



3rd Quarter 2019

ICRC Bulletin



Managing **Public Private Partnership (PPP)** *Contracts*

INSIDE THIS ISSUE





Message from the Editor-in-Chief

Dear Reader,

The ICRC Bulletin Editorial Team is pleased to present the

third quarter edition for the year 2019.

In this edition, our focus is on one of the major mandates for which ICRC was set-up, which is to monitor compliance with the terms and conditions of every concession agreement made under ICRC enabling Act, in order to ensure efficient execution for the Federal Government of Nigeria.

Our feature story on *“The imperatives of Monitoring and Compliance in Infrastructure Projects”* was written by Michael Uwaechie, an erudite lawyer with appreciable practical experience in the workings of various stages of the PPP life cycle. He notes in the article that, *“the Value for Money generated through an infrastructure project depends substantially on the quality of the government's contract management and monitoring systems”*.

Our knowledge management article is on *“Managing PPP Contracts”*. The contract management phase of a PPP project is crucial and lasts for the whole-life of the project. Our chosen feature therefore emphasises some

major elements to give attention to in order to ensure a smooth PPP contract management process.

We have an additional article on the importance of Monitoring and Compliance written by Patrick Ederaro, a staff of ICRC's Media & Publicity unit with over ten years experience in PPPs and public policy, among other skills.

During the quarter, the ICRC team paid several monitoring visits to both pre and post PPP contract sites in different parts of the country. The picture stories of each site visit are presented here.

Our Health section shares nine life-changing wellness tips that can help our readers to lead to a better life.

We hope you enjoy your read.

Manji Yarling

Editor-in-Chief

Director General's Desk

The year 2019 has been quite eventful in the pursuit of our mandate as a Commission. Within the period under review, our focus among many others was on monitoring of PPP projects to ensure compliance with the PPP guidelines by all parties involved.

This saw staff of the Commission embark on monitoring visits to various project sites across the Country with a view to ensuring strict compliance with our guidelines. Some notable project sites visited in the review period include: **Intels facility** in Calabar, **Industrial Development Centre** in Owerri, **Nigerian Railway Corporation** in Lagos, **Kaduna Polytechnic hostels** and **Lekki Deep Seaport** in Lagos. It is noteworthy that across these various project sites visited, some progress has been made both in terms of investment and service standards as contained in the various concession agreements.

We intend to as a Commission under my leadership, sustain the tempo of our monitoring activities as a way of ensuring service delivery to Nigerians.

The Commission has continued to enjoy improved visibility in the media and across critical stakeholder groups in Nigeria. There has been a significant increase in our media mentions in comparison with previous years when benchmarked against the number of engagements and strategic partnerships in which the Commission is involved.

This is a clear indication that our communication strategy has been largely successful. We must ensure the sustenance of these gains as we strive to further consolidate our position within our sphere of influence.

As part of efforts to expand the scope of our operations, we are having discussions with the Economic and Financial Crimes Commission (EFCC) with respect to acquiring one of the buildings forfeited to government



for the use of the Commission. The Chairman of the EFCC made a commitment to help us secure a building that will house the ICRC Academy at a recent courtesy visit to him by the ICRC management team. We hope to conclude this process within the shortest possible time.

We must not lose sight of the enormous responsibility thrust upon us to deliver critical infrastructure to Nigerians. As I often repeat, we are Nigeria's infrastructure generation, as a matter of fact, we stand at the threshold of history. I therefore implore us all to ensure that we do not betray this mandate as we are still a long way off.

God bless the Federal Republic of Nigeria.

God bless the ICRC.

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

Feature Story

The Imperatives of Monitoring and Compliance in Infrastructure Projects

Michael Uwaechie, *Executive Director,*
Weir Capacity Limited

Project monitoring and compliance can be described as two sides of a coin. Although their roles are divergent, they ought to co-exist and complement each other in effective infrastructure management. Across this divide, however, we can situate their distinctiveness.

Project Monitoring, which is more suited to oversight responsibilities, could be described as the process of keeping track of all project-related metrics including team performance and task duration, identifying potential problems and taking corrective actions necessary to ensure that the project is within scope, on budget and meets the specified deadlines. In this context, almost every activity, in the project development and implementation cycle, which has a definitive timeline, could be described as a project for which a monitoring process can be established.

Indeed, the process of project monitoring commences quite early in the process cycle, and usually during the planning phase of an

infrastructure project. During this phase, it is important to define how the project success will unfurl and how the project parameters can be measured using Key Performance Indicators (KPIs).

On the other hand, compliance, which is more appropriately illustrated through contract management from the public party perspective, can be described as the process of the public partner managing the private partner's adherence to the provisions of, and performance against, the contract.

The contract management responsibility only commences at the end of the procurement process, and after a contract is executed. While the activity leading up to contract signing is a project in itself which can be monitored, the contract management phase remains premature until commercial close or contract signing.

To guarantee a successful contract management regime, it is expected that the preparatory work and the establishment of the contract management framework would have been initiated in the course of the bid

preparation, or earlier. It is also good practice to put the contract management team in place prior to the end of the procurement phase as this is an important means of preventing a loss of knowledge about the project. The role of the contract management team nevertheless becomes more prominent as the project advances in the project cycle.

During the actual contract management phase, the parties exercise their contractual rights in relation to such matters as changes in the project and services, variations as well as all other contractual matters leading up to termination or expiry of the contract. Because infrastructure contracts define the payment terms, negotiation patterns, work flow, and expected service levels, effective contract management or compliance not only ensures better relationships between contractual parties, but also mitigates risk.

Application of principles of monitoring and compliance is germane for the implementation of all types of infrastructure projects,

irrespective of procurement methods, for their objective validation, performance-based decision making and ultimately, Value for Money. Remarkably, the Value for Money generated through an infrastructure project depends substantially on the

A valid contract should establish the various obligations of the contractor as regards the management and reporting of its activities and achievements against the project specifications.

quality of the government's contract management and monitoring systems. Although the establishment of a contract management team is an example of good practice for the government, this activity will not, in itself, guarantee that the government will maximize the Value for Money potential of a project. To best harness Value for Money, there needs to be a systematic interface between the contract management team and the project development team, especially during the structuring phase when the output specifications are

developed and defined.

A valid contract should establish the various obligations of the contractor as regards the management and reporting of its activities and achievements against the project specifications. It is not uncommon for the procuring authority to put measures in place for the infrastructure contract to be self-regulating and self-reporting. However, this option is best utilized where the government is capable of instituting strong governance and contract management regimes. While the contractual parties each have their contract management teams, the government's contract management team must closely monitor the progress of work and the quality of the private party per the contract.

In sum, effective monitoring and compliance helps in knowing if the intended project and contractual objectives are being achieved as planned, what actions are needed to achieve the intended results in the course of the project lifecycle, and whether these initiatives are creating a positive impact and Value for Money towards the project execution.



Managing PPP Contracts

Managing PPP contracts involve monitoring and enforcing the PPP contract requirements; and managing the relationship between the public and private partners. The contract management stage spans the lifetime of the PPP agreement from the effective date of the contract to the end of the contract period.

Contract Management Stage of PPP Process Managing PPP contracts differ from managing traditional government contracts. PPPs are long term and complex, and contracts are necessarily incomplete—that is, the requirements and rules in all scenarios cannot be specified in the contract. Therefore, the management of PPP contracts must be flexible in both available resources and skills to meet the whole-life expectations of the contract. The aims of contract management for PPPs are to ensure:

Contract Management

Stage of PPP Process

Managing PPP contracts differs from managing traditional government contracts.

- Services are delivered continuously and to a high standard, in accordance with the contract, and payments or penalties are made accordingly;

- Contractual responsibilities and risk allocations are maintained in practice, and the government's responsibilities and risks managed efficiently;

- Changes in the external environment—both risks and opportunities—are spotted and acted on effectively; and

- The efficiency expectations of the contract are achieved and the handback provision in the contract are met.

These aims of contract management are elaborated in the 4ps Guide to Contract Management for PFI and PPP Contracts in the United Kingdom (4ps2007, 5). The South Africa PPP Manual section on PPP Agreement



Management (ZA2004a, Module 6, 11–12) describes what is needed and what is meant by successful management of a PPP contract, as well as what can go wrong, and why. EPEC's 2014 Guidance for Managing PPPs (EPEC 2014b) condenses European experiences on the topic. The Caribbean PPP Toolkit (Caribbean 2017, Module 6) presents Caribbean examples and discusses contract management best practices.

The foundations for effective contract management are laid early in the PPP implementation process. Many aspects of contract management—such as procedures for dealing with change, and dispute

resolution mechanisms—are set out in the PPP agreements, as described in Designing PPP Contracts.

This section describes four key aspects of putting contract management into practice for PPP projects:

- Establishing contract management institutions—defining and establishing the key responsibilities and communication mechanisms that will enable a proactive, effective relationship between the public and private partners to the contract.

- Monitoring PPP delivery and risk—monitoring and enforcing contract compliance and service

performance by the private party, ensuring the government delivers on its responsibilities under the contract efficiently, and monitoring and mitigating risk by the implementation of frequent and robust reporting mechanisms during the whole-life of the contract.

- Dealing with change—putting into practice the mechanisms described in Designing PPP Contracts to deal with contract adjustments, dispute resolution, and contract termination, as well as deciding whether, when and how to renegotiate.

- Managing contract expiry and asset handover—managing the transition of assets and operations early enough to ensure that the handback criteria or contracted handback condition of the asset is met at the end of the contract term.

The United Kingdom Treasury's Operational Taskforce, part of the PPP Unit, has produced comprehensive guidance notes covering several topics on contract management for PPPs (UK2006a).

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Monitoring and Compliance in Public Private Partnerships

Patrick Ederaro, *Media and Publicity Unit, ICRC*

United Nations Population Fund (UNFPA) defines monitoring as: *“A continuous management function that aims primarily at providing programme managers and key stakeholders with regular feedback and early indications of progress or lack thereof in the achievement of intended results. Monitoring tracks the actual performance against what was planned or expected according to pre-determined standards. It generally involves*

collecting and analysing data on programme processes and results, and recommending corrective measures”.

The implementation of a monitoring plan is the process of completing the action steps towards meeting the goals set out in the monitoring plan. It requires meeting all the targets detailed out in the plan.

Monitoring across the various stages in the PPP life

cycle seeks to among others: Control and supervise the implementation of a project plan at regular intervals in terms of utilization of project resources, performance, achievement of expected development objectives, efficiency of implementation process, identify possible challenges and risks, among others.

A tangible contract management function assists in managing obligations in an effective manner; this saves both parties significant time

and effort and provides benefits in terms of business strategies and procedures.

Once a contract is finalized and services are procured, many parties fail to properly monitor and oversee the implementation of these contracts and fail to fulfill their contractual obligations. Failure to meet these obligations can result in missed savings, heavy fines, costly litigation, and broken relationships — all of which constitute decreased public benefits and Value for Money.

Infrastructure works and services provided by a private partner on behalf of the government require much management by the procuring authority than those provided in-house. This is particularly true of PPP contracts. Although output-driven, such contracts require considerable management efforts on the part of the government.

(ICRC), is empowered by its (Establishment, etc) Act 2005 to superintend over all Public Private Partnership (PPP) transactions entered into by Ministries, Departments and Agencies (MDAs) on behalf of the Federal Government of Nigeria.

This is due to the nature of such contracts which have a long time span, require substantial works and services to be provided, and from which significant complexities arise due to the uncertainty of the future events and occurrences.

The Infrastructure Concession Regulatory Commission (ICRC), is empowered by its (Establishment, etc) Act 2005 to superintend over all Public Private Partnership (PPP) transactions entered into by Ministries, Departments and Agencies (MDAs) on behalf of the Federal Government of Nigeria. The Commission is also mandated under section (20) of its Act, to take custody of, and monitor the efficient execution of the projects and ensure compliance with the terms and conditions of the agreements.

The Commission in exercise of its statutory mandate undertakes periodic monitoring visits to key PPP project sites under the regulatory oversight of the ICRC. There are currently 77 projects at various stages of implementation, cutting across various sectors of the economy in its custody.

OUTLINE BUSINESS CASE/FULL BUSINESS CASE COMPLIANCE CERTIFICATES ISSUED BY THE COMMISSION IN THE THIRD QUARTER 2019
OBCs presented

N/O	MDA	PPP PROJECT	DATE
1	Federal Ministry of Health	Upgrade of Third Phase of Teaching Hospital Rehabilitation Project	16th August 2019
2	Federal Ministry of Transportation (FMoT)	The Development of the Bakassi Deep Sea Port	25th September, 2019

FBCs presented

N/O	MDA	PPP PROJECT	DATE
1	Office of the Head of Civil Service of the Federation (OHCSF)	The Concession of Ground Floor of the Federal Secretariat Complex, Phase II to Commercial Use under PPP Arrangement	Pilot Implementation Certificate issued on 10th July, 2019
2	Federal Ministry of Transportation (FMoT)	Ibom Deep Sea Port	14th May, 2019
3	Federal Ministry of Transportation (FMoT) / Nigerian Railway Corporation (NRC)	Design, Development, Deployment and Management of a Secure Automated Fare Collection ("AFC") Solution for the Nigerian Railway Corporation (NRC) Rail Network	2nd September, 2019
4	Federal Ministry of Defence	Supply, Operate & Maintain arrangement for equipment (COE) (Conditional FBC Certificate)	2nd September, 2019

The Third Quarter 2019 Public Private Partnership Unit Consultative Forum (3PUCF) meeting, a knowledge and experience sharing platform comprising of Heads of PPP Units across federal MDA's held Thursday, 12 September, at the Federal Ministry of Finance, Abuja.

In his remarks, the Director General of the ICRC, Engr. Chidi Izuwah, speaking through Barrister Mike Ohiani, Director, Public Private Partnership Resource Centre, expressed delight at the steady growth of the forum from inception in 2014 to date while commending participants for their dedication and focus in developing capacity and knowledge exchange within the PPP ecosystem.

He reiterated the Commission's mandate which includes regulating Public Private Partnership (PPP) procurement by guiding MDAs to structure PPP transactions for both green field and brown field infrastructure as well as taking custody of all executed agreements and ensuring compliance. According to him, the ICRC has been involved in PPP compliance monitoring visits for both pre- and post- contract to PPP projects in the Country and he the DG would be leading an ICRC team on a post contract monitoring visit to Lekki Deepwater Port later in the week.

While advocating for gender sensitivity in infrastructure development, he stressed

Joint NPPN & 3PUCF Report



that infrastructure was not gender neutral and gaps in access to infrastructure affects women disproportionately.

"When taps are not running in our villages, it is our women and girls that go to fetch water"

"The boys go to school and the girls will go late and are expected to perform at the same level".

According to him, to mitigate the gap, the ICRC and the Australian government had begun a major effort to strengthen women's involvement in infrastructure and PPPs towards delivering responsive infrastructure.

He disclosed that as at the

end of August, the Commission had granted 9 Outline Business Cases (OBC) and 9 Full Business Cases (FBC) Compliance Certificates for 2019, bringing the total number of certificates issued since the inception of the Commission to 76 OBCs and 31 FBCs.

In her remarks at the event, Minister of Finance, Mrs Zainab Ahmed, speaking through Mrs. Anita Shittu, Director, Human Resource Management, disclosed that the Federal Government had acquired an automated customs gateway portal for the management of Import Duty Exemption Certificates, through Public Private Partnerships (PPPs) arrangement.

Ahmed said that the Ministry had also through PPP, undertaken a Road Infrastructure Development and Refurbishment Investment Tax Credit Scheme (The Scheme), under Executive Order 007 of 2019. According to her, the objective of the gateway portal is to ensure that government effectively tracks and manages all revenue accruable from import duties and other charges.

"It would also ensure

accurate duty payment, streamline the process by which import duty waivers are granted and eliminate all forms of subjectivity in the grant of fiscal incentives.

"The project has two components. The development and deployment of a bespoke software for the process and the management and operations of the system. The software was procured directly and has been deployed to the ministry.

The Ministry is in the process of procuring the management and operations part of the contract via PPP arrangement," she said.

She disclosed that the road scheme, otherwise called **"The Scheme"** is an initiative that will enable private sector partner with the Federal Government to bridge the road infrastructure gap in the country.



WORKSHOPS TRAININGS SUMMITS CONFERENCES SYMPOSIUMS



ICRC team on monitoring visit to Industrial Development Center, Owerri - 11th July, 2019





ICRC team on monitoring visit to
Nigerian Railway Corporation,
12th July, 2019



Courtesy visit of the Director General and Management of the Industrial Training Fund to the
Commission on 18th July, 2019



Cross section of participants at the African Investors Forum which took place at Transcorp Hilton, Abuja on 18th July, 2019



DG ICRC at the Railway and Port Workshop in Lagos on 23rd July, 2019



ICRC team on monitoring visit to INTELS and ECM Terminal, Calabar. 30th July, 2019



ICRC monitoring team during visit to the Transformer Repair Workshop in Ijora, Lagos on 27th August 2019



Courtesy visit by the Managing Director and Management team of Mainstream Energy to the Commission on 29th August, 2019



Monitoring visit to Kaduna Polytechnic 29th August 2019



Commission's delegation to the Federal Ministry of Police Affairs on the National Public Security Communication System project on 2nd September 2019



Courtesy visit of the MD of FAAN, Capt. Rabiuh Hamisu Yadudu to the Commission on 2nd September, 2019



DG ICRC delivering a paper at the Nigeria International Pipeline Technology and Security Conference held in Abuja on 4th and 5th September, 2019



Monitoring Visit to Lekki Deep Sea Port, 13th September, 2019



One of the many PPP training sessions' undertaken by the ICRC for staff of MDA's



Presentation of OBC compliance certificate to the Honorable Minister of Transportation FMOT, Rt. Hon. Rotimi Amaechi for the Development of Bakassi Deep Seaport project. Prof Ben Ayade, Cross River State Governor was in attendance. 3rd September, 2019 at FMOT Headquarters in Abuja



DG ICRC at the Power Sector Roundtable on 25th September, 2019

Health & Wellbeing

9 Life-changing Wellness Tips to Lead A Better Life

When it comes to health and wellness, it's the smallest and consistent efforts that bring the best results. Sadly, too many of us are taking our well-being very lightly.

If you wish to lead a happy and healthy life, it's high time that you start giving your well-being the importance it deserves. Thomas Edison summed it up perfectly, *"The doctor of the future will no longer treat the human frame with drugs, but rather will cure and prevent disease with nutrition."*

I've got some tips for you as well that will help you to lead a better and healthy life. Should we take a look at them?

Let's go:

1. Get up and drink a bottle of water

In Japan, people drink two glasses of water as the first thing in the morning. Interestingly, it has the greatest overall longevity being the only country with over 50,000 centenarians. Whether it's in the water practice or something else, we can learn a few tricks from Japanese to improve our health.

Benefits of drinking water in the morning:

- Rehydrates your body
- Flushes out toxins
- Improves metabolism
- Increases brain power
- Boosts the immune system

2. Come out and take some fresh air

Don't you feel happier when the sun is shining

and you get to spend some time outside? I'm sure you do because I personally love it. However, with many of us spending the major chunk in our stuffy offices, it has become a rare deal to go out and spend some time with nature. Research shows that getting fresh air affects the levels of [serotonin](#) that make us feel good about ourselves.

Benefits of getting some fresh air:

- Good for lungs and skin
- Improves blood pressure and heart rate
- Relieves stress and anxiety
- Makes you happier and energetic
- Strengthens the immune system

3. Play happy songs while getting ready

Music is known to evoke all kinds of emotions. It is actually very actionable and can be used to manipulate your mood. Make a playlist of your favorite upbeat and happy songs and blast it off in the morning to set the tone for the rest of the day.

Tip: Keep updating your playlist every week

Benefits of listening to good music:

- Improves mental focus
- Soothes and relaxes blood vessels
- Makes you happier
- Reduces stress levels
- Gets dopamine flowing

4. Do something new every day

Routines are boring and unhealthy. Doing the same thing over and over again is going to bring monotony quite soon in your life. And it isn't exciting to be living such a life, right? Try doing something new every single day — it's actually healthy. Don't complicate, start with small things like taking a different route to



coffee-addiction, replace coffee with green tea or natural juices. Loaded with antioxidants and nutrients, they can have powerful effects on your health.

Benefits of green tea and juices

- Catechin in green tea prevents cell damage and promotes cell growth
- Amino acid L-theanine improve brain function
- Prevents skin aging and Alzheimer and Parkinson disease
- Lowers the risk of Type 2 Diabetes

work, having coffee instead of tea, and more.

Benefits of attempting new things:

- Makes life more exciting
- Brings you out of your comfort zone
- Good for brain and mental strength
- Makes you more confident and courageous
- Sense of accomplishment

5. Eat more fruits and green salads

Those who think they have no time for healthy eating will sooner or later have to find time for illness. About 70–80% of health is eating the right food at the right time. Understand your body type and its nutritional needs. Leafy greens and fruits are a great source of natural fiber, vitamins, and minerals. Eat a variety of fresh fruits and vegetables — it's both easy and delicious.

Benefits of eating fruits and veggies:

- Healthy weight maintenance
- Controls blood sugar
- Reduces LDL also known as bad cholesterol
- Normalizes bowel movements
- Protects your heart and improves skin tone

6. Ditch coffee with green tea and juices

I don't understand the gratification people get by bragging about their addiction to coffee (or tea). Having a cup or two is fine, but gulping down seven to eight cups of caffeine isn't doing you any good. To bid goodbye to

- Helps you lose weight and lowers the risk of obesity

7. Pop a daily probiotic

Probiotics are a great way to boost the immune system and improve the skin health. In simple words, probiotics are live microorganisms similar to ones found in human gut, also known as 'good bacteria'. Popping up a daily probiotic would scare off pathogens and improves the immune system. So, provide your body with the number of probiotics it needs to maintain your well-being and sustain a healthy gut.

Benefits of probiotics:

- Keeps your gut clean
- Boosts your immune system
- Protects against hostile bacteria to prevent infection
- Prevents various allergies and Eczema

8. Sit up straight

The way you stand, sit, and walk is also a part of your well-being and health care. If you are always slouching or walking like a zombie, you need to take care of your posture because not doing so could result in physical deformities and other health problems. To maintain a good posture, place your body in a neutral position so that your pelvis, trunk, and head are in alignment. It is an optimal position that helps you to work efficiently even for long hours.

Benefits of a good posture:

- Keeps bones and joints in correct

- alignment
- Decreases stress on ligaments
- Prevents fatigue
- Prevents backache and muscular pain
- Contributes to a good appearance

9. Listen to meditative music before sleeping

Just like you should start your day with some kickass music likewise, it's a great practice to end your day with soothing and calming music. To maintain optimum energy levels, you must get a sleep of at least a good 7 to 8 hours.

Benefits of listening to music hitting the sack:

- Lowers stress

- Reduces fatigue
- Better sleep
- Reduces depression

Before you start applying these tips, make sure you develop a firm belief in them and aren't doing them just for the heck of it. If you aren't happy from inside while doing something, it's not going to do any good to you.

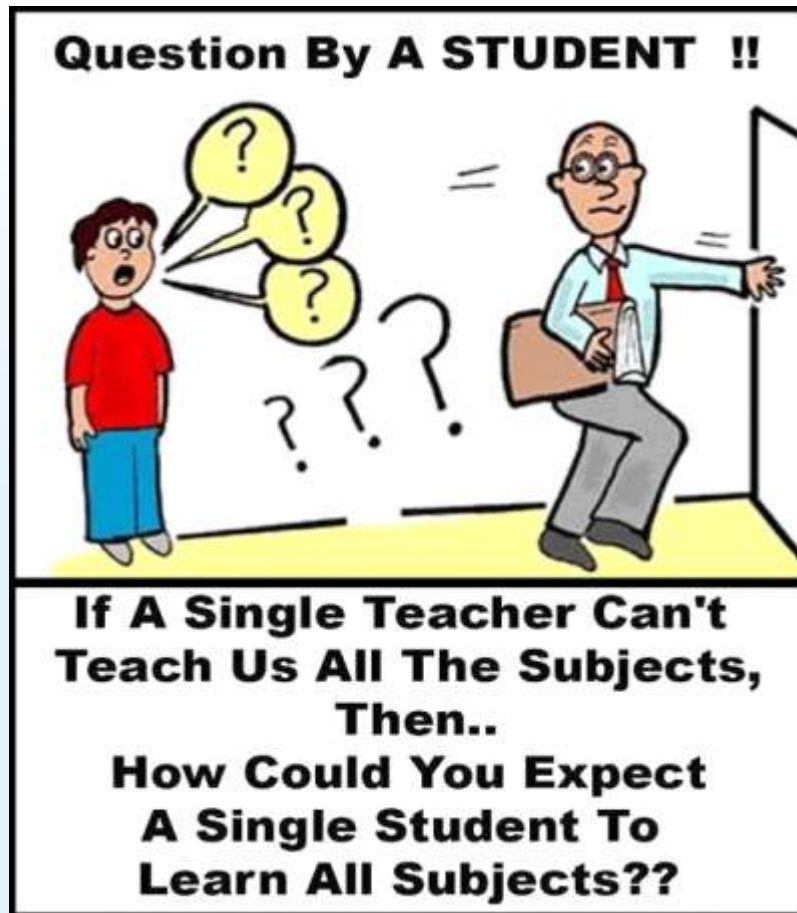
To lead a healthy lifestyle, it's vital to get your mind on your side. Once you've achieved this, everything else will be a cakewalk for you.

All the best!

Author Bio:

Vartika Kashyap is the Marketing Manager at ProofHub and has been one of the LinkedIn Top Voices in 2017. Her articles are inspired by office situations and work-related events. She likes to write about productivity, team building, work culture, leadership, entrepreneurship among others and contributing to a better workplace is what makes her click.

Lighter Note



About The Publication

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

We value your views, contributions and opinion.

For enquiries, comments and suggestions on this issue, you may email us at **info@icrc.gov.ng**

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Strategic Objective

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).

INFRASTRUCTURE CONCESSION REGULATORY COMMISSION (ICRC)

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