Ministry of Transportation/Nigerian Ports Authority (NPA)</p> <p>Concessionaires: Apapa Port <ul style="list-style-type: none"> Apapa Bulk Terminal Limited for Terminals A & B ENL Consortium for terminals C & D Greenview Development Nigeria Limited for Terminal E APM Terminals Apapa Limited for Container Terminal AP Moller Finance for Lilypond Container Depot, Ijora </p> <p>Tin-Can Island Port <ul style="list-style-type: none"> Five Star Logistics Limited Ports And Terminal Multi-Service Ports And Cargo Handlings Services Limited Tin-Can Island Container Terminal Limited Josepdam Ports Services Limited </p>	10 to 25 years Oct, 2005 – Sep 2031	<p>The review period saw the setting-up of an Inter-Agency Committee to review the ports concessions.</p> <p>Progress</p> <ul style="list-style-type: none"> Most of the terminals fulfilled their financial obligations (lease fees, throughput fees, etc; Considerable level of investment in properties, plants and equipment made; Agricultural produce like sesame seeds, cocoa, etc, now exported through the terminals; Improvement in the health, safety and environmental standards. <p>Challenges</p> <ul style="list-style-type: none"> NPA yet to fully honour her obligation to dredge the ports channels to its covenanted depth as agreed in the Lease; Need for NPA to urgently repair integrity of the quay walls around the ports caused by wear and tear of the anchoring structure and bearing piles; thus inability of heavyweight cranes to ply it so as to avoid collapse of the berth walls. Long dwell time for cargos as a result of low fees for storage,
2.	Concession for the Development, Finance, Maintenance,	<p>Port Harcourt Port</p> <ul style="list-style-type: none"> BUA Ports and Terminals Ltd 		

	Operate and Transfer of 12 Port Terminals.	<ul style="list-style-type: none"> Port & Terminal Operators Nig Ltd 		<ul style="list-style-type: none"> Poor access road to most of the ports, especially Tin-Can and Apapa ports; Non-functional Scanners hence customs resorting to 100% physical examination, prone to abuses and unnecessary delays; (E Customs PPP Project will address) Issues of poor wreck removal by NPA and inadequate provision of utilities like electricity and water; No automatic mechanism to adjust Naira/USD rates and other foreign exchange related challenges; Unfair competitive environment (channel depth, non-existence of rail connection); Multiplicity of Government Agencies around the Port area delays the clearing process and increases clearing cost; Government ban on importation of certain products and its automotive policies have greatly affected ports operations and reduced operators' revenue; <p>Way forward</p> <ul style="list-style-type: none"> Need to amend the Customs and Excise Management Act; Immediate review of the terminals
	3 in Onne, 2 in Port Harcourt, 3 in Calabar and 4 in Warri	Onne Port <ul style="list-style-type: none"> Brawal Oil Services Terminal Intels Nig Ltd – FLT Intels Nig Ltd - FOT 		
		Calabar Port <ul style="list-style-type: none"> Intels Nig Ltd – Calabar Terminal Shoreline Logistics Terminal Ecomarine Nigeria Ltd 		
		Warri Port <ul style="list-style-type: none"> Intels Nig Ltd Terminal A Intels Nig Ltd Terminals A & B Associated Maritime Services Limited (AMS) Julius Berger Services Limited Greenleigh Ports (Terminated) 		
				<ul style="list-style-type: none"> Guaranteed

				<p>Minimum Tonnages in line with economic and market realities;</p> <ul style="list-style-type: none"> ▪ Downward review of operators lease fee as a result of the drop in volume of activities; ▪ Provide security along the channels, as most vessels visiting the port terminals in the south-south region spend heavily on security escort to the port of destination; ▪ Mechanism for adjustment of operational rates which are highly impacted by inflationary rate and the devaluation of the local currency.
3.	Concession for the Operation and Management of the Garki District Hospital to provide Primary, Secondary and Tertiary Health Care in an efficient and commercially viable manner.	<p>MDA:</p> <ul style="list-style-type: none"> ▪ Federal Capital Development Authority <p>Concessionaire:</p> <ul style="list-style-type: none"> ▪ NISA Premier Hospital Ltd 	15 Years March 20 2007 – March 19 2022	<p>Under Implementation</p> <p>Progress</p> <p>The Commission conducted a monitoring visit to the project in December as part of its statutory functions. Some of the highlights from the visit were:</p> <ul style="list-style-type: none"> ▪ Hospital currently has investments totalling N45 million with planned additional investments worth N1 billion. ▪ Over 100 bed facility with fully equipped and functional neurosurgery department, sickle cell clinic, in-vitro fertilisation clinic, among others;

				<ul style="list-style-type: none"> Successfully conducted 43 open heart surgeries and 25 kidney transplants. <p>Challenges</p> <ul style="list-style-type: none"> The cost of operation (energy, drugs and consumables equipment) at the hospital has increased its debt profile; Need for a renewal of the Concession contract beyond its expiry date of 2022 to enable the management recoup its investment;
4.	<p>Contract to Finance, Maintain, and Develop Building Complexes/Trade Centres (Lagos)</p> <p>Tafawa Balewa Square (TBS)</p>	<p>MDA: Federal Ministry of Industry, Trade and Investment /Tafawa Balewa Square Management Board</p> <p>Concessionaire:</p> <ul style="list-style-type: none"> BHS International Limited 	<p>30 years June 29 2007 – June 28 2037</p>	<p>Under Implementation, though faced with challenges</p> <p>Progress</p> <ul style="list-style-type: none"> The report of a comprehensive financial and technical audit of the project has been submitted; The development plan for the complex was submitted and approved by the TBSMB, whereas the Lagos State government is expected to grant approval for the commencement of development work; The Concessionaire has constructed a banquet and cinema halls within the complex; among other planned investments to transform the complex to a tourist haven. <p>Challenges</p> <ul style="list-style-type: none"> Operator not in full compliance with its financial obligation;

				<ul style="list-style-type: none"> Protracted court cases impacting smooth implementation; Inability to obtain necessary permits from the Lagos State Government to carry out major renovation works.
4a.	Lagos International Trade Fair Complex (LITFC)	MDA: Lagos International Trade Fair Management Board Concessionaire: <ul style="list-style-type: none"> AULIC Nigeria Limited 	30 years June, 2007 – June, 2037	<ul style="list-style-type: none"> The LITFC Concession was cancelled due to infractions of the agreement.
5.	Inland Container Depots in Abia State(Isiala-Ngwa), Oyo State(Erunmu-Ibadan), Plateau State (Heipang), Kano State (Zawachiki), Katsina State(Funtua), Borno State (Jauri).	MDA: Federal Ministry of Transportation/Nigerian Shippers Council (NSC) Concessionaires: <ul style="list-style-type: none"> Eastgate Inland Container Depot Ltd Catamaran Logistics Ltd Duncan Maritime Ventures Nigeria Ltd Dala Inland Dry Port Nig. Ltd Equatorial Marine Oil and Gas Company Ltd Migfo Nigeria Limited 	25 to 30 Years from 2007	<p>Under Implementation.</p> <p>The Commission within the year 2017 liaised effectively with senior officials of the Nigerian Shippers Council and the Federal Ministry of Transportation towards resolving the bottle necks hindering the implementation of the ICDs. However, Some progress has been recorded at each of the depots:</p> <p>Progress <i>Levels of Construction by ICDs</i></p> <ul style="list-style-type: none"> Eastgate ICD - 30%. Catamaran ICD:- 42% Duncan Maritime ICD- 61% Dala Inland Dry Port - 35% Migfo ICD - 20% Equatorial Marine ICD - submitted project designs and work schedules <p>The Commission will continue work with them to ensure their smooth take-off.</p> <p>Challenges</p>

				<ul style="list-style-type: none"> ▪ Absence of appropriate legal framework that confers ICDs with the status of ports of origin for export and ports of final destination for imports; ▪ Concessionaires inability to source long-term funding for the project; ▪ Lack of sufficient cooperation from the state governments;
6	Provision of data capture services, personalization, issuance and distribution of general multi-purpose cards (GMPC), deployment of card acceptances devices (CADs) – Nationwide	MDA: National Identity Management Commission (NIMC) Concessionaires: Chams Nigeria Ltd OneSecuredcard Limited	10 Years each from July, 2010	<p>The parties to the National Identity Card projects sought the mediation of an arbitration panel over their dispute. This is upon failing to implement the recommendations made by the Commission. The term of settlement agreement signed by the parties was to discontinue with PPP and execute project through traditional procurement. The PPP contracts remain terminated.</p> <p>The Commission has chronicled all the issues and events leading to the termination to serve as case study to MDAs who are going into PPP arrangement of this type.</p>
7.	Concession to develop, upgrade and commercialise TCN's Fibre Optic Telecommunications Infrastructure in Nigeria.	MDA: Federal Ministry of Power, Works and Housing/Transmission Company of Nigeria (TCN) Concessionaires: <ul style="list-style-type: none"> ▪ Phase 3 Telecom Ltd ▪ Alheri Engineering Services Ltd 	15 Years from March 2006	<p>Terminated: Case in Court whereas the Commission has asked that the dispute be settled out of court through a mediation process earlier initiated.</p> <p>Dispute resolution efforts:</p> <ul style="list-style-type: none"> ▪ The Commission's made the following recommendations,

				<p>towards resolving the dispute:</p> <ul style="list-style-type: none"> i. Restructure the Contract Agreements ii. Pay outstanding concession fees and for usage of fibre strands iii. Upgrade from PDH Technology to the SDH platform for efficiency iv. Pay outstanding Royalties /Shelter fees and other maintenance cost incurred by Alheri Engineering Services Ltd. v. Safeguard Project Right of Way (RoW) vi. Form SPV for the projects <ul style="list-style-type: none"> ▪ Unfortunately, reconciliation efforts by the Commission in February, 2017 were truncated by the change of Management of TCN. ▪ Further efforts in May, 2017 to engage the new management to chart a way forward on the matter were rebuffed. Instead TCN promised to revert to the Commission once it had concluded ongoing engagement with relevant stakeholders to reach a consensus. ▪ The projects were terminated in September, 2017; ▪ The Commission has initiated discussions with the Hon. Minister of Power, Works and Housing and the Permanent
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				Secretary towards reaching an amicable settlement in view of the security implications.
8.	Concession for the Development and Operation of a Deep Sea Port in Lekki Free Trade Zone at Ibeju-Lekki, Lagos.	<p>MDA: Federal Ministry of Transportation/ Nigerian Ports Authority/ Lagos State Government.</p> <p>Concessionaire:</p> <ul style="list-style-type: none"> ▪ Lekki Port LFTZ Enterprise 	45 Years April 21 st 2011 – April 20 th 2056	<p>Extension of time to achieve financial close granted</p> <p>Progress</p> <ul style="list-style-type: none"> ▪ EPC contractor has commenced work on the breakwater; ▪ NPA has divested 15% out of its 20% equity shares on the project to the Operator ▪ Purchased customized moulders for tetrapods to used on the breakwater and groynes ▪ The port upon completion will have a depth of about 16.5m. ▪ The Lagos State Government is working to open up access roads to the port. <p>Challenges</p> <ul style="list-style-type: none"> ▪ Yet to attain financial close ▪ About 38 permits to be regularly obtained in order to ensure the project is successful; ▪ poor access road to the project site impedes foreign investors; ▪ Need for effective stakeholders engagement
9.	Concession to Design, Develop, Finance, Construct, Complete, Test, Commission, Operate, Manage, Maintain and Transfer	<p>MDA: Federal Ministry of Transportation /Federal Airports Authority of Nigeria</p> <p>Concessionaire:</p>	36 Years April 24 th 2006 – April 23 rd 2042	<p>Under Implementation,</p> <p>Progress</p> <ul style="list-style-type: none"> ▪ Airport terminal fully operational; ▪ Improved service delivery to passengers recorded;

	of the MMA2 Terminal (Lagos)	<ul style="list-style-type: none"> Bi -Courtney Ltd 		<ul style="list-style-type: none"> Commission has commenced a mediation process between the parties to the dispute; <p>Challenges</p> <ul style="list-style-type: none"> Protracted court cases with the project Grantor on the duration of the project, cost and operational right over the GAT, Lagos. Power issue, as the Operator is yet to obtain permit to set up its IPP.
10.	Concession for the Acquisition, Installation, Operation and Management of World Class Integrated System in Designated Airports (MMA –Lagos, Abuja & Kano)	<p>MDA: Federal Ministry of Transportation / Federal Airports Authority of Nigeria</p> <p>Concessionaire:</p> <ul style="list-style-type: none"> Maevis Nigeria Ltd 	10 years Oct, 2007 – Oct, 2017	<p>Concession was terminated which has led to lingering court cases.</p> <ul style="list-style-type: none"> In view of the directive from the office of the Vice President to look into the matter and proffer a lasting solution, the Commission held meetings with the parties to the contract. <p>Progress</p> <ul style="list-style-type: none"> The Parties agreed to jointly fund a comprehensive financial and technical audit exercise which will establish the true compensation amount due to each of them; To ensure an efficient audit process, a TOR has been developed and sent to the parties to review before finalisation; A tripartite meeting of FAAN, Maevis and ICRC was planned for January, 2018 in Lagos to discuss the matter and agree on an implementation timeline.

11.	Concession for the Development of Engineering Infrastructure for Katampe District Phase II (FCT – Abuja)	MDA: Federal Capital Territory Administration/FCDA Concessionaire: <ul style="list-style-type: none"> ▪ Deanshanger Project Ltd 	5 years Oct, 2010 – Oct, 2015	<p>Implementation Stalled: An Inter-Ministerial Committee set up to review the issues and restructure the project for efficient implementation.</p> <p>The Commission within the period was actively represented on the Inter-Ministerial Committee and made submissions to it on its monitoring activities during the project's execution.</p> <p>Some of the issues stalling work progress were:</p> <ul style="list-style-type: none"> ▪ Suspension of construction work on site by the Concessionaire since December, 2015, even after it was granted extension for another 23 months. ▪ The project financier – FBN , has called on Federal Ministry of Finance for the FGN Sovereign Guarantee citing FCDA's default in funding project Escrow Account; ▪ The developer has been unable to reconcile its financial position with that of the Grantor; ▪ Poor project performance by Developer alleged by FCDA due to delay in mobilizing the EPC Contractor and completing designs; <p>Way forward:</p> <ul style="list-style-type: none"> ▪ Expected that the inter-ministerial committee to review the issues and chart
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				recommend possible lines of action.
12.	Concession for the Provision of Security, Monitoring and Enforcement Operational Platforms.	MDA: Federal Ministry of Transportation /Nigerian Maritime Administration & Safety Agency Concessionaire: <ul style="list-style-type: none"> Messrs Global West Vessels 	10 years 3 rd April 2012 - 2 nd April, 2022	<p>Under Investigation by EFCC on allegation of corrupt practices against the concessionaire.</p> <p>Challenges:</p> <ul style="list-style-type: none"> Suspension of the Concessionaire while case is in court; Impounding of 12 Platforms procured for the project by the EFCC; <p>The Commission made several requests to NIMASA for update on the project to no avail.</p> <p>The concessionaire updated the Commission that a meeting was convened between the parties at the instance of the Hon. Minister of Transportation. GWVSL proposed the following options to NIMASA towards resolving the dispute:</p> <ul style="list-style-type: none"> Reconciliation of project accounts, and settlement of all outstanding payments to GWVSL under clause 25 of the Agreement Continuation of the PPP services for the remaining period of the contract either on existing terms, or a mutual agreed varied terms under clause 42 Continuation of the PPP services under the 'step in' Clause in the Agreement (Clause 11b)

				<ul style="list-style-type: none"> ▪ Mutual termination of the agreement with effect from an agreed date. ▪ Outright purchase or lease of the operational vessel from GWVSL by NIMASA or its preferred operators. <p>Way Forward: The Commission is still trying to liaise with contending parties on the best way forward. It has also proposed that the vessels impounded by EFCC be handed over to NIMASA to continue with the performance of its statutory functions.</p>
13.	Concession for the Operation, Restoration and Maintenance of Hydroelectricity Power production facilities – Niger State.	<p>MDA: Federal Ministry of Power, Works and Housing/Kainji & Shiroro Hydro Electricity Plc</p> <p>Concessionaire:</p> <ul style="list-style-type: none"> ▪ North South Power company Ltd – Shiroro Hydro Plant ▪ Mainstream Energy Solutions Ltd – Kainji/Jebba Hydro Plant 	<p>30 Years from 21st February 2013</p> <p>30 Years from 21st February 2013</p>	<p>Under Implementation.</p> <p>The Commission within the year requested for status updates from the operators on their performances which were provided in the Project Information Sheet.</p> <p>Progress at Shiroro Plant</p> <ul style="list-style-type: none"> ▪ The Plant capacity has increased from 450MW at takeover to 600MW; ▪ Generating Unit 411G1 which was inoperative at take over due to burnt generator is functional; ▪ Units 1 and 3 were fully overhauled in 2014; ▪ Repairs on structural damage at the deep water penstock in Unit 4 commenced in 2015 and finished 2016;

				<ul style="list-style-type: none"> ▪ CSR activities include ongoing sinking of Motorised Borehole at Lambu, Dnabo, Eddah, Awasha, Gbegbetuko, etc to provide potable water to surrounding communities and thus eradicate outbreak of water borne diseases; <p>Challenge</p> <ul style="list-style-type: none"> ▪ Reduction in the volume of power generation due to low level of water at the dams during dry seasons.
14.	Concession for the Reclamation and Infrastructural Development of Festac Phase II Housing Development Project –Festac Town – Lagos	<p>MDA: Federal Ministry of Power, Works & Housing/ Federal Housing Authority</p> <p>Concessionaire:</p> <ul style="list-style-type: none"> ▪ New Festac Property Development Co. Ltd 	30 Years from 8 th Sept, 2014	<p>Project embroiled in a court case and as such stalled.</p> <p>Progress</p> <ul style="list-style-type: none"> ▪ Perimeter survey of site to re-establish the original land mark and topographic survey of the 1,126 hectares of land; ▪ Sand search studies to establish the source of appropriate sand to be used for the reclamation and sand filling; ▪ EIA has been done and submitted to the Ministry of Environment. <p>Challenges</p> <ul style="list-style-type: none"> ▪ Two prominent cases currently in court in respect of the land ownership: <ul style="list-style-type: none"> i. HRM Oba Isaac Owolabi Vs. FHA – currently at the supreme court; ii. Chief (Alh.) Samsudeen Abu (Jagunmole of Ado Land) Vs. FHA & Attorney General of the Federation ▪ Inability of the Developer to attain financial close due to encumbrances on the land area.

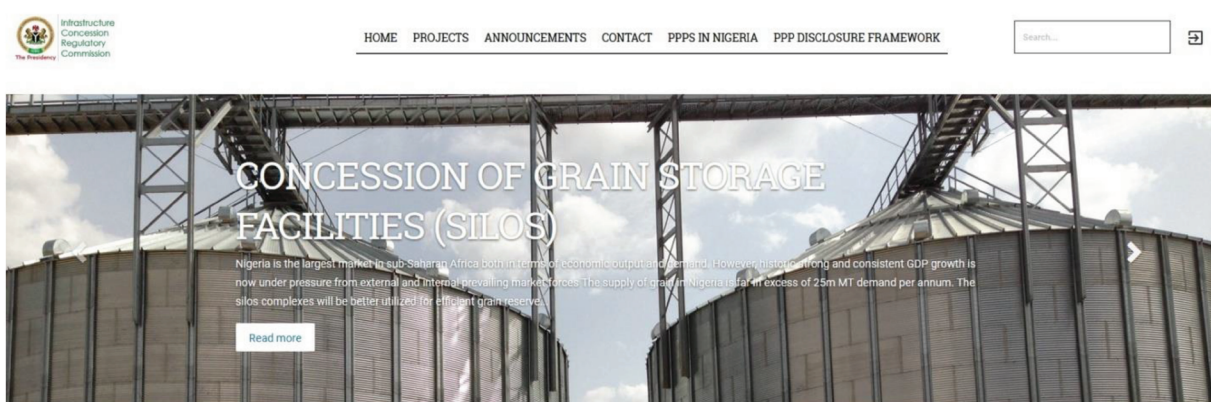
				<p>Way Forward: The Commission has suggested that:</p> <ul style="list-style-type: none"> ▪ The legal team of the Concessionaire and the FHA work together towards securing victory over all the litigations; ▪ FHA engages effectively with host community to ensure its support for the project. ▪ An out of court settlement be initiated among contending parties; ▪ Parties put up caveats to warn possible encroachers.
15.	Concession for the Design, Finance, Build, Operate, Maintain and Transfer of the Debt Management Office's Corporate Office Building (Abuja)	<p>MDA: The Debt Management Office (DMO)</p> <p>Concessionaire:</p> <ul style="list-style-type: none"> ▪ LOH & OR Construction (Nig) Ltd 	30 Years From Effective date.	<p>PPP Contract Signed; Awaiting Financial Close.</p> <p>The Commission met with the parties to the contract in 2016 to discuss fresh proposals by the Concessionaire in view of the current economic challenges in the economy which have impeded project's attainment of financial close.</p> <p>Progress</p> <ul style="list-style-type: none"> ▪ Concessionaire asked to submit a revised bill of materials clearly separating the local and foreign components of the project; ▪ Concessionaire expected to prepare new financial model for the project in view of this.

4.6 OTHER REGULATORY ACTIVITIES IN 2017

4.6.0 PPP Web Portal

The Commission published detailed guidelines on disclosure of PPP contract information, following technical assistance by the World Bank in 2012–13. These guidelines were approved previously by the ICRC Board, and are now being im-

plemented through the recently launched ICRC Web Portal <http://ppp.icrc.gov.ng>. To this end, there is significant effort in updating information and ensuring that the public have access to updates on PPP projects which is done in line with the disclosure framework policies.



PROJECTS

Snap shot of ICRCs Web Portal

The ICRC and the World Bank Public-Private Partnerships (PPP) team has further concluded work on a study carried out by the Bank between September 2016 and April 2017, using the PPP Disclosure Diagnostic template designed for Nigeria. The study examined the political, legal, and institutional environment for disclosure in PPPs and benchmarked this against the Bank's Framework. Using a gap assessment exercise, the report made specific recommendations to improve disclosure in Nigeria, which included an enhanced framework for disclosure of all PPP projects of the federal and government.

The Commission has undertaken a comprehensive review of the N4P, as well as drafted Regulations and Manual to guide the PPP process. It has further reviewed the ICRC Act in the light of this and made submissions to the National Assembly for consideration. The revised PPP Manual and Draft Regulations have been published on the website for inputs from the general public. The Commission plans to hold a stakeholder consultative forum and series of focus group discussions in the first half of 2018 to deliberate on the reviewed policy and regulations and finalize subsequently.

4.6.1 Review of Governance Documents

4.7 STRATEGIC ENGAGEMENTS

4.7.0 State Engagements

The Commission engaged with Edo State by participating at Edo State Investment Summit (Alaghodaro 2017) held from 10th – 12th November, 2017 during which it made a presentation on building a sustainable infrastructure network in Nigeria through PPPs. It also engaged with Akwa-Ibom State Government on the way forward with regard to the Ibom Deep Seaport project.

4.7.1 National Assembly

The Commission engaged with the 8th National Assembly severally during the review period. As part of its plan to build the capacity of the National Assembly members and deepen their knowledge of various aspects of the PPP framework, the Commission organized a sensitization workshop on basic PPP techniques for the House Committee on Special Duties in November, 2017. It is hoped that the workshop would provide a basis for further engagements with the parliament as it considers the passage of several bills before the House that would promote PPPs and foster an environment conducive for private sector investment in national infrastructure development.

The Commission responded to invitations from the upper and lower chambers to defend its 2017 budget and justify the allocations it requested under the various sub-heads of its capital and recurrent expenditures. It was equally invited to appear in public hearings conducted by the House to present testimonials or make submissions on policy briefs as it relates to the ICRC Amendment Act, PPP projects

under dispute, as well as its regulatory role and the Nigerian PPP program in general.

Other engagements with the National Assembly included:

- Participated in meetings of the Technical Committee on Road Fund Bills at the National Assembly held in January and February 2017.
- Attended National Assembly Business Environment Roundtable, 2nd Anniversary & Annual Dialogue Event in June, 2017
- Attended and made submissions at a one day public hearing on a bill for an Act to repeal & re-enact Nigeria Postal Service in the Senate Conference Room in July, 2017
- Attended a public hearing on the planned concession of Port Harcourt Refinery and Petrochemicals Company to AGIP/ENI and Oando PLC in July, 2017
- Submitted 25 printed copies and one electronic copy of a report on the Commission's Movable Assets covering the period from January 2010 to June 2017 to the House Committee on Special Duties.
- Appeared before the House Committee on Public Accounts on Auditor General's Report for the year ended 31st December, 2010 in August, 2017
- Attended the National Summit on Legislative Framework for Environmental Law and Policy organized by the House Committee on Environment and Habitat in October, 2017.

4.7.2 Federal Ministry of Budget & National Planning

The Commission's engagements with the Ministry during the period bordered on the framework for implementation of the National Integrated Infrastructure Master Plan (NIIMP) and other related planning issues. Some of the activities included:

- Participated in a One Day Stakeholders' Forum in February on National Strategy of Public Service Reform (NSPSR) Pillar 2 and Part of Pillar 3 MDAs organized by the Ministry.
- Participated in a Training programme on PPP management in Public Sector, organized by the Ministry in May, 2017
- Participated in a workshop with MDAs on Current Situation Assessment of NIIMP in May 2017 to review micro economic fundamentals projections over long, medium and short term in collaboration with relevant MDAs
- Participated in the inaugural meeting of the Technical Working Group (TWG) on the First Operational Plan for the NIIMP in June, 2017
- Hosted a meeting of the Technical Working Group (TWG) for Plan Financing, Delivery, Monitoring & Evaluation on the development of the First Operational Plan for the NIIMP in July, 2017
- Participated in a one-day Public Private Dialogue (PPD) on Infrastructure Financing in Nigeria organized by the Ministry in collaboration with the Nigeria Infrastructure Public Private Partnership Summit Group in September, 2017.

- Participated in a Retreat by the Ministry on "Developing Nigeria's National Economic Recovery and Growth Plan" in November 2017

- Participated at the Technical Session on 'Building a Globally Competitive Economy' on 28th November, 2017 organized by the Ministry.

- Participated in a validation workshop by the Ministry on the zero draft of the first operational plan (2017 – 2020) for the NIIMP in November, 2017 organized by the Ministry.

4.7.3 Federal Ministry of Finance

The Commission engaged with the Ministry in these vital areas:

- Engaged with the IMF Team as part of Nigeria's 2017 IMF Article IV Consultation Exercise in January 2017.
- Participated in Training/Capacity building programme on PPP organized by the Ministry in May, 2017

4.7.4 Stakeholders Communication

The Commission initiated major communication efforts to keep stakeholders and partners updated with the latest PPP project information and activities. It submitted quarterly reports to the Office of the Secretary of the Government of the Federation to update it on the Commission's activities. It also sent projects update to Ministers of key infrastructure MDAs to engage them meaningfully on the projects status and the way forward.

Part of the Commission's strategy for increased awareness of its programmes was to maintain strong collaboration with the media. It therefore involved media partners in its various activities and issued media releases on milestones recorded on some PPP projects. ICRC's quarterly Bulletin provides stakeholders ample information on the PPP procurement framework and how it can be successfully implemented in Nigeria, it also contains information and updates on projects, activities and events. The website is equally updated and project status is well disclosed. Stakeholders are equally engaged on the Commission's social media outlets, including Twitter and Face book.

4.7.5 Engagement with Development Partners

The Commission engaged with international development partners on PPP capacity programs that would enhance MDAs' capacity in structuring PPP transactions.

World Bank

PPP Contract Disclosure Web Portal: The Commission in collaboration with the World Bank developed the PPP contract disclosure framework for pre-contract and post-contract activities. A web portal was developed by the Bank for this purpose aimed at promoting transparency, accountability and efficient execution of PPP contracts signed by MDAs on behalf of the Federal Government of Nigeria. A team of IT professionals was sent to Nigeria to train PPP practitioners (ICRC & MDA staff) on the process of disclosing information on the web portal prior to its launch to the public in September 2017.

The web portal is currently running on ppp.icrc.gov.ng Apart from the project information, it also has an information template of all OBC's and FBC's in the Commission.

APMG Certified PPP Professional (CP3P) Capacity Building Course

The Bank funded the foundation phase of the Certified PPP Professional (CP3P) Capacity Building Training for 64 officials comprising all MDA's with PPP projects, selected ICRC, and few States and private sector personnel. The classroom training was held in three batches over a period of three weeks from Sept 11 ~ 29, 2017, after which candidates were examined on what they learnt. Certificates were presented to 55 successful candidates in November, 2017 in Abuja.

Australian High Commission in Nigeria

PPP Capacity Building Training: The Commission positively engaged with the High Commission and secured a grant for a 3-day PPP Capacity Building course for 20 MDAs and some ICRC staff which held in August 2017.



Selected staff of MDAs & ICRC at the Australian PPP capacity building program

4.7.6 Other Stakeholder Engagements

The Commission participated in the following stakeholders and PPP advocacy engagements:

- Meeting of the Presidential Infrastructure Champion Initiative (PICI) at Magaliesburg, South Africa on January 13th and 14th, 2017
- The Nigerian Sovereign Investment Authority PPP Framework Disclosure Workshop in Abuja on 17th February, 2017
- High-level Stakeholders Meeting on Promoting Effective Policy Monitoring & Evaluation in Nigeria on 21st February, 2017
- Meeting with the Directorate of Technical Cooperation in Africa on Project Development Opportunities in Abuja on 5th April, 2017
- Strategic Techniques for Preventing Terrorism Attacks, Kidnapping and Violent Extremism in Tertiary Institutions in Nigeria at the opening ceremony of National Defense College Abuja on 17th April, 2017
- The 2017 Punuka Annual Lecture in Lagos on 27th April, 2017
- Participated in IMF Regional Report Launch at Transcorp Hilton Abuja on 9th May, 2017
- Inspection of the project facilities of the Nigerian Naval Dockyard, Lagos: Babcock facilities at Appledore & Edinburgh (United Kingdom) and the DCNS facilities in Paris and Lorient (France) on 8th – 17th May, 2017
- Dialogue Session with Federal Permanent Secretaries and CEO's of Parastatals on the Implementation of the Nigeria Economic Recovery and Growth Plan in Abuja on 22nd May, 2017
- Meeting with the Vice-President on the "Promotion of Transparency & Efficiency in the Business Environment" in Abuja on 24th May, 2017
- 2017 Expanded Horizon Conference on Aviation Education Infrastructure – Challenges and Potentials hosted by AADF with the Boeing company USA & Springfountain in Lagos on 5th June, 2017
- Trans-Saharan Gas Pipeline project Tripartite Committee meeting at NEPAD Office, Abuja on 12th June, 2017
- Meeting of the Presidential Enabling Business Environment Council at Vice President's office Abuja on 20th June, 2017
- 2017 Annual National Workshop

of the Chartered Institute of the Stockbrokers (CIS) in Abuja on 4th July, 2017

- Inaugural meeting of the Ministerial Committee on the status of the Centenary City project at the Office of the Chief of Staff to the President in Abuja on 5th July, 2017
- Presented a paper at the National Summit titled “Infrastructure PPP Models and Way Forward for Truck Transit Park projects in Nigeria in Abuja on 11th July, 2017
- Interactive Meeting with the Socio-Economic Mandate Committee at Federal Character Commission on 17th July, 2017
- National Consultation workshop on the AfDB’s Policy on Results-based Financing in Abuja
- 2nd International Conference and Exhibition (ICE) 2017 organized by NIWA in Lagos on 25th July, 2017
- Industrial Policy & Competitiveness Advisory Council on Infrastructure Sub-committee meeting (Road) at KPMG Tower in Lagos on 17th August, 2017
- NBA Annual General Meeting in Lagos on 21st – 24th August, 2017
- 6th Meeting of the National Council on Land, Housing & Urban Development in Abuja on 21st – 25th August, 2107
- 10th Nigerian International Maritime Port and Terminal Conference and Expo (NIMPORT) in Lagos on 24th August, 2107
- 3rd meeting of the Nigerian Industrial Policy and Competitiveness Advisory Council at Vice President’s Office on 28th August, 2017
- NESG “Sports-As-A-Business” focus group forum~ Panelist in Lagos on 29th August, 2017
- Stakeholders meeting on Port Nortel Terminal project at Federal Ministry of Budget & National Planning on 31st

August, 2017

- Delivered a paper at the Engineer Otis Anyaeji’s Annual Distinguished Lecture in Abuja on 6th September, 2017
- Appraisal inspection visit by the Technical Sub-Committee to offshore facilities of Messrs OCEA Shipbuilding at OCEA Shipbuilding Shipyard facilities & industrial base in France on 3rd – 8th September, 2017.
- 5th Presidential Quarterly Business Forum for private sector stakeholders in Abuja on 11th, 2017 September.
- Nigerian International Pipeline Technology & Security Conference in Abuja on 13th , 2017 September
- 1 Day Public Private Dialogue (PPD) on Infrastructure Financing in Nigeria organized by the Federal Ministry of Budget and National Planning in collaboration with the Nigeria Infrastructure Public Private Partnership Summit Group (NIPPPSG) in Abuja on 14th September, 2017.
- 2017 Annual Conference of the Finance Correspondents Association of Nigeria in Lagos on 16th – 17th September, 2017.
- 2nd Annual Chapel Hill Denham Nigerian Infrastructure & Real Financing Workshop in Lagos on 20th September, 2017.
- 2017 Nigerian Debt Capital markets Conference organized by FMDQOTC in Lagos on 28th September, 2017.
- Agriculture investment promotion by the Ambassador of the Republic of Indonesia & NACCIMA in Abuja on 29th September, 2017
- NACCIMA Summit and Agro Dialogue held on 27th October, 2017 at Lagos
- Meeting with Committee of Vice Chancellors of Nigerian Universities high level policy dialogue held on 31st October, 2017 in Abuja

- Break-Fast meeting on Financing Transport Infrastructure for Inland Dry Ports & Truck Transit Park held on 9th November, 2017 in Lagos
- PPP initiatives in MDAs' at the Service wide meeting of the Head of Service and Permanent Secretaries held on 14th November, 2017 at Office of the Head of Civil Service of the Federation in Abuja.

4.8 SUPPORT SERVICES

4.8.1 Overview

The Support Services, which comprise Human Resources & Administration, ICT, Finance & Accounts, Media & Publicity, Internal Audit, Legal & Governance, and Procurement, facilitated the attainment of the Commission's mandates through the judicious use of its human, financial, and physical resources. By providing pivotal support to all, the support services ensured that all activities for the year revolved around this strategic objective.

4.8.2 Activities

Human Resource and Administration

- The Commission conducted and concluded the 2017 promotion exercise of which out of the fifteen (15) staff due, fourteen (14) were promoted. During the year, the HR maintained its strategy of providing an attractive workplace to all members of staff by offering avenues to enhance and sustain their personal, career and professional development and to keep them engaged and motivated at all times (see appendix 4). Various trainings/briefings were conducted to address issues on health, safety & security, social issues, and other aspects of professional development on home ownership, public finance, public speaking, effective writing and presentation, business ethics, and interpersonal relations, among others (see appendix 3).
- The implementation of Strategic Performance Management System was sustained to enable efficient appraisal of employees which began in 2016. The tool paved the way toward ensuring the alignment of departments, units, and individual performance goals, commitments, and measurements to the mandate and strategic priorities of the Commission. It also served as a tool in recognizing individual performance and identifying individual training needs.
- In its effort to promote healthy and productive workforce, the Commission, in conjunction with its HMO ~ Hygeia Ltd, organized health sensitization seminars for Staff on cultivating a healthy lifestyle. These include an interactive session with the HMO in March, 2017 on proper understanding of the NHIS scheme and another session on Cancer awareness, types, prevention, early detection and treatment which took place in November, 2017. In addition, another interactive session was held for Staff by Right Steps Foundation on the causes, cures, and prevention of Hepatitis B virus during which interested staff were immunized against the disease.
- Provision of affordable housing for Staff remains a paramount concern to the Commission. On October 12, 2017, Infinity Trust Mortgage Bank was in the Commission to sensitize Staff on benefits of house ownership, affordable mortgage and project financing. The talks centered on mortgage loan products, infinity save and own a home, and the use of the National Housing Fund (NHF).

Procurement:

In 2017, the Commission planned to spend N118, 491,645.00 as indicated in the table below:

Table 6: Summary of 2017 Procurement Plan

S/N	Category	Amount (N)
1	Goods	26,489,045.00
2	Works	4,550,000.00
3	Consulting Services	44,695,000.00
4	Non-Consulting Services	42,757,600.00
	TOTAL	118,491,645.00

The Commission was unable to fully implement its procurement plan for the year as a result of delay in passing the budget and untimely and insufficient release of cash to back the purchase of items budgeted.

SECTION

5

CHALLENGES

5.0. Inadequate Funding

A key challenge militating against the Commission's effective discharge of its functions within the review period was inadequate funding to discharge its operations and regulatory activities. Prominent amongst these included funding to support MDAs in PPP project development; monitor the efficient execution of contracts; and finalize the preparation of PPP guidelines, manuals and primers intended to guide MDAs on the PPP procurement process. Although the Commission had developed these documents internally, they still required substantial technical and peer review before their publication. The Commission's efforts to generate revenue internally within the mandate of its Establishment Act, 2005 was unsuccessful, as the Special Concession Account required to achieve this objective was yet to be opened.

As mentioned earlier, there were 51 existing PPP Concession Agreements, valued over USD 9 billion dollars, that the Commission had taken custody of by law, and there were expectations that more PPP contracts would likely emerge from projects currently under development. The ICRC is mandated by law to visit these projects, together with experts engaged by it, to monitor their efficient execution according to contract terms and conditions.

The funding challenge also prevented the Commission from executing many of its other pre and post-regulatory programmes planned for the 2017 fiscal year such as:

- Stakeholders' engagement and PPP sensitization/awareness activities
- sensitization of MDAs on project management and contract compliance
- procurement of Monitoring Tool & equipment for the Commission
- capacity Building for the Commission's staff
- Research and development activities, etc.

5.1. Regulatory & Institutional Environment

A Bill to address the identified gaps in the existing law had been pending before the National Assembly. The proposed amendment seeks to expand the powers of the Commission to:

- Impose appropriate sanctions to ensure compliance with the provisions of the Act and regulations thereof;
- Seek to reduce time spent on developing projects by addressing the issue of projects being presented to FEC twice;
- Setting up a PPP Council to address PPPs with given thresholds;
- establish a PPP account which seeks to centralise all funds received from PPP transactions in order to engender transparency; and
- Address the issue of unsolicited proposals.

These amendments are designed to ensure the entrenchment of a robust and sustainable PPP regime. Accelerated hearing and swift passage of the Bill

would be required from the National Assembly.

Equally before the National Assembly waiting for urgent passage were sub sectors specific Bills which would encourage and strengthen private sector participation in infrastructure. These included:

- Inland Waterways Reform Bill
- Ports and Harbour Reform Bill
- Railway Reform Bill
- Road Sector Reform Bill, and
- National Transport Commission Bill

framework, and consulting stakeholders on the framework. The Commission expected all of these to have concluded and the document to become operational.

5.2. Long Term Funding for Infrastructure Development

Limited access to long-term finances has remained a major challenge to sustainable infrastructure delivery in Nigeria. The Commission developed a concept note towards the establishment of an Infrastructure Development Fund to facilitate the preparation of viable PPP projects. It is currently working with the Federal Ministry of Budget and National Planning, through a committee set up to bring the proposal to fruition.

5.3. Integrating PPP Projects into National Planning Framework

The non-implementation of the NIIMP document continued to pose a challenge in realizing this vital goal. During the year efforts were put into updating the NIIMP document, developing an implementation

SECTION

6

2018 OUTLOOK

SECTION 6: 2018 OUT-LOOK

Foremost in the Commission's agenda is the need to ensure the sustainability of the Nigerian PPP program by strengthening the legal, regulatory and institutional framework that is critical to its success. It will continue to push for the amendments to the ICRC Establishment Act 2005 currently before the National Assembly, which aims to lay down the needed foundation in terms of legal, policy and institutional arrangements for genuine partnerships with the private sector. The power to enforce the contents of the Act is vital to the Commission's successful piloting of the PPP program.

The Commission is cognizant of the fact that the program's success is anchored on having MDAs and other government partners and stakeholders that are well-equipped in all aspects of PPP project development and implementation. It will therefore intensify its capacity building program and continue to pursue collaborations with development partners and capacity building institutions to organize specialized trainings and seminars on PPP for MDAs, States, local governments, media, CSOs, Legislators and private sector.

Government's support towards the actualization of the proposed Infrastructure Development Fund will go a long way in realizing the Commission's objectives of ensuring the steady flow of well-prepared and bankable projects into the pipeline and the effective monitoring and management of successfully procured PPP projects in its custody. The Commission will continue the advocacy to see its materialization, as well as the utilization of idle pension funds.

Streamlining the PPP Process and organizational strengthening are also some of the more important focuses of the Commission going forward. Improving the regulatory environment by laying down clear guidelines for PPP stakeholders becomes imperative to enable the adoption of best practices in project development, procurement and implementation. The Commission would work with the MDAs to ensure that projects in the pipeline are viable and are such that would attract local and international investors.

Similarly, it would ensure that sufficient support for the private sector to partner with government is present through the provision of incentives in the form of viability gap funding and other such suitable financial instruments for PPPs. We hope to continue working closely with the Central Bank of Nigeria, Federal Ministry of Finance, Nigerian Sovereign Investment Agency, Securities and Exchange Commission, National Pension Commission, amongst others in achieving this.

We see 2018 and beyond as an era of opportunities for the Commission and the national PPP program to significantly contribute to the change agenda of the government through the implementation of PPP infrastructure and development projects. We are confident that the initiatives undertaken and other ongoing efforts, reinforced by strong government commitment and support from the private sector and development agencies, will surely sustain the program.

6.0 KEY PROJECTIONS FOR THE YEAR 2018

- To support the MDAs develop new and conclude existing PPP projects
- To support States and Local governments develop framework for implementation of viable PPP project
- Leverage on already developed capacity building programmes (eg CP3P and Monitoring & Evaluation) to enhance staff and MDA skills;
- Monitor effective implementation of the Contract Disclosure Framework; design and implement capacity building and engage stakeholders for the effective and continuous operations of the web portal;
- Strengthen existing relationship with MDAs and Private Sector;
- Mediate over concessions with disputes
 - i. Identify projects under disputes and define the dispute resolution process
 - ii. Develop dispute resolution process and guidelines
 - iii. Enforce penalties as contained in the contract

SECTION

7

FINANCIAL SUMMARY

SECTION 7: FINANCIAL SUMMARY

7.0 FINANCE AND ACCOUNTS

In the bid to maintain an efficient and a prudent financial resource management, the Commission continued the full adoption of IPSAS Accounting Reporting Standard that was initiated in 2014 by the Federal Government.

INFRASTRUCTURE CONCESSION REGULATORY COMMISSION ABUJA

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

PKF PROFESSIONAL SERVICES
{CHARTERED ACCOUNTANTS}
ABUJA, NIGERIA

MANAGEMENT AND PROFESSIONAL ADVISERS

Current Management

Engr. Chidi K. C. Izuwah Snr.	Ag. Director General/Executive Director Support Services Dept.
Mr. J.A.M.Ohiani	Director, Public Private Partnership Resource Department
Mr. Mohammed A. Bamalli	Director, Contract Compliance Department
Mr. Dada H. Togunde	Director, Internal Audit Department
Mr. Emmanuel Onwodi	Director, Transport Infrastructure+ Department
Mr. Jobson Ewalefoh	Head, ICT
Dr. Evelyn Alaye-Ogan	Deputy Director, Project Implementation Unit (Secondment)
Mr. Odili Onu	Head, Social/Urban Infrastructure Unit
Dr Felix Ogbera	Head Policy and Regulation Unit
Mr. Chorio Emmanuel Philip	Deputy Director/Senior Financial Strategist DG's Office
Mr .Olusa Busari	Head, Energy & Urban Infrastructure Unit
Mr. Mohammed Barma	Head, Finance and Account Unit
Mr. Ahmed Abdulrazaq	Head, Monitoring & Compliance Unit
Mall. Shehu S.Danmusa	Assistant Director. P3RD (Secondment)
Mrs. Deborah Okafor	Assistant Director, Planning & Research
Mr. Olusola Ogunsola	Assistant Director, P3RD
Engr. Amanze Okere Ag.	Head, Special Projects Unit
Mrs. Halima Tukur-Modibbo	Ag. Head ,Human Resource & Administration Unit
Engr. Muktar Usman	Ag. Head, Procurement Unit
Mrs. Manji Yarling	Ag. Head, Media & Publicity Unit
Ms. Hauwa Kelo	Ag. Head, Legal & Governance Unit

Management Change Notes

Mr. Aminu Diko	Director General/Chief Executive (January ~ June 2017)
Dr. Chiedu Ndubisi Bertram	Director Planning & Research/Technical Adviser to DG (Retired June 2018)

Office

Plot 1270 Ayangba Street, Area 11 Garki,
Abuja.

Bankers

Central Bank of Nigeria, Abuja

Auditors

PKF Professional Services, (Chartered Accountants)
El- Yakub Place (2nd Floor), Zakariyah MaiMalari Street, Central Business District, Abuja.

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**FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017 N'000	2016 N'000
Personnel and Overhead Subvention	802,094	783,887
(Deficit) / Surplus of Income Over Expenditure	(133,565)	273
Capital Expenditure	25,463	829
Total Assets	1,477,893	1,571,287
Capital Subvention	24,549	16,650

INDEPENDENT AUDITORS' REPORT TO THE MANAGEMENT MEMBERS OF INFRA- STRUCTURAL CONCESSION REGULATORY COMMISSION

Opinion

We have audited the financial statements of Infrastructural Concession Regulatory Commission, which comprise the Statement of financial position at 31 December, 2017, and the Statement of financial performance, statement of cash flows and notes on page 10 to 17 and the accounting policies on pages 11 to 15

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission at 31 December, 2017, and its financial performance and cash flows for the year then ended in accordance with the Financial Reporting Council of Nigeria Act, No 6, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Management are responsible for the other information. The other information comprises the Management' Report, Corporate information

and Management responsibility but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged With Governance for the Financial Statements

The Management are responsible for the preparation and fair presentation of the financial statements in accordance with the Financial Reporting Council of Nigeria Act, No 6,2011 and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management are responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the Commission or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

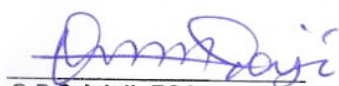
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditors' report is O.P.S Adaji.



O.P.S. Adaji, FCA
FRC/2014/ICAN/00000006846
For: PKF Professional Services
Chartered Accountants
Abuja, Nigeria

Dated: 27th June, 2018



STATEMENT OF FINANCIAL PERFORMANCE								
				Notes	2017 N'000		2016 N'000	
Revenue								
Recurrent Subventions				5	802,093.987		783,887	
					0		0	
Total Income					802,093.987		783,887	
Expenditure								
Salaries and Allowances					699,468.183		656,637	
Travelling and Accommodation Expenses				6	22,401.995		11,674	
Office Materials and Supplies					0		1,749	
Vehicles Running Cost					5,624.672		2,154	
Plant/Generator Fuel Cost					1,680		0	
Maintenance: Furniture/ Equipt.					3,464.283		130	
Maintenance: Computers and ICT Equipt					794.1		2,105	
Maintenance: Motor Vehicles					3,453.885		4,508	
Maintenance: Office Building					2,484.75		3,642	
Maintenance: Plants/Generators					3,591.7		8,413	
Maintenance: Other services					1,198.37		714	
Uniform and Clothings					0		7,930	
Postages , Telephone and Internet Services					5,326.299		8,272	
Printing and Stationery					4,259.819		2,039	
Insurance					6,410.311		7,710	
Printing Of Non Security Documents					4,829.236			
Electricity and Water Rates					8,095.186		7,645	
Training Expenses				7	14,455		18,110	
Bank /GIFMIS Charges					261.765		153	
Refreshment & Meals					4,262.793		3,069	
Monitoring and Compliance Validation Visits					3,060		0	
Newspaper,Magazines and periodicals					245.72		0	
Depreciation					115,726.513		0	
Subscription					796.65		812	
Security expenses					3,640		7,362	
Medical/Welfare Expenses					6,029.55		3,593	
Cleaning and Fumigation Expenses					6,023.35		7,226	
Board Expenses					1,000		1,290	
Publicity and Advert					1,837.678		5,168	
Audit fees and Expenses					1,443.75		2,888	
Consultancy Fees				8	3,793.75		8,621	
					935,659.309		783,614	
					0		0	
(Deficit)/Surplus of Income over Expenditure					-133,565.321		273	

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2017

Assets		2017 N'000	2016 N'000
Property, plant and equipment	Notes 9	1,464,928	1,555,192
Total non-current assets		1,464,928	1,555,192
Trade and other receivables	10	15	~
Cash and Cash equivalents	11	12,950	16,095
Total current assets		12,965	
16,095			
Total Assets		1,477,893	1,571,287
Equity			
Capital Subvention	12	1,498,037	1,473,488
Retained earnings	13	(35,766)	97,799
Total equity		1,462,271	1,571,287
Trade and other payables	14	15,623	~
Total current liabilities		15,623	~
Total liabilities		15,623	~
Total Equity and Liabilities		1,477,893	1,571,287



Engr. Chidi K.C. Izuwah Snr.
Ag. Director General



Mr. Mohammed Barma
Head, Finance & Account

The notes on pages 90 to 100 are part of these financial statements.

Statement of Changes in Equity				
		Capital Subvention	Retained earnings	Total equity
		N'000	N'000	N'000
At January 2017		1,473,488.104	97,799	1,571,287.104
Transferred to CRF in the year		0	0	0
		<u>1,473,488.104</u>	<u>97,799</u>	<u>1,571,288.104</u>
Deficit/(Surplus) for the year		0	-133,565.321	-133,565.321
Capital Subvention receipt during the year		24,549.023	0	24,549.023
Total income for the year		24,549.023	-133,565.321	-109,016.299
At 31 December, 2017		1,498,037.126	-35,766.321	1,462,271.805
		Capital Subvention	Retained earnings	Total equity
		N'000	N'000	N'000
At 1 January, 2016		1,459,159.104	102,876	1,562,035.104
Prior year adjustments		0	-5,350	-5,350
Transferred to CRF in the year		-2,321	0	-2,321
Profit for the year		0	273	273
Total income for the year		16,650	0	16,650
At 31 December, 2016		1,473,488.104	97,799	1,571,287.104

STATEMENT OF CASH FLOW							
						2017 N'000	2016 N'000
Cash Flow from Operating Activities							
(Deficit)/Surplus for the year						-133,565.321	273
Adjustment for items not involving the movement of funds:							
Depreciation						115,727.113	0
Prior Year Adjustments						0	-5,350
Operating Excess before Working Capital Changes						-17,838.208	-5,077
Changes in:							
Trade and other receivables						-15	3,645
Trade and other Payables						15,622.709	0
Cash Generated from Operating activities						-2,230.499	-1,432
Cash Flow from Investing Activities							
Acquisition of property,plant and equipment						-25,462.901	-829
						-25,462.901	-829
Cash Flow from Financing Activities							
Capital Subvention received						24,549.023	16,650
Capital Subvention transferred						0	-2,320
						24,549.023	14,330
Net Increase/(Decrease) in Cash Equivalent						-3,144.377	12,069
Cash and cash equivalent at January 1						16,095	4,027
Cash and cash Equivalent at December 31, 2017						12,949.693	16,095.147
Represented by:							
Cash and Cash equivalents						12,950.498	16,095

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Notes to the Financial Statements

1. REPORTING ENTITY

The Infrastructure Concession Regulatory Commission ~ ICRC Establishment Act 2005 was enacted to address the huge infrastructure deficit in Nigeria and the poor state of our existing infrastructure. The Act, which established the Infrastructure Concession Regulatory Commission (ICRC), also empowers Federal Ministries, Departments and Agencies (MDAs) to utilize Public Private Partnerships (PPP) as a procurement vehicle of choice where suitable, to rapidly turn around our infrastructural insufficiency. The Act envisages the ICRC to serve as the primary driver agency to catalyze and facilitate engagement of the private sector by MDAs of Federal Government in initiating, developing and implementing PPP projects in a fit-for-purpose, transparent, competitive and sustainable manner that would ensure value for money for the Nigeria economy while putting in place world-class infrastructure for use by Nigerians.

The ICRC Act imbues the Commission with functions and powers to:

- Provide general PPP policy guidelines, rules and regulations
- Take custody of every concession agreement
- Ensure efficient execution of any concession agreement or contract entered into the Federal Government, and the compliance of the parties.

The Act also provides for MDAs to enter into contracts with or grant concession to any duly pre-qualified private sector proponent for the Financing, Construction, Operation, and Maintenance of any infrastructure that is financially viable or any development facility of the Federal Government.

Deriving from this mandate, the role of ICRC consists of four main components:

- Promoting, Facilitating, Supporting and Coordinating the implementation of sound PPP process, while ensuring that principles of good governance are applied to all of the functions that form part of it;
- Providing transaction support and building capacity in all Federal Government Ministries, Agencies and Department (MDAs) for project development, tendering, negotiation and contract execution;
- Developing guidelines for monitoring contract compliance during construction, operation and contract termination and supporting as appropriate the MDAs assigned to this task;
- Collaborating with other agencies, including similar state-level PPP units, to implement a cohesive national legal, policy and regulatory environment that is conducive to private sector investment in Nigeria's infrastructure projects.

2. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS).

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention, except for the financial instruments and valuation of plan assets in defined benefit pension schemes. These financial statements are presented in Naira (N) and all values are rounded to the nearest thousands except when otherwise indicated.

(c) Functional and presentation currency

These financial statements are presented in Naira, which is the Commission's functional currency.

(d) Use of judgments and estimates

The preparation of the financial statements in conformity with IPSAS requires management

to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a going concern basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about assumptions and estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described below:

i. Contingencies

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

ii. Impairment losses on receivables

The Commission reviews its receivables to assess impairment at least on an annual basis. The Commission's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be reported in statement of financial performance of the Commission makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

3.SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the years presented in these financial statements.

(a) Revenue

Income comprises of subventions received from the Federal Government of Nigeria during the year net of transfers to consolidated Revenue Fund, and other internally generated revenue.

(b) Foreign Currency Transactions

Transactions in foreign currencies are translated to Naira at the exchange rate prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences are generally recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies are translated at historical exchange rates if measured based on historical cost. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the translation.

(c) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When Significant parts of Property, plant and

equipment are required to be replaced at intervals, the Commission recognizes such parts as individual assets with specific

Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives and are individually significant in relation to total cost of an item, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment are determined by comparing the sales proceeds with the carrying amount of the property, plant and equipment and are recognized net in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Commission and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The cost of day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, less its residual value. Depreciation is recognized in profit or loss depending on the utilization of the respective assets on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Leased assets held under finance lease are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Commission will obtain ownership by the end of the lease term in which case the assets are depreciated over their useful life on the same basis as owned assets.

The estimated useful lives for the year are as follows:

<u>Asset Class</u>	<u>Basis %</u>
Land	Lease period
Land and buildings	2
Motor Vehicles	25
Office furniture & equipment	25
Computer and IT Equipment	25
Plant and machinery	15
Library and books	25

(e) Financial Instruments

(i) Non-derivative financial assets

The Commission initially recognizes loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss, if any) are recognized initially on the trade date at which the Commission becomes a party to the contractual provisions of the instrument.

The Commission derecognizes a financial asset when the contractual rights to cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Commission is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Commission has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

The Commission has the following non-derivative financial assets: loans and receivables.

Loans And Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Short term receivables that do not attract interest are measured at original invoice amount where the effect of discounting is not material.

Staff receivables

It is the commission's policy to grant its staff interest-free loans. No interest was reflected in the profit or loss account. The fair value of staff receivable is estimated as the present

value of future cash flows, discounted at the market rate of interest at the measurement date. Fair value for short term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and for disclosure purpose, at each annual reporting date.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand; cash balances with banks and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Commission's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

(ii) Non-derivative financial liabilities

All financial liabilities (including liabilities designated at fair value through profit or loss, if any) are recognized initially on the trade date at which the Commission becomes a party to the contractual provisions of the instrument.

The Commission derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Commission has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Commission has the following non-derivative financial liabilities: loans and borrowings, trade and other payables.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Short term payables that do not attract interest are measured at original invoice amount where the effect of discounting is not material.

(iii) Capital Subvention

Capital Subvention comprises of subventions received from the Federal Government of Nigeria

(f) Impairment

i. Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Commission on terms that the Commission would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Commission considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been in-

curred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Commission uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset where applicable continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Commission's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impair-

ment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit, or CGU”).

The Commission’s corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Employee Benefits

(i) Short-term employees’ benefits

Short-term employees’ benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Commission has a present legal or

constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iv) Termination benefits

Termination benefits are recognized as an expense at the earlier of when the Commission can no longer withdraw the offer of those benefits and when the Commission recognizes costs for restructuring that is within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

(i) Provisions and contingent liabilities **Provisions**

A provision is recognized if, as a result of a past event, the Commission has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for restructuring is recognized when the Commission has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Commission from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Commission recog-

nizes any impairment loss on the assets associated with that contract.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Commission, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

(j) Leases

Leased assets

Leases in terms of which the Commission assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognized in the Commission's statement of financial position.

Lease payments

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the

Determining whether an arrangement contains a lease

At inception of an arrangement, the Commission determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- ~ the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- ~ the arrangement contains a right to use the asset(s).

At inception or on reassessment of the arrangement, the Commission separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Commission concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the Company's incremental borrowing rate.

4 DETERMINATION OF FAIR VALUES

A number of the Commission's accounting policies and disclosures require the determination of fair value, both for financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a. Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of the future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined

for disclosure purposes. For short-term receivables, no disclosure of fair value is presented when the carrying amount is a reasonable approximation of fair value.

b Non-Derivative Financial Instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For non-derivative financial liabilities repayable on demand, the fair value is not less than the face value.

(k) Guarantees and financial commitments

Contingent liabilities

There were no contingent liabilities as at December 31st, 2017 known to management in respect of any litigation involving the Commission.

Notes to the Financial Statements							
5	Recurrent Subventions						
5.1	Overhead Subvention						
	Received during the year	-	-			102,718.26	127,251
	Transferred to CRF in the year					-92.464	-1
						102,625.80	127,250
5.2	Personnel Subvention						
	Received during the year					699,468.18	657,951
	Transferred to CRF in the year					0	-1,314
						699,468.18	656,637
						802,093.98	783,887
6	Travelling and accomodation expenses						
	Local Travelling Expenses					18,586.995	11,674
	Local Travel & Transport: Training					3,815	
	International Traveling Expenses					0	0
						22,401.995	11,674
7	Training expenses						
	Local Training					14,455	11,533
	International Training Expenses					0	6,577
						14,455	18,110
8	Consultancy fees						
	Financial Consulting					3,793.75	7,256
	ICT Consulting					0	1,365
						3,793.75	8,621
		-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

9	Property, Plant and Equipment	Land & Buildings N'000	Motor Vehicles N'000	Office Furniture Equipment N'000	Computer & IT Equip N'000	Library & Books N'000	TOTAL N'000
	Cost						
	Balance at 1 January, 2017	1,212,420	133,811	146,691	56,879	5,391	1,555,192
	Additions	2,524,401	14,647.5	0	8,231	60	25,462,901
	Balance at 31 December, 2017	1,214,944.401	148,458.5	146,691	65,110	5,451	1,580,654.901
	Depreciation						
	Balance at 1 January, 2017						
	Depreciation for the year	24,299.188	37,114.625	36,672.75	16,277.5	1,363.05	115,727.113
	Balance at 31 December, 2017	24,299.188	37,114.625	36,672.75	16,277.5	-1,363.05	115,727.113
	Carrying Amount						
	As at 31:12:17	1,190,645.213	111,343.875	110,018.25	48,832.5	6,814.05	1,464,927.788
	As at 31:12:16	1,212,420	133,811	146,691	56,879	5,391	1,555,192
						2017 N'000	2016 N'000
10	Trade and other receivables						
	Staff Advances	-	-	-	-	15	0
		-	-	-	-	15	0
11	Cash and cash equivalent						
	Central Bank of Nigeria	-	-	-	-	12,950.498	16,095
		-	-	-	-	12,950.498	16,095
12	Capital Subvention						
	As at January 1, 2017					1,473,488.104	1,459,159.104
	Received during the year					24,549.023	16,650
						1,498,037.126	1,475,809.104
	Transferred to CRF in the year					0	-2,321
						1,498,037.126	1,473,488.104
13	Retained earnings						
	As at January 1, 2017					97,799	102,876
	Prior Year Adjustment					0	-5,350
	Deficit/Surplus for the year					-133,565.321	273
						-35,766.321	97,799
14	Trade and other payables						
	Amma Ultimate and general services ltd	-	-	-	-	529.075	0
	Autowrench Services Limited	-	-	-	-	540.75	0
	CMD Training Institute	-	-	-	-	2,220	0
	Livingstone Insurance	-	-	-	-	3,466.715	0
	Mtn Nigeria Communication Limited	-	-	-	-	1,842.75	0
	PKF Accountants & Business Advisers	-	-	-	-	1,443.75	0
	Staff Claims Payable	-	-	-	-	1,321.478	0
	Syndicated Metal Ltd	-	-	-	-	2,524.401	0
	Topclass Generator	-	-	-	-	1,527.55	0
	Yaliam Press Ltd	-	-	-	-	206.241	0
		-	-	-	-	15,622.709	0

Five Year Financial Summary							
		31 Dec, 2017	31 Dec, 2016	31 Dec, 2015	31 Dec, 2014	31 Dec, 2013	
		N'000	N'000	N'000	N'000	N'000	
		-	-	-	-	-	
Revenue		842,830	845,879	962,233	754,475	810,772	
Employment of funds							
Property, plant and equipment		1,464,928	1,555,192	1,554,363	1,519,913	1,524,403.04	
Net current assets / (liabilities)		-2,657	16,095	7,672	5,108	19,350	
Net assets		1,462,271	1,571,287	1,562,035	1,525,021	1,543,753.04	
Funds employed							
Capital Subvention		1,498,037	1,473,488	1,459,159	1,439,160	1,427,384	
Retained earnings		-35,766	97,799	102,876	85,861	116,369	
		1,462,271	1,571,287	1,562,035	1,525,021	1,543,753	

STATEMENT OF ACTUAL RECEIPTS AND PAYMENTS						
					2017	2016
					N'000	N'000
RECEIPTS						
Cash and bank balances at 1/1/2017					16,095	4,026.679
Capital Subvention					24,549.023	16,650
Overhead Subvention					102,718.268	127,251
Personnel Subvention					699,468.183	657,951
					842,830.474	805,878.679
PAYMENTS						
Addition to Land and Building					2,524.401	0
Addition to Motor Vehicles					14,647.5	0
Computer and IT equipment					8,231	555
Addition to Books & journals					60	274
Salaries & Allowances					699,468.183	656,637
Travelling & accomodation					22,401.995	11,674
Office Materials and supplies					0	1,749
Vehicle running costs					5,624.672	2,154
Maintenance: Furniture & equipment					3,464.283	130
Maintenance: Computer & IT equipment					794.1	2,105
Maintenance: Motor vehicles					3,453.885	4,508
Maintenance: Office building					2,484.75	3,642
Maintenance: Plant & Generators					3,591.7	8,413
Maintenance: Other services					1,198.37	714
Postages, Telephone & Internet					5,326.299	8,272
Printing & Stationery					4,259.819	2,039
Electricity & Water rates					8,095.186	7,645
Training expenses					14,455	18,110
Bank/ GIFMIS charges					261.765	153
Refreshment & Meals					4,262.793	3,069
Newspaper, Magazines and periodicals					245.72	0
Subscription					796.65	812
Board expenses					1,000	1,290
Advert and publicity					1,837.678	5,168
Cleaning & fumigation expenses					6,023.35	7,226
Audit fees and expenses					1,443.75	2,888
Carry forward					815,952.849	749,227

STATEMENT OF ACTUAL RECEIPTS AND PAYMENTS CONTINUED						
ENDED DECEMBER 31, 2017						
					2017	2016
					N'000	N'000
Brought forward					815,952.849	749,227
Consultancy fees					3,793.75	8,620.76
Uniform and Clothing					0	7,930
Security expenses					3,640	7,362
Medical/Welfare Expenses					6,029.55	3,593
Insurance					6,410.311	7,710
Staff Loans and Advances					15	0
Plant/Generator Fuel Cost					1,680	0
Monitoring and Compliance Validation Visits					3,060	0
Overhead Transferred to CRF					92.464	1
Personnel Transferred to CRF					0	1,314
Capital transferred to CRF					0	2,321
Printing Of Non Security Documents					4,829.236	0
Accrued expenses					-15,622.709	0
IGR transferred to CRF in 2016					0	1,705
Total payments					829,880.451	789,783.76
					12,950.023	16,094.919
Represented by:						
Central Bank of Nigeria balance					12,950.498	16,095

INFRASTRUCTURE CONCESSION REGULATORY COMMISSION, ABUJA			
STATEMENT OF COMPARISM OF BUDGETED AND ACTUAL EXPENSES			
	Budgeted (12Months) N000	Actual (12Months) N000	Variance N000
	0		0
UTILITIES - GENERAL			0
Electricity charges	10,510	7,720.186	2,789.814
Internet Access Charges	1,500	921.375	578.625
Water Rates	544.685	375	169.685
Sewage Charges	600	0	600
Telephone Charges	5,575	4,325	1,250
Satelites Broadcasting Access Charges	180	0	180
CONSULTING & PROFESSIONAL SERVICES - GENERAL	0	0	0
Financial Consulting	10,500	3,794	6,706
Information Technology Consulting	2,225	0	2,225
Legal Services	10,000	0	10,000
MAINTENANCE SERVICES-GENERAL	0	0	0
Maintenance of off.Building/Residual Qtrs	3,100	2,485	615
Maintenance of office and IT Equipment	3,000	3,272	-272
Maintenance of Plants/Generators	4,600	3,592	1,008
Other Maintenance Services	1,042	1,198	-156
Maintenance of Motor Vehicle/Transport Equipment	4,200	3,454	746
Maintenance of office furniture	101.6	192	-90.4
FINANCIAL CHARGES - GENERAL			
Insurance Premium	10,200	6,410.311	3,789.689
FUEL & LUBRICANTS-GENERAL	0	0	0
Motor Vehicle Fuel Cost	5,824	5,625	199
MATERIALS & SUPPLIES-GENERAL	0	0	0
Office Stationeries/Computer Consumables	6,238.8	4,260	1,978.8
Books	250	60	190
Newspapers	1,548	246	1,302
Printing of Non Security Documents	3,300	4,829	-1,529
OTHER SERVICES-GENERAL			
Security Services	3,600	3,380	220
Honourarium and Sitting Allowance	7,880	1,000	6,880
Cleaning & Fumigation Services	7,784	6,024	1,760
MISCELLANEOUS EXPENSES GENERAL			0
Anti - Corruption	600		600
Postages & Courier Services	600	79	521
Welfare Packages	6,200	6,030	170
Subscription to Professional bodies	1,146.82	797	349.82
Refreshment and Meals	4,030	4,263	-233
Publicity & Advertisements	10,800	1,838	8,962
TRAINING - GENERAL			
Local training	14,570	14,455	115
TRAVELS & TRANSPORT - GENERAL			0
Local travels & transport training	7,748.555	3,815	3,933.555
Local travels & transport - others	22,090	18,587	3,503
OVERHEAD	176,088.46	102,718	73,370.46
CAPITAL	34,310.245	24,549	9,761.245
PERSONNEL	708,536.004	699,468	9,068.004
	1,091,023.17	939,761.873	151,261.297

APPENDIX I: NIGERIAN PPP PROCUREMENT PROCESS

A PPP over any Federal Government Infrastructure would typically follow the steps below:

PPP Project Identification Phase

1. Project identification Departments
2. MDA should consult and engage with the FMOF prior to commencing PPP projects, in order to minimize the risk and contingent liabilities arising from such projects.
3. MDA should involve and engage with the Infrastructure Concession Regulatory Commission (ICRC) prior to commencing any PPP to ensure viability and bankability of proposed projects.

PPP Project Development and Preparation Phase

4. MDA would engage a Transaction Adviser (TA) through a competitive bidding process as required under the Public Procurement Act of 2007, to produce the report that would show the bankability of the project. This report is called an Outline Business Case (OBC).
5. The MDA would thereafter forward the OBC to the ICRC for review. Subject to assessment, ICRC would issue an OBC Certificate of Compliance to the MDA or decline issuance and advise the MDA accordingly.
6. The MDA would then submit the OBC along with ICRC OBC Certificate of Compliance to the Federal Executive Council (FEC) through the line Minister for approval.

PPP Procurement Phase

7. If the project is approved by FEC, the MDA's TA would commence a procurement process leading to a competitive bidding process, from which a preferred PPP Project Proponent (Investor) will emerge.
8. Negotiations would thereafter ensue, leading to the conclusion of a Full Business Case (FBC) document and submission of the FBC to ICRC for review. Subject to assessment, ICRC would issue an FBC Certificate of Compliance to the MDA or decline issuance and advise the MDA accordingly.
9. The MDA would again submit the FBC along with the ICRC Certificate of Compliance to FEC, through the line Minister, for Approval.
10. If the FBC is approved by FEC, this would be followed by the signing of a contract between the MDA and the preferred PPP Project Proponent (Investor). ICRC will thereafter take custody of the contract as required under the Section 20 of the ICRC Act.

PPP Implementation Phase

Eventually, for the project to take off, the preferred PPP Project Proponent (Investor) must achieve Financial Close.

12. The MDA is required under Section 12 of the Act to supervise the project diligently. On the other hand the ICRC and the MDA are required, under Section 10 of the Act, to conduct regular joint inspections of the project until the end of the contract.

¹ Outline Business Case: A document prepared by the MDA's TA that aims to establish the need for the project and its outline parameters and scope, including costs and bankability demonstration.

² Full Business Case: A document prepared by the MDA's TA prior to financial closure and award of contract, which provides all the information needed to support a decision to award a contract and commit actual funding, as well as provide a basis for the necessary project management, monitoring evaluation and benefits realization.

APPENDIX 2:

OBC & FBC COMPLIANCE CERTIFICATES ISSUED IN 2017

Outline Business Cases			
S/N	MDA	PPP Project	Date
1	Federal Ministry of Industry Trade and Investment/ National Automotive Design and Development Council (NADDC)	Development of a World Class Training Centre of Excellence	10 th Jan 2017
2	Federal Ministry of Transportation (FMoT)	Ibom Deep Sea Port (Certificate Revalidation)	14 th Feb 2017
3	Federal Ministry of Interior	Production of ECOWAS Biometric Identity Cards	15 th Feb 2017
4	Federal Ministry of Interior (FMoI)	Production of Emergency Passports	1 st March 2017
5	Federal Ministry of Power, Works & Housing (FMoPW&H)	Oyan Dam 9MW Hydropower Plant (Ogun State)	8 th March 2017
6	Federal Ministry of Health (FMoH)	Warehouse in a Box Project (Abuja and Lagos)	10 th March 2017
7	Federal Ministry of Water Resources (FMoWR)	Owena Small hydropower Scheme. Ondo State	10 th March 2017
8	Federal Ministry of Transportation, Nigerian Railway Corporation (NRC)	Narrow Gauge Railway Concession (Eastern & Western Railway) – Issued with the conditions below to be treated at FBC phase:	4 th April 2017
	a) Environmental and social impact analysis. b) Encroachments on many segments of the tracks by squatters etc and a decision on who is to bear responsibility for removing all such encumbrances. c) Updating the data/ information contained in the harmonized OBC, which is mostly 2012 assumptions/ prices and this cannot assure meaningful investment decisions. d) A holistic inspection / study of the rail network to determine the level of investment required. e) How to treat labour issues, which is usually a huge concern in any brownfield concession.		

	f) The level of government support, if any: All over the world. Rail PPPs invariably require significant government support for it to succeed.		
9	Federal Ministry of Petroleum Resources	Consultancy Services for the Nigerian International Oil & Gas Summit	10 th April 2017
10	Federal Ministry of Interior (FMol)/ Nigerian Immigration Service	Implementation of an intelligent immigration and boarder management system	8 th May 2017
11	Federal Ministry of Petroleum Resources/ Nigerian National Petroleum Corporation (NNPC)	Proposed 400 x 614Km Ajaokuta-Kaduna-Kano (AKK) Gas pipeline and Stations	10 th July 2017
12	Federal Ministry of Defence	Naval Dockyard	14 th July 2017
13	Federal Ministry of Agriculture and Rural Development (FMARD)	Concession and Leasing of Grain Storage Facilities (24 silos across the country)	11 th August 2017
14	Federal Ministry of Power, Works & Housing (Housing)	Marina Quayside Strip Project	16 th August 2017
15	Federal Ministry of Power, Works & Housing (FMoPW&H)	Transformer Repair Services	21 st August 2017
16	Federal Ministry of Power, Works & Housing (FMoPW&H)	Lower Usuma Dam	17 th September 2017
17	National Open University, Abuja	Development Of Commercial Hub	30 th September 2017
18	National Commission For Museums and Monuments	The Lease Of Land At The National Museum Enugu	16 th October 2017
19	Federal Ministry of Transport/ Nigerian Shippers Council	The Development of Inland Container Depot (ICD) in Dagbolu, Osun State (Certificate Revalidation)	8 th November 2017
20	Federal Ministry of Transport/ Nigerian Shippers Council	The Development of Inland Container Depot (ICD) in Onitsha ICD, Anambra State	8 th November 2017

21	Federal Ministry of Transport/ Nigerian Shippers Council	The Development of Inland Container Depot (ICD) in Lolo ICD, Kebbi State	8 th November 2017
22	Federal Ministry of Defence	Rehabilitation of Defence Jetty at Marina, Lagos	8 th November 2017

Full Business Cases			
1	Federal Ministry of Petroleum Resources	Consultancy Services for the Nigerian International Oil & Gas Summit	10 th April 2017
2	Federal Ministry of Information & Culture (FMol&C)	Concession/ Development of the Fallow Land in the National Theatre (Certificate Revalidation)	18 th April 2017
3	Federal Ministry of Interior (Nigerian Police)	Revalidation of OBC/FBC - Nigerian Police Force COE	20 th July 2017

APPENDIX 3: PPP CAPACITY BUILDING PROGRAMMES IN 2017

SN	Programme/Activity	Sponsor/MDA	Participants	Date
1	Capacity Building on Basic PPP	Federal Ministry of Science & Technology	PPP department staff and concerned stakeholders	9 th – 10 th January 2017
2	Capacity Building on Basic PPP	Federal Ministry of Environment-	PPP department staff and concerned stakeholders	31 st January 2017
3	Capacity Building on Basic PPP	ICRC In-House Staff	ICRC staff	15 th -16 th February 2017
4	Capacity Building on Basic PPP	Nigerian Maritime Administration and Safety Agency	Top management staff concerned stakeholders	22 nd – 23 rd May 2017
5	Capacity Building on Basic PPP	Federal Ministry of Industry, Trade & Investment	PPP department staff	7 th June 2017
6	Capacity Building on Basic PPP	Nigerian Police Force	PPP department staff	7 th June 2017
7	Capacity Building on Basic PPP	Nigerian Film Corporation	PPP department staff	7 th June 2017
8	Capacity Building on Basic PPP	Lagos International Trade Fair Complex (LITFC)	Staff of LITFC	19 th July 2017
9	PPP Project Preparation,	Australian Alumni Association of	ICRC/MDAs	28 th – 30 th August, 2017

	Development Workshop			
9	PPP Foundation Certification Programme	World Bank/ICRC	Selected ICRC Staff	11 th Sept 2017
10	Capacity Building on Basic PPP	Abuja Infrastructure Investment Centre	Staff of AIIC	10 th -11 th Oct 2017
11	Capacity Building on Basic PPP	Small & Medium Enterprise Development Agency of Nigeria	Staff of SMEDAN	11 th -13 th Oct 2017
12	Capacity Building Programme	National Assembly	Committee on Special Duties	8 th Nov 2017
13	Workshop for implementing PPP	NNPC	Staff of NNPC	13 th Nov 2017
14	Capacity Building on Basic PPP	FAAN	Mgt/Staff of FAAN	13th -15th Nov 2017
15	Presentation on PPP initiatives in MDAs'	Service-wide meeting	Head of Service and Permanent Secretaries	14th Nov 2017
16	2 day training for MDAs on the PPP Disclosure Web Portal	World Bank/ICRC	MDA's and selected ICRC Staff	15th -16th Nov 2017

APPENDIX 4:

ICRC STAFF PROFESSIONAL/SELF DEVELOPMENT TRAINING IN 2017

S/No	Training Provider	Title of Course	No of Participants	Period
1.	National Orientation Agency	"Do the Right Thing"	7	28 th February, 2017
2.	NHIS	Sensitization Workshop for NHIS scheduled Officers	2	24 th May, 2017
3.	Nadith Integrated Management Consult	Human Resources Management and Organisational Behaviour	1	19 th – 23 June
4.	Nadith Integrated Management Consult	Strategic Communications	1	19 th – 23 June
5.	Global Training and Consulting	High Performance Leadership	4	26 th – 30 th June
6.	Conference for African Studies (CFA)	Improvement Course for Administrative Officers	1	3-7 July, 2017
7.	Phillips Consulting	Finance and Accounting for Non-Finance Managers	2	10 th – 13 th July 2017
8.	ICRC	A 1 day training on Interpersonal Relationship organized for ICRC staff	38	12 th July, 2017

9.	Centre for Management Development (CMD)	Human Resources for Sustainable Results	1	17-21 July, 2017
10.	CMD	Result Based Monitoring and Evaluation	3	24-28 th July
11.	Ministry of Budget and National Planning	Budget Preparation Workshop	5	3 rd – 5 th August, 2017
12.	CMD	Procurement Planning and Contract Management	1	7 th – 11 th August, 2017
13.	CFA	Project Risk Management	5	14 th – 18 th August
14.	CFA	Administration and Maintenance of Organisation Assets, Utilities for improved efficiency	2	14 th – 18 th August
15.	CMD	Advanced Management Trainers Development Workshop	2	14-25 th August, 2017
16.	National Fire Service	Fire Service Training	2	24 th August, 2017
17.	Australian Alumni Association of Nigeria/ICRC	PPP Project Preparation, Planning and Development Workshop	35 participants from MDAs	28 th – 30 th August, 2017
18.	CFA	Effective Maintenance Management	1	28 th August – 1 st September, 2017
19.	CFA	Public Sector Accounting and Auditing	2	16 th – 20 th October, 2017



THE PRESIDENCY

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