

Outline



- Hard work & Time Needed - My Background
- What are These – NSIA and ICRC Relationship Background
- Recent Infrastructure Titbits
- Procurement Spectrum and Framework for PPPs Nigeria
- Learning from Others
- Transforming Infrastructure in Nigeria
- Way Forward for Nigeria
- ICRC & NSIA – What to Do
- Conclusion and Transforming Nigeria

ICRC

10,000 hrs
IS THE AMOUNT OF
practice
YOU MUST PUT IN
to attain
MASTERY

"OUTLIERS" *by*
Malcolm Gladwell

#amreading

@thatscribbler



The 10,000 hour rule.



“The rule says to become
world-class at anything,
you have to put in
10,000 hours of
practice.”

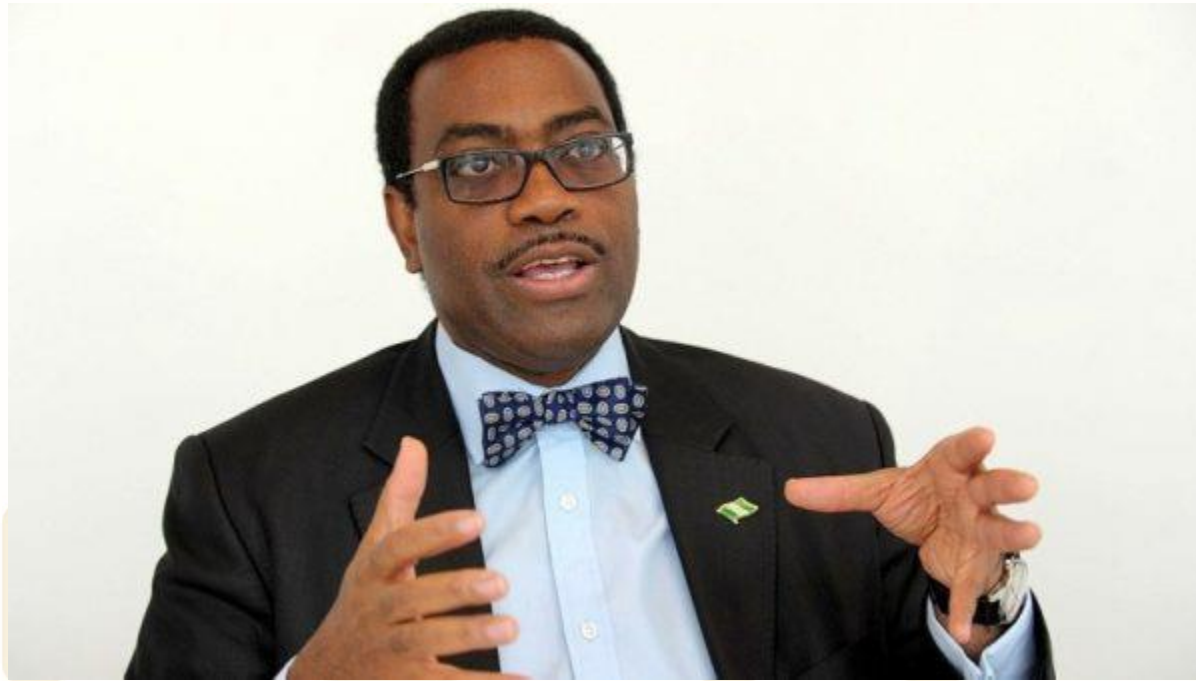
~ Malcolm Gladwell ~

johnbiccard.com

Creative Anger



**I've no patience for
underdevelopment – AfDB
President, Dr. Akin Adesina**



What are These

ICRC







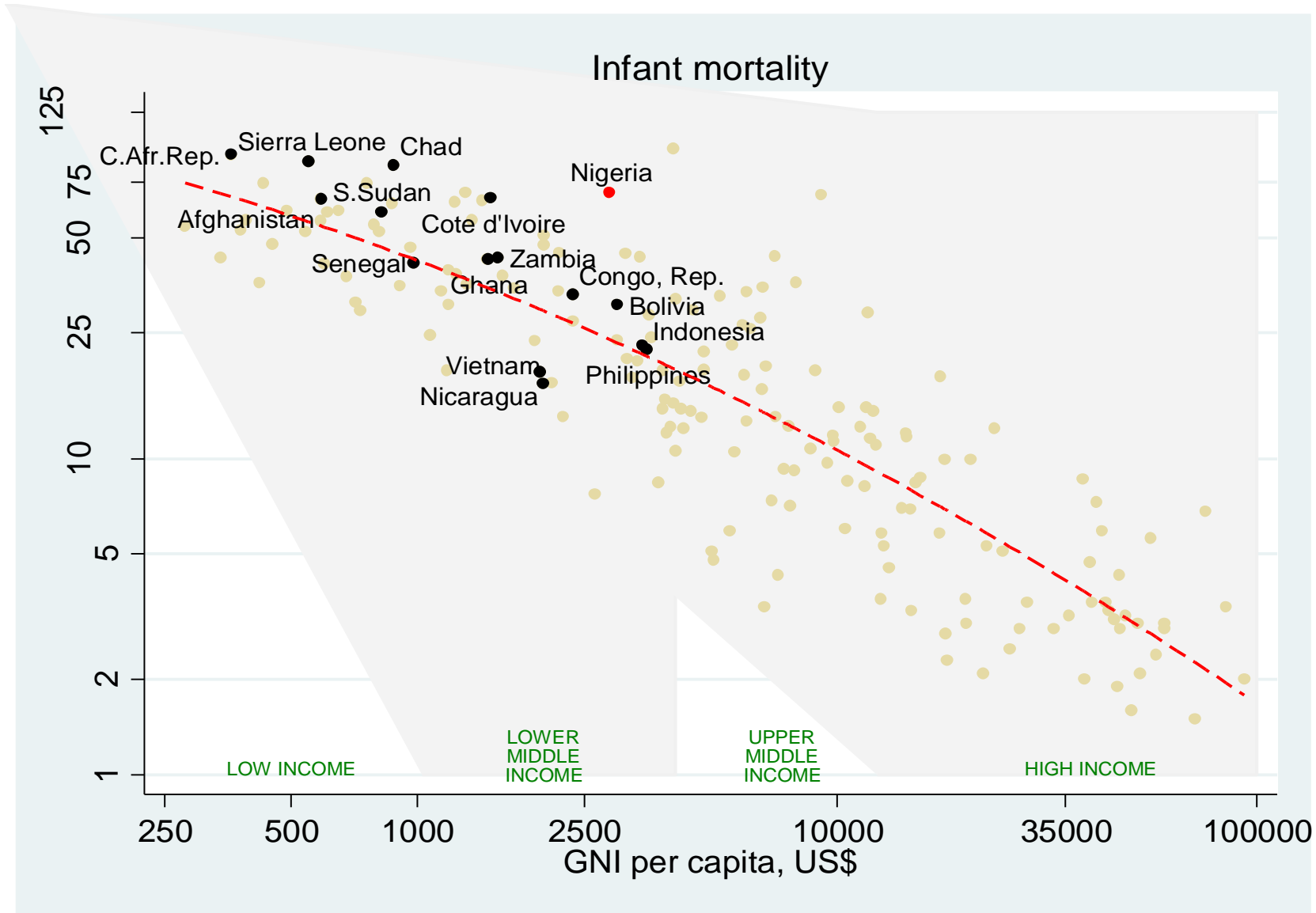


■ Water leaks out of a bathroom in one of the hostels



■ An unkempt urinary section of a bathroom

Nigeria has among the Highest IMRs in the World



State and LG Roads



Agric Transformation



Public Sanitation



Herdsmen & Farmers Clashes – Transportation Infrastructure Problems



Infrastructure Possibilities



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

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



I C R C

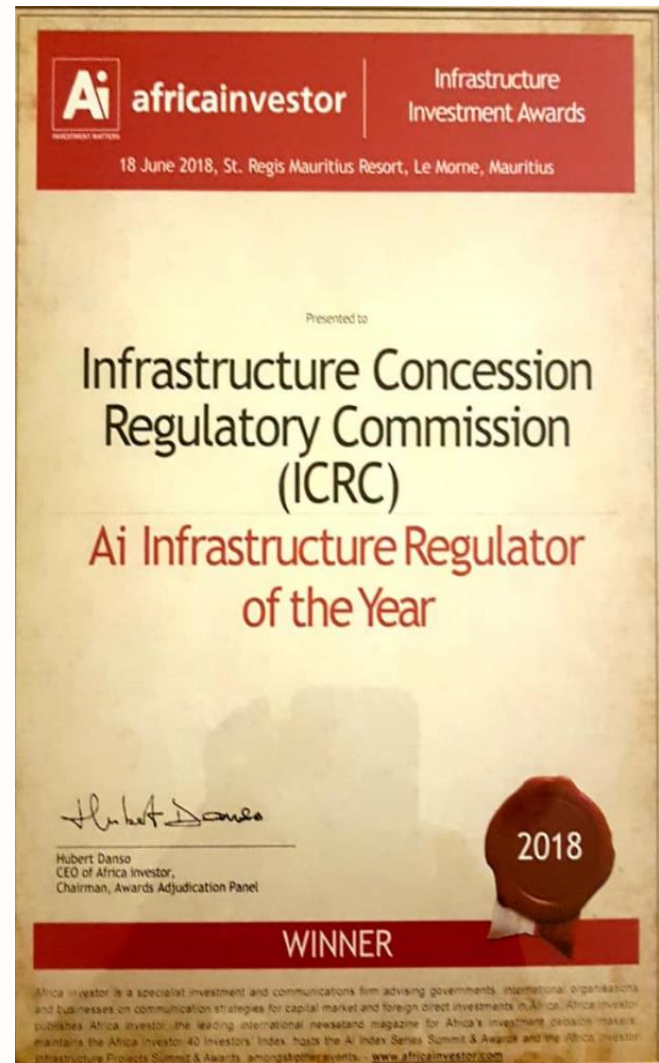
**NSIA and ICRC – Good
Foundation but**

ICRC

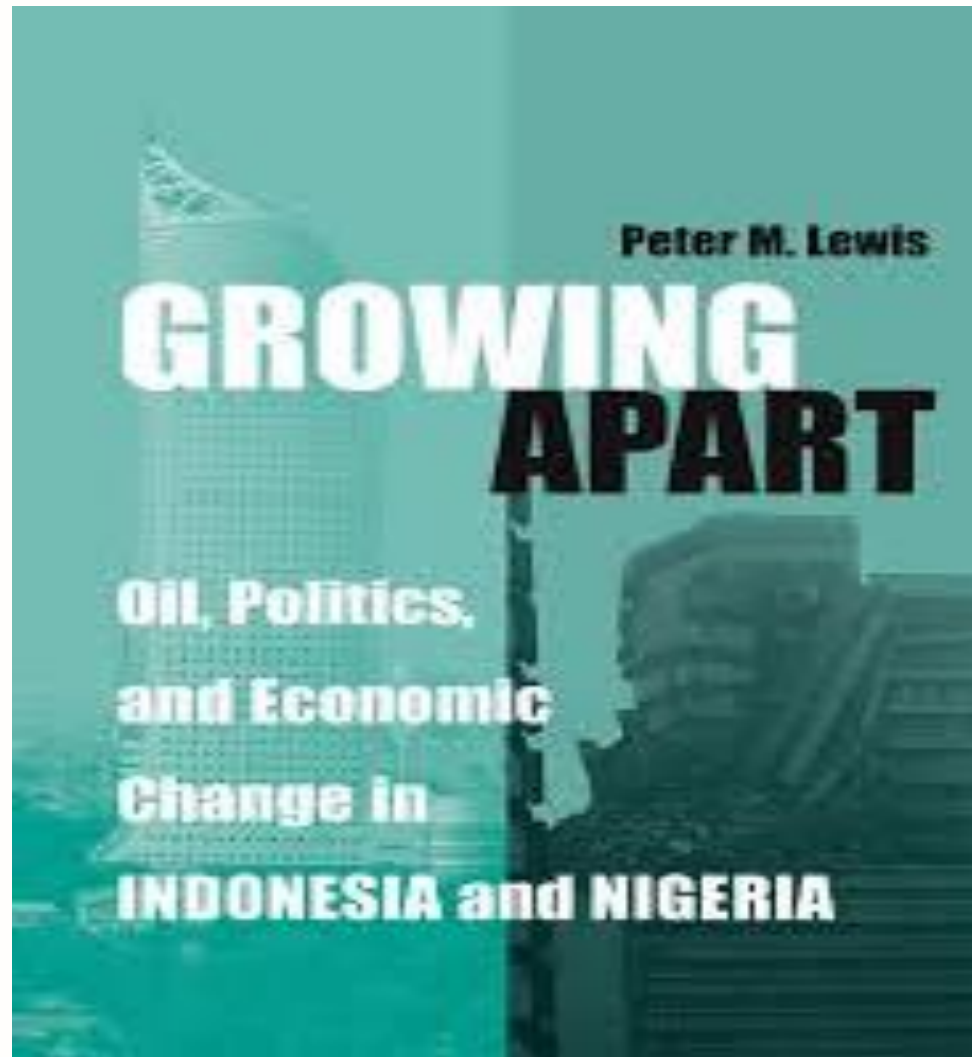


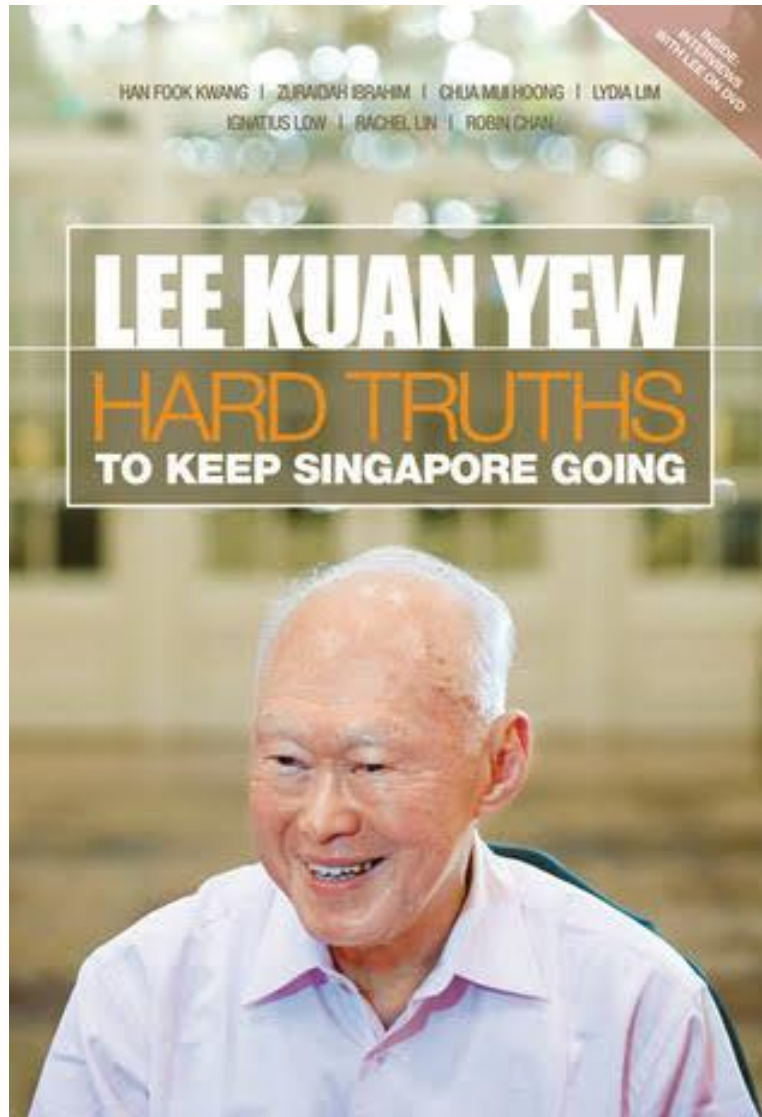












We need to
tell
ourselves
some hard
truths and
recalibrate

9000 TEU Vessel Celebrated in Onne



20,000 TEU Vessel – TANJUNG PELAPAS MALAYSIA



Overview of the Recent Initiatives in Infrastructure Sector in Nigeria

ICRC

Political Commitment



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

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

ICRC

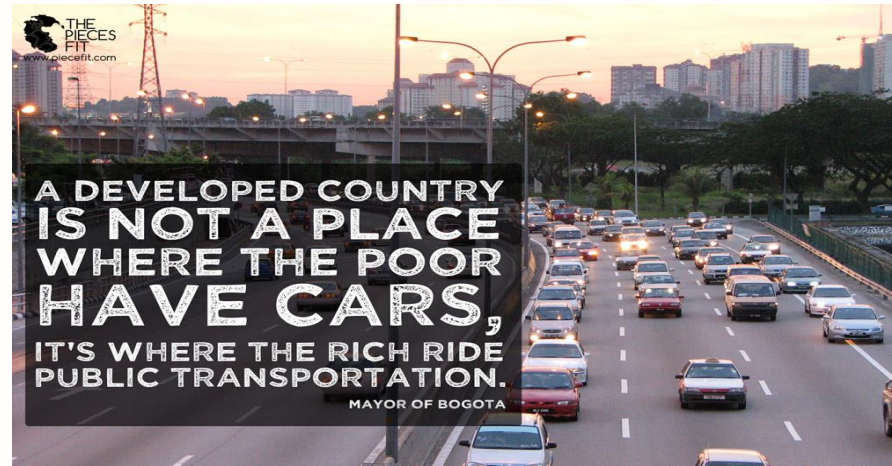
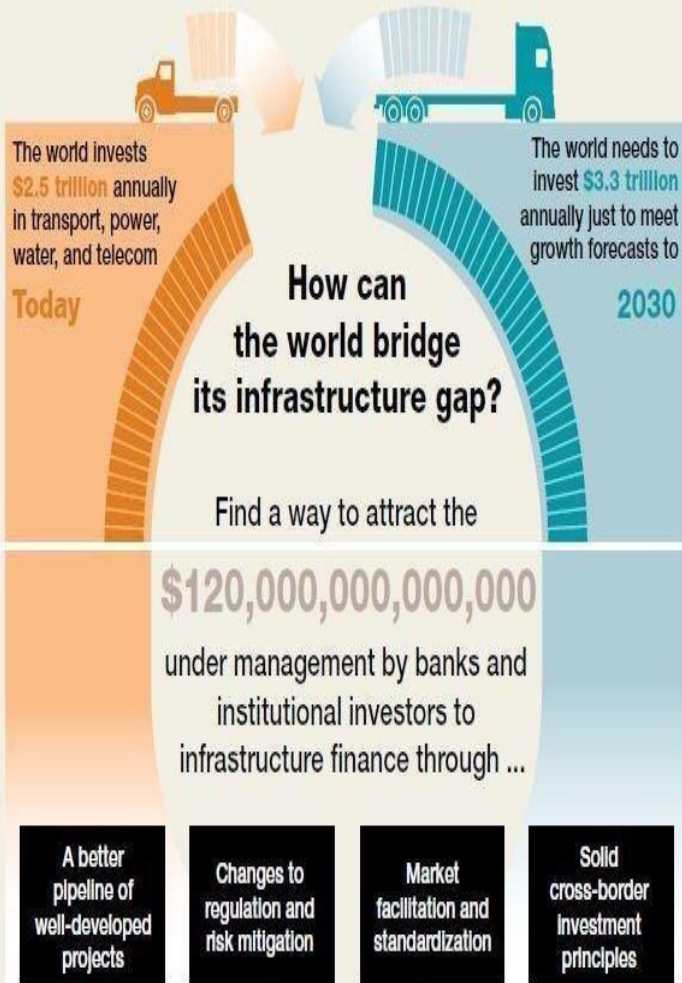
Leadership Commitment



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

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



Finance is not the problem?



OBITUARY – High Chief Busari Olusa



Obituary



Inallilahi wa ina Lilahi rajiuna

With a heavy heart but total submission to the will of Allah, the Management and Staff of the Infrastructure Concession Regulatory Commission (ICRC) wish to announce the death of one of its colleagues,
High Chief Busari Olusa
who passed on after a brief illness on Monday, 6th July 2020.

Until his death, High Chief Olusa was a Deputy Director in the Commission.


He has since been buried in Akoko North West of Ondo State according to Islamic rites.

We pray that Allah grants him Aljana firdaus.

Signed,
Engr. Chidi Izuwah
DG/CEO, ICRC

**High Chief
Busari Olusa**

22nd November 1965 – 6th July 2020



On a sad note, the Commission lost Mr. Busari Olusa - a Deputy Director, on 6th July 2020.

As the Head of the Energy and Urban Unit of the Commission, he contributed immensely to the success of the following projects:

- 30MW Gurara 1 Hydropower Plant Project
- Roof Top Solar Power Project
- 19 Silos Complexes
- Kaduna Polytechnic Students hostel, etc

Because of his diligence, all these projects have attained significant milestones.

He will be greatly missed by the Commission

African PPP Network



African PPP Network & WAPPP



ICRC



FICA is an initiative of the Federal Government of Nigeria, under the Federal Ministry of Finance, Budget and National Planning (FMBNP) with a mandate to strengthen government finance through a continuous internal audit process across all Ministries, Departments and Agencies (MDAs), particularly in respect of payroll. Through the activities of FICA, 54,000 erroneous payroll entries have been identified with payroll savings of N200 billion achieved.

Objectives



❑ The objectives of the SCA include:

- To streamline the receipt of all PPP payments in the country for transparency, accountability and probity; presently the revenue accruing to government via concession and PPP arrangements is not known and these may lead to abuse and leakages by MDAs and Concessionaires.
- To promote and facilitate best practices and strategies for receipt of specific revenues (PPP payments) as provided for in the Treasury Single Accounting framework in Nigeria.
- To enable ICRC, play her statutory role of ensuring efficient execution of concession arrangements- ensuring full disclosure financial accountability and financial probity.

ICRC

Recent Developments



- ❑ In compliance with the treasury circular, two Treasury Single Account Special Concession Accounts have been opened in the Central Bank of Nigeria:

(i) Naira Account

(ii) Domiciliary Account (USD)

- ❑ Equally, The Honourable Minister of Finance, Budget and National Planning in May, 2020 signed a Finance Circular requiring all monies due to the Government from PPP/Concession Projects to be paid into the Special Concession Account.

ICRC

Benefits



❑ The benefits of the SCA include:

1. Ensures accountability in PPP revenue
2. Effective monitoring of revenue accruing to Government from PPP projects.
3. Assists Government in economic planning, national budgeting and redistribution of income/revenue allocation
4. Foster better working relationship with the Private Sector
5. Support the Federal Government initiative on infrastructure provision
6. Provides information to policy & decision makers

ICRC

❑ The Special Concession Account will enable the government achieve the following good governance results on PPPs:

(i) **Project Development and Monitoring Fund**

- This can be used to support the MDAs in:
 - Project Identification
 - Project Preparation
 - Project Development
 - Joint Monitoring of PPP Projects
 - Financial Tracking, Reconciliation and Monitoring of PPP revenues by the Commission/ Experts.

ICRC

(ii) **Viability Gap Fund**

- This comes in the form of Financial support by the Government to support projects that are economically viable but projected revenues on the basis of use are not enough for the projects to be commercially viable.
- The Financial Support comes in the way of grants, budgetary payments that are linked to performance etc.
- There is therefore the need to include provisions for Viability Gap Funding and Contingent Liability in annual budget

ICRC

(iii) **Annuity Fund**

- This is used by the Government to remunerate a Private Operator (partner) through a fixed periodic payment (annuity) rather than through user charges (toll proceeds)
- The Operator is responsible both for constructing, operating and maintenance of the infrastructure
- Since annuity payments are fixed, the Operator retains any risks associated with higher than anticipated operations and maintenance (O & M) costs

ICRC

PPP Recent Accomplishments



1. Lekki Deepwater Port Flag Off/Financial Close
2. FMWPH Rooftop Solar PPP and Kadpoly Students Hostel
3. Warehouse in a Box Medical Stores
4. Gurara O & M/Dadin Kowa 40 MW Hydro Completion
5. NIWA Onitsha River Port/PPP Disclosure Portal
6. Ibom Deepwater Port Close to Commercial Close
7. PPP Portals for IDEC, CRFN
8. Silos/DICON Sur Military Clothing Factory JV flag off
9. AKK Pipeline and Central Railway Line Expansion
10. Farm Mechanization PPP
11. Ecowas Biometric Card
12. NRC Automatic Ticketing System

Dadin Kowa Hydro - Flagship PPP



DICON Sur Military Clothing Factory JV PPP



INFRASTRUCTURE CONCESSION REGULATORY COMMISSION

The Management & Staff of the
Infrastructure Concession Regulatory Commission (ICRC)
wishes to congratulate the Concession Grantor
Defence Industries Corporation of Nigeria (DICON)
and **Sur Corporate Wear & Design Company Limited**,
Concessionaires of the

DICON/Sur Military Clothing Factory

a landmark **ICRC** facilitated **Public Private Partnership**
initiative of **His Excellency, Muhammadu Buhari**
led Federal Government, on the ground breaking
ceremony for the facility billed to take place as follows:



His Excellency
Muhammadu Buhari GCFR
President, Commander-in-Chief of The Armed Forces
Federal Republic of Nigeria



Date: Friday, 25th October 2019

Venue: DICON Ordnance Factory
Premises, Kaduna

Time: 10am prompt

The **Commission** also wishes to salute **His Excellency President Muhammadu Buhari**,
Commander in Chief of the Armed Forces of the Federal Republic of Nigeria on this momentous
occasion and to also congratulate the **Honourable Minister of Defence, Major General Bashir**
Magashi, **Permanent Secretary in the Ministry**, **Mrs. Nuratu Batagarawa**, **Director General**,
Defence Industries Corporation, **Major General Victor Ezugwu**, **His Excellency, Governor Nasir El**
Rufai, the good people of Kaduna State and indeed all Nigerians on this historic PPP event that will
transform and revive Nigeria's previously vibrant textile sector enabling job and wealth creation along
the entire value chain.

Public Private Partnership is the way to go in addressing our nation's infrastructure deficit in the face
of dwindling resources.

Signed
Engr Chidi K. C. Izuwah Snr
Director General/CEO, ICRC



His Excellency
Mallam Nasir El Rufai, OFR
Governor, Kaduna State



Major General Bashir
Magashi
Honourable Minister of Defence



Mrs. Nuratu Batagarawa
Permanent Secretary,
Ministry of Defence



Major General Victor O.
Ezugwu
Director General, DICON



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

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4 AIRPORT TERMINALS OBC PRESENTATION



AIRPORTS CONCESSION





THE DAILY TIMES

AFRICA'S INDEPENDENT MEDIA HERITAGE... SINCE 1926

WEDNESDAY, JUNE 24, 2020 VOL. 3 NO. 1,223 N200

Mixed reactions as APC holds emergency NEC meeting Thursday

- Buhari approved virtual NEC meeting, says Gladiom
- Gladiom has no locus standi to convene NEC meeting - Eka
- Dissolution of NWC imminent

Tunde Opatana, Abuja

The ruling All Progressives Congress (APC) may be further eroded in a deeper crisis as controversy has greeted efforts to hold an emergency meeting of the National Executive Council (NEC) tomorrow, Thursday, at a mere Continued on page 5

NAF destroys 10 armed bandits' camps in 4 N'West states

→ 3

GAINERS		LOSERS	
UNIPROF	0.07	UNITRAN	-0.05
TRANSCORP	0.10	DANRESDAR	-1.20
GUANO	0.16	RELANDER	-4.10

COVID-19

FG presents plan on schools reopening to NASS

→ 2

- Lists how Education sector can move forward despite pandemic
- Expresses concern over Oyo Govt's decision to reopen schools



Director-General, Infrastructure Concession Regulatory Commission (ICRC), Engr. Chidi Izuwah (L) and Minister of Aviation, Sen. Hadi Sirika at the presentation of the Outline Business Case (OBC) for the concession of Lagos, Abuja, Kano and Port Harcourt airports held at the Ministry of Aviation in Abuja, on Tuesday.

Angry Imo pensioners protest over unpaid pension arrears

→ 13

Yobe awards N5bn contract for 2 modern markets

→ 7

Ondo 2020: Akeredolu sacks Ajayi's aides

→ 2

2 A'lbom communities end 55-year-old boundary feud

→ 6

Adopting Eco currency should be in unison, Buhari tells ECOWAS leaders

→ 2

Service chiefs meet to review national security challenges

→ 5

Kano to reform almajiri education system for sustainability

→ 10

CONCESSION OF FOUR (4) INTERNATIONAL AIRPORT



Certificate No: FMOA/ORB/004/2020



The Presidency
INFRASTRUCTURE CONCESSION REGULATORY COMMISSION

OUTLINE BUSINESS CASE COMPLIANCE CERTIFICATE

for the

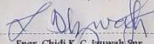
CONCESSION OF NNAMDI AZIKIWE INTERNATIONAL AIRPORT TERMINAL BUILDING, ABUJA

To: Federal Ministry of Aviation (FMOA)

Project Description: The Concession of Nnamdi Azikiwe International Airport Terminal Building, Abuja under a PPP arrangement.

1. The Infrastructure Concession Regulatory Commission (ICRC) has reviewed the Outline Business Case (OBC) submitted by the Federal Ministry of Aviation (FMOA) for the Concession of Nnamdi Azikiwe International Airport Terminal Building, Abuja under a PPP arrangement.
2. Based upon an assessment and review of the OBC and all information available, this Certificate confirms that the submission is in substantial compliance with the ICRC Act, 2005 and the National Policy on Public Private Partnerships.
3. In view of the fact that the mitigating conditions for the project may change over time, this Certificate is valid for 12 months from the date indicated below.

Issued on 22nd June, 2020


Engr. Chidi K. C. Izuwah Sr.
Director General/CEO
ICRC

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Certificate No: FMOA/ORB/008/2020



The Presidency
INFRASTRUCTURE CONCESSION REGULATORY COMMISSION

OUTLINE BUSINESS CASE COMPLIANCE CERTIFICATE

for the

CONCESSION OF PORT HARCOURT INTERNATIONAL AIRPORT TERMINAL BUILDING, RIVERS STATE

To: Federal Ministry of Aviation (FMOA)

Project Description: The Concession of Port Harcourt International Airport Terminal Building, Rivers State under a PPP arrangement.

1. The Infrastructure Concession Regulatory Commission (ICRC) has reviewed the Outline Business Case (OBC) submitted by the Federal Ministry of Aviation (FMOA) for the Concession of Port Harcourt International Airport Terminal Building, Rivers State under a PPP arrangement.
2. Based upon an assessment and review of the OBC and all information available, this Certificate confirms that the submission is in substantial compliance with the ICRC Act, 2005 and the National Policy on Public Private Partnerships.
3. In view of the fact that the mitigating conditions for the project may change over time, this Certificate is valid for 12 months from the date indicated below.

Issued on 22nd June, 2020


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Director General/CEO
ICRC

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ESTABLISHMENT OF AN AVIATION LEASING COMPANY (ALC) /MRO



Three Large Hydro Power Plants



BONNY DEEPWATER PORT



DEEP~WATER PORTS



IBOM DEEPWATER PORT



- **Project Description:**

The Ibom Deep Sea Port (IDSP) project involves the development of a Greenfield Deepsea Port and accompanying Free Trade Zone (FTZ) in Akwa Ibom State in the South-South geopolitical zone of Nigeria. The proposed Port and FTZ are part of the proposed Ibom Industrial City initiative that will be established on a 14,400 hectare site donated by the Akwa Ibom State Government (AKSG) at no value.

- **Project Cost:** US\$2billion

- **Project Status:**

- Bolllore Africa Logistics-PowerChina Consortium emerged as preferred bidder.
- The Commission has issued Full Business Compliance (FBC) certificate

- **Next Step:**

- Federal Executive Council (FEC) Approval
- Commercial Close
- Financial close

ICRC



**FEDERAL MINISTRY OF
WORKS AND HOUSING**

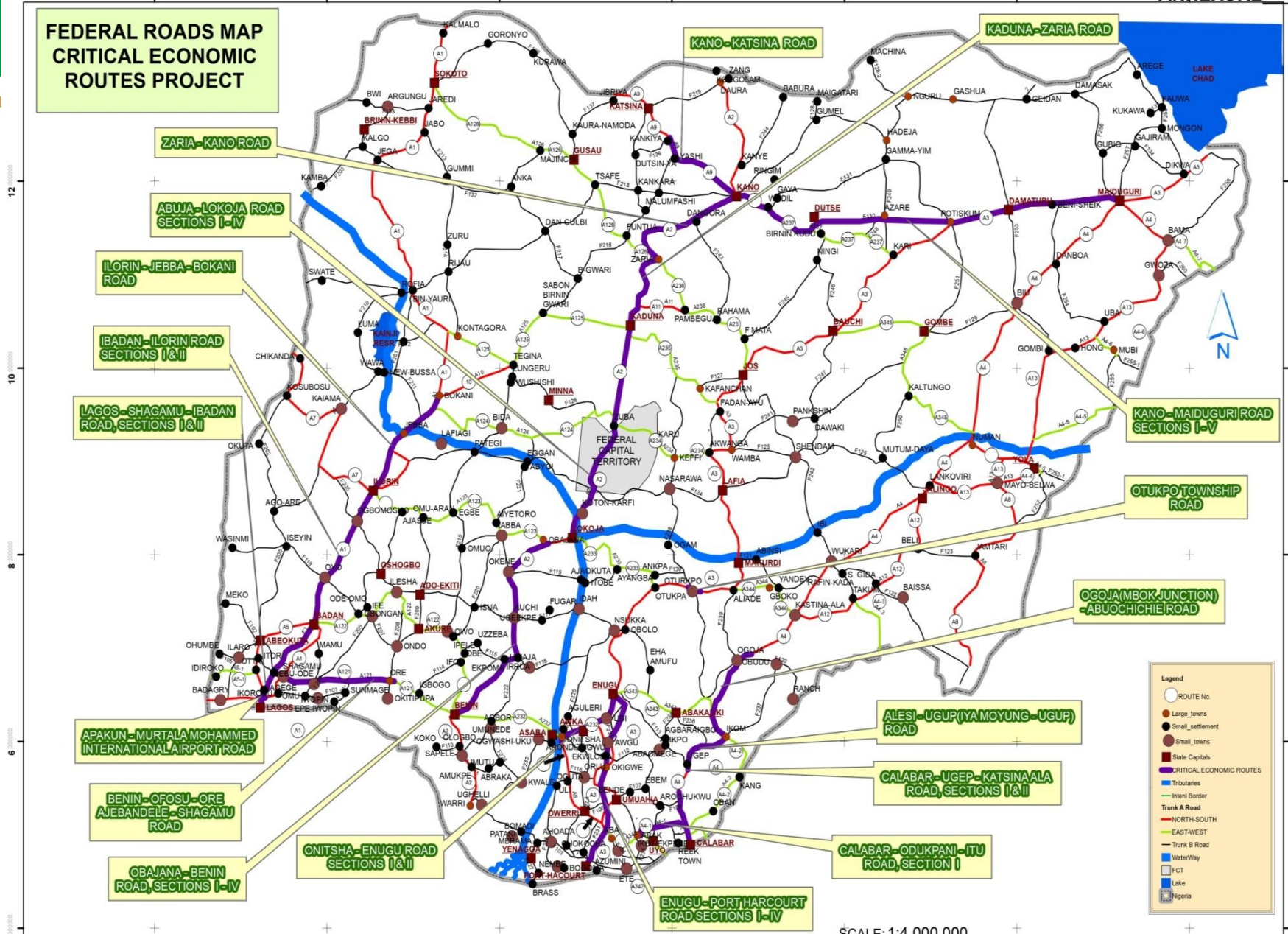


HIGHWAY DEVELOPMENT AND MANAGEMENT INITIATIVE



<https://worksandhousing.gov.ng>

FEDERAL ROADS MAP CRITICAL ECONOMIC ROUTES PROJECT



Legend

- ROUTE No.
- Large towns
- Small settlements
- Small towns
- State Capitals
- CRITICAL ECONOMIC ROUTES
- Tributaries
- Internal Border
- Trunk A Road
- NORTH-SOUTH
- EAST-WEST
- Trunk B Road
- WaterWay
- FCT
- Lake
- Nigeria



HDMI ROUTES

ROUTE		LOT BREAKDOWN	LOT LENGTH (KM)	TRAFFIC COUNT
1.	BENIN - ASABA	I. Lot 1: Asaba – Agbor	100	<ul style="list-style-type: none"> Benin End: 17,823 Asaba End: 25,426
2.	ABUJA - LOKOJA	I. Lot 1: Abuja – Sheda	74.50	<ul style="list-style-type: none"> Kwali End: 17,462
		II. Lot 2: Lokoja – Sheda	74.50	<ul style="list-style-type: none"> Lokoja End: 11,942
3.	KANO – KATSINA	I. Lot 1: Dawanau – Tsanyawa	74.10	<ul style="list-style-type: none"> Kano End: 13,709
		II. Lot 2: Tsanyawa – Katsina state secretariat roundabout	75	<ul style="list-style-type: none"> Yashi North: 5,034
4.	ONITSHA – OWERRI – ABA	I. Lot 1: Onitsha – Owerri	92.40	<ul style="list-style-type: none"> Onitsha End: 19,130
		II. Lot 2: Owerri – Aba	68.80	<ul style="list-style-type: none"> Owerri End: 19,217
5.	SHAGAMU – BENIN	I. Lot 1: Shagamu – Ajebandele	98.41	<ul style="list-style-type: none"> Ore Lagos End: 13,556
		II. Lot 2: Benin – Ore	100	<ul style="list-style-type: none"> Ore Benin End: 18,768
6.	ABUJA – KEFFI – AKWANGA	I. Lot 1: Abuja – Keffi	51.30	<ul style="list-style-type: none"> Keffi End: 18,301
		II. Lot 2: Keffi – Akwanga	71	
7.	KANO – MAIDUGURI	I. Lot 1: Kano – Shuari	100	<ul style="list-style-type: none"> Kano East: 25,821 Wudil East: 5,653
		II. Lot 2: Potiskum – Damaturu	96.24	N/A
8.	LOKOJA – BENIN	I. Lot 1: Lokoja – Okene	60	<ul style="list-style-type: none"> Obajana: 12,096 Okene before the bypass: 7,672
		II. Lot 2: Okene – Auchi	53.70	<ul style="list-style-type: none"> Auchi North: 7,105 Irukekpen: 7,990
9.	ENUGU – PORT HARCOURT	I. Lot 1: Enugu – Umuahia	100	<ul style="list-style-type: none"> Enugu South: 18,589 Okigwe South: 8,114 Umuahia South: 8,534
		II. Lot 2: Umuahia – Port Harcourt	100	<ul style="list-style-type: none"> Oyigbo: 6,762
10.	ILORIN - JEBBA	I. Lot 1: Ilorin – Jebba	100	<ul style="list-style-type: none"> Jebba South: 5,070



FEDERAL AIRPORTS AUTHORITY OF NIGERIA (FAAN)

Public Private Partnership (PPP) Project

TRANSACTION ADVISORY SERVICES FOR THE DEVELOPMENT OF A LIGHT RAIL TO LINK ALL THE TERMINALS AT THE MURTALA MUHAMMED INTERNATIONAL AIRPORT, IKEJA, LAGOS STATE

REQUEST FOR PROPOSAL

The FEDERAL AIRPORTS AUTHORITY OF NIGERIA (FAAN) is a Government Agency under the supervision of the Federal Ministry of Aviation, established by Decree 45 of 1976 as the Nigerian Airports Authority (NAA), to oversee the operations and maintenance of all

the private sector partner (concessionaire) will follow the Infrastructure Concession Regulatory Commission (ICRC) Establishment Act and the National Policy on PPP.

FAAN now seeks the services of a Transaction



FEDERAL AIRPORTS AUTHORITY OF NIGERIA (FAAN)

Public Private Partnership (PPP) Project

TRANSACTION ADVISORY SERVICES FOR THE PHYSICAL DEVELOPMENT OF FAAN HEADQUARTERS IN ABUJA, OFFICE ANNEX & COMMERCIAL DEVELOPMENT IN LAGOS AND STAFF QUARTERS IN LAGOS AND ABUJA

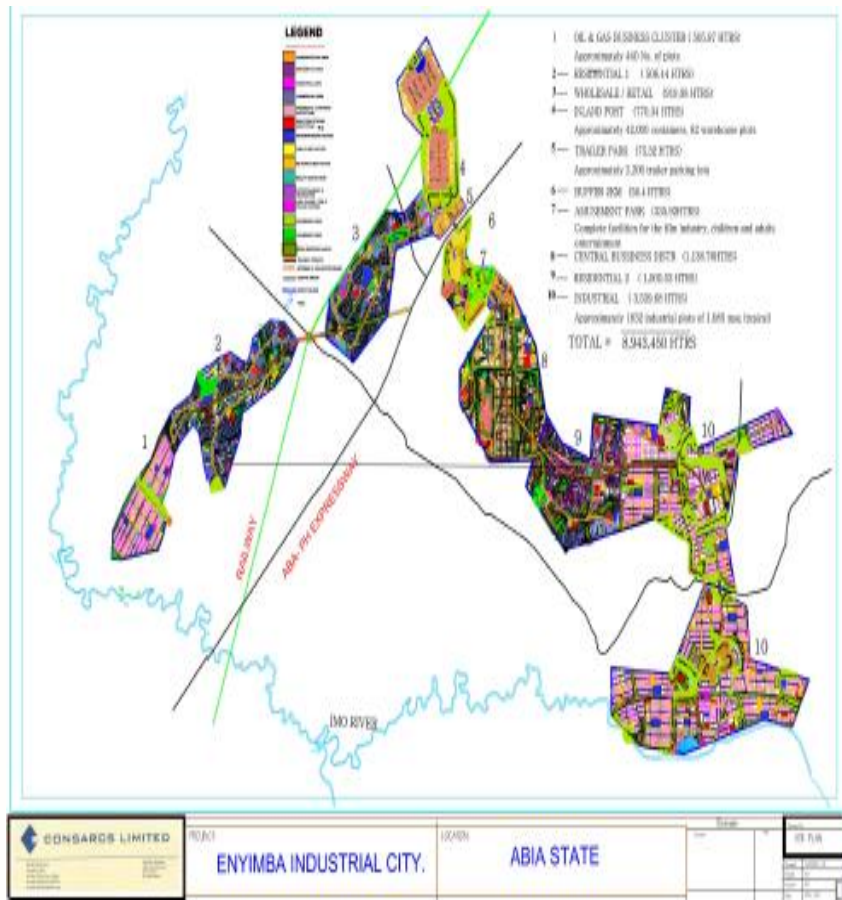
REQUEST FOR PROPOSAL

The FEDERAL AIRPORTS AUTHORITY OF NIGERIA (FAAN) is a Government Agency under the supervision of the Federal Ministry of Aviation, established by Decree 45 of 1976 as the Nigerian Airports Authority (NAA), to oversee the operations and maintenance of all

Quarters through a PPP arrangement and hereby invites qualified and experienced Transaction Advisers to express interest in providing such services. The service to be provided will include but not limited to the following:



ENYIMBA ECONOMIC CITY



NATIONAL CARRIER (NIGERIA AIR)



ICRC

CONCESSION OF ONITSHA RIVER PORT



- **Project Description:**

This project will serve as a pilot scheme for concession of other River ports under PPP arrangements namely: Onitsha, Lokoja, Baro and Oguta River Ports. Onitsha River Port located in Anambra State is being funded under the IDA Credit.

- **Project Status:**

- Negotiations with preferred bidder (Universal Elysium) ongoing

- **Next Step:**

- Conclusion of negotiation process
- Preparation of Full Business Case (FBC), issuance of compliance certificate and approval by FEC
- Commercial close and achieving Financial close

IBADAN DRY PORT



- **Project Description:**

The Nigerian Shippers' Council (NSC) in pursuit of its function of facilitating trade and protection of cargo interest in all transport modes and its mandate as the economic port regulator is promoting the development of the proposed Ibadan Inland Dry Port project under the best possible PPP model. The project site is approximately 90 Hectares of land located at Olorisa-Okole on the Iseyin-Ibadan road corridor. The nearly 875 KM Standard gauge railway line currently under construction is in its planned alignment. The IDP will have a modular design with Annual Capacity for 40,000 TEUs

- **Project Status:**

The project is now at procurement phase for the selection of preferred concessionaire through Swiss Challenge competitive process and will be followed by contract negotiations and preparation of a Full Business Case (FBC) report for submission to ICRC for review and certification.

- **Next Step:**

- Conclusion of negotiation process
- Preparation of Full Business Case (FBC), issuance of compliance certificate and approval by FEC
- Commercial close and achieving Financial close

FEDERAL TERTIARY HOSPITALS



Project: 3rd Phase rehabilitation, financing and Equipping Teaching Hospitals across Nigeria

Description: The project seeks to upgrade the Teaching Hospitals across Nigeria by rehabilitating the entire facility, providing modern medical equipment, and generally improving access to qualitative healthcare in Nigeria.

- **Status:** OBC review completed
- **Next Steps:** FEC Approval and PPP Procurement

MEDICAL EQUIPMENT SCHEME (MES)



NII3P



**NIGERIA
INSTITUTE OF
INFRASTRUCTURE
AND PUBLIC PRIVATE
PARTNERSHIP**

NII3P

*An Institute of the
Infrastructure Concession Regulatory Commission*



FEDERAL MINISTRY OF
FINANCE



OFFICE OF THE HEAD OF CIVIL SERVICE OF THE FEDERATION
THE PRESIDENCY
ABUJA



THE PRESIDENCY



PPP UNITS CONSULTATIVE FORUM (3PUCF) OF FGN MDAs

which holds under the Chairmanship of the Office of the Head of the Civil Service of the Federation; the Federal Ministry of Finance, Budget and National Planning as the Co-chair and Infrastructure Concession Regulatory Commission as secretariat

cordially invites you to its

THIRD QUARTER (Q3) 2020

3PUCF MEETING

Thursday 3rd September 2020

10.00am



David Baxter

Global PPP Expert, International
Sustainable Resilience Centre USA
International Guest Speaker

Meeting is hosted by Infrastructure Concession Regulatory Commission, the Secretariat




**LAGOS
BUSINESS
SCHOOL**

PAN-ATLANTIC UNIVERSITY

CIPRA



invite you to




Turkey-Nigeria PPP



Knowledge Exchange

Webinar on
Health, Aviation, Roads and Energy

18th June 2020

12.00noon - 4.00pm

Zoom



Hajia Zainab Ahmed
Honourable Minister of Finance,
Budget & National Planning



Sen. Hadi Sirika
Honourable Minister of Aviation



**Mr. Babatunde Raji
Fashola, SAN**
Honourable Minister of Works
& Housing



Dr. Adeleke Mamora
Honourable Minister of
State for Health



Prof. John Davie
Adviser, Capital UK,
Author - PPP Bank Unleashed



Ayşe SERT
Head Legal, Romexis
Investment



Mr. Besar Arıoğlu
Chairman of Board
Top Istanbul Concessions
Eurasia Tunnel, Istanbul



Engr. Lamu Audu
MD, Manpower Energy
Solutions Ltd



Muhammed AKDAG
Managing Partner (CEO)
Enerji Consulting



Sedef Yavuz Noyan
Head of PPP, Presidency of
Strategy & Budget, Turkey



Mr. İsmail Polat
Chief Planning Officer
İGA Istanbul Airport

● **Engr. Chidi K. C. Izuwah**
Director General/CEO, ICRC
HOST

● **Dr. Bongo Adi**
Senior Faculty in Economics & Data
Analytics, LBS and Coordinator CIPRA
MODERATOR

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PUBLIC PRIVATE PARTNERSHIPS FOR THE NATIONAL HIGHWAY DEVELOPMENT & MANAGEMENT INITIATIVE

• Webinar

• PANELISTS •

Chinua Azubike, Chief Executive Officer, InfraCredit
Tariye Cbadegehin, Managing Director & Chief Investment Officer, ARM Harith Infrastructure Fund Managers
Bolaji Balogun, Chief Investment Officer, Nigerian Infrastructure Debt Fund
Oscar Onyema, Chief Executive Officer, The Nigerian Stock Exchange (NSE)
Bola Onadele Koko, Managing Director/Chief Executive Officer of FMDQ OTC PLC
Samaila Zubairu, President/Chief Executive Officer Africa Finance Corporation (AFC)
Mr. Olusola Lawson, Head West Africa, Africa Infrastructure Investment Managers (AIIM)

To register click on the link below
<https://bit.ly/highway-dev>



Keynote Speaker/ Host
Mr. Babatunde Fashola, SAN
 Honourable Minister of Works and Housing



Co-Host
Engr. Chidi K.C. Izuwah Snr.
 DG/CEO, The Presidency, Infrastructure Concession Regulatory Commission



Moderator
Dr. Bongo Adi
 Senior Faculty in Economics and Data Analytics and Director LBS CIPRA

Special Guests



Mr. Abubakar Malami (SAN)
 The Attorney-General of the Federation and Minister of Justice



Mrs. Zainab S. Ahmed
 Honourable Minister of Finance, Budget and National Planning



Mr. Rotimi Amaechi
 Honourable Minister of Transport



Sen. Hadi Sirika
 Honourable Minister of Aviation



Mr. Festus Keyamo
 Minister of State for Labour and Employment



Mr. Skhumbuzo Macozoma
 MD/CEO, South African National Roads Agency SOC Ltd



Dr. Sukhbir Singh Sandhu
 IAS Chairman, National Highways Authority of India (Joint-IB)

25th June, 2020
 12PM - 3PM



Live on Zoom

Hosted by:



For enquires contact:
Engr. Olufemi Akinyelure,
 Special Adviser (Works) to the Honourable Minister of Works and Housing
femiakinyelure@gmail.com



CRISIL
An S&P Global Company

Nigeria Institute of Infrastructure and Public Private Partnership (NII3P)'s and CRISIL Infrastructure Advisory's, India, webinar titled
'PPP Project Screening Tool (PST)'

Date: July 3, 2020
Time: 10:00 AM to 1:00 PM
(West African Time)

Register now

This Webinar will cover :

- Overview and application of the PST
- Different parameters of PST
- Walkthrough on how to use and customise the PST
- Class exercises and illustrations for discussions

Speakers

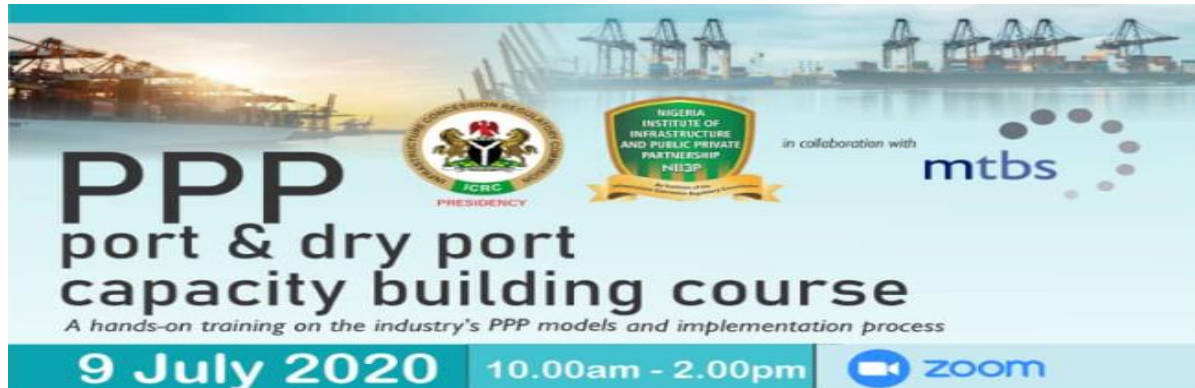




Engr. Chidi Izuwah
Director Genral /CEO
ICRC




Mohit Generiwala
Director
CRISIL Infrastructure Advisory





in collaboration with




PPP port & dry port capacity building course

A hands-on training on the industry's PPP models and implementation process

9 July 2020

10.00am - 2.00pm

 zoom

Course objective

The objective of the Port and Dry Port PPP course is to provide participants with a thorough understanding of how Port Terminal and Dry Port Projects are developed from Concept to Financial Close.

Course overview

The course will provide participants with an overview of a full-cycle port investment assessment. Steps in this assessment are connected to the relevant stages of port investments: Strategy Formulation, Project Valuation, Transaction Documents/ Procedures and Investment Financing.

The positions of the relevant stakeholders in port- and terminal development are covered thoroughly, including Governments, Port Authorities, Terminal Operators, Shipping Lines, Equity Investors and Banks. Participants are provided with an overview of an available PPP models and step-by-step approach to implement PPP transactions.

Course Participants

The Port and Dry Port PPP course is developed as a training course for a range of attendees:

- Executives (private) and policy makers (public) of ports in transition (Ports which are planning on involvement in port institutional reforms, including concessioning and privatization)
- Managers and staff, members of public involved in port and terminal developments (both entry level and mid-management) For optimal results, a certain level of experience is expected.

The participants are required to be familiar with accounting basics, such as Profit & Loss accounts and Balance Sheets.

Course Focus

Port and Dry Port PPP and Transactions

- Course materials are available upon registration
- Certificates of participation upon successful completion.

sponsored by:



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Course Facilitators

Mr. Schot

is a Senior Manager at MTBS and specializes in the fields of port transactions, financial modelling, economic impact analysis, business case analysis, project finance and PPP structuring.

Mr. de Gruijter

is a Senior Consultant at MTBS and has extensive experience with port advisory projects.

VIP Speakers



His Excellency Mr. Udom Emmanuel
Executive Governor, Rivers State



His Excellency Prof. Ben Ayade
Executive Governor, Cross River State



Mr. Rotimi Amaechi
Honourable Minister of Transportation



Mrs. Gbemisola Saraki
Honourable Member of Senate for Transportation



Mr. Hassan Sello, FCARE
Executive Secretary (CEO), Nigerian Shippers' Council



Engr. Chidi K. C. Izuekwah
Chairman/General Manager, ICRC, Nigeria



The Presidency



Webinar “Unsolicited Proposals (Privately Initiated Infrastructure Proposals) in Emerging Economies: new challenges”
in the framework of cooperation between the Presidency, Infrastructure Concession Regulatory Commission, Nigeria Institute
for Infrastructure and Public Private Partnership (NII3P) and Academy of Public-Private Partnership (Ukraine)

August 14, 2020 at 10.00 AM (West African Time)

Engr. Chidi K. C.
Izuwah Snr



Director General/CEO,
THE PRESIDENCY
Infrastructure Concession Regulatory
Commission, Nigeria

Dr Amanze Okere



Ag Coordinator NII3P, Nigeria

Prof. Irina Zapatrina



the founder of the Academy of
Public-private Partnership, Ukraine

Anna Shatkovska



PhD, President of the Academy of
Public-private Partnership, Ukraine



NIGERIAN NATIONAL PETROLEUM CORPORATION

NNPC TOWERS, HERBERT MACAULAY WAY, P.M.B. 190, GARKI- ABUJA, NIGERIA

THE NIGERIAN NATIONAL PETROLEUM CORPORATION (NNPC)

In compliance with the guidelines of the Infrastructure Concession Regulatory Commission (ICRC) Establishment Act 2005 hereby wishes to advertise:

REQUEST FOR PRE-QUALIFICATION OF COMPANIES FOR THE REHABILITATION OF NNPC DOWNSTREAM CRITICAL PIPELINES AND ASSOCIATED DEPOTS / TERMINAL INFRASTRUCTURE THROUGH FINANCE, BUILD, OPERATE AND TRANSFER (BOT) MODEL

1. BACKGROUND AND INFORMATION:

NNPC's pipeline and Depot network is an integral national asset, the operation of which started in 1978 by the defunct Pipelines and Products Marketing Sector (PPMS). The organisation was later renamed Pipelines and Products Marketing Company (PPMC) in 1988.

NNPC Management believes, with the support of the Federal Government, reformed the old PPMC in among others, have a separate entity overseeing the crude and product pipelines and storage network. The restructuring of PPMC in 2016 gave rise to the creation of Nigerian Pipelines and Storage Company (NPSC), which is charged with the responsibility for operations and maintenance of NNPC's pipeline and depot facilities.

By its design, the pipeline network is to move efficiently crude oil from terminals located at Escravos and Warri to Warri Refining and Petrochemical Company (WRPC) and Port Harcourt Refining Company (PRRC), respectively. Thereafter, refined petroleum products - Premium Motor Spirit (PMS), Dual Purpose Kerosene (DPK) and Automotive Gasoline (AG) are moved from the Refineries to the product Depots for truck out.

Imported or Local Crude oil is supplied to Kaduna Refinery and Petrochemical Company (KRPPC) via the pipeline from Escravos Terminal via WRPC and may also be discharged from vessels at Warri Jetty into WRPC tanks for onward pumping to KRPPC. To meet any white product supply shortfall, imported petroleum products are received into After Cove Depot tanks via pipeline from the Single Point Mooring (SPM) facility offshore and/or the New Afia Cove Jetty (NACJ) for onward distribution inland.

Over the years, the pipeline network has suffered incessant unauthorized interference. This is one of the strongest drivers for the introduction of Horizontal Directional Drilling (HDD) to the Scope of the Project. The new pipelines will have In-line Detection and Cathodic Protection Systems to complement the deep burial. In addition, these facilities have aged over the years giving rise to frequent failures and consequent operational downtime, high maintenance cost and revenue losses. These and other factors convinced NNPC/PPSC to make the strategic decision to carry out Rehabilitation of its Pipelines and Rehabilitation/Upgrade of its Depots to enhance performance excellence.

The rehabilitation and/or construction of crude oil and petroleum product pipelines and the upgrade of petroleum product storage Depots operated by NPSC ("the Project"), together with certain ancillary infrastructure directly associated with the efficient operation of the pipelines and Depots. These include jetties, berthing stations, pumps, control systems, monitoring systems, truck loading systems, electrical/renewable equipment, together with the pipelines and Depots have collectively referred to as "NPSC Pipelines and Depot facilities" and to be rehabilitated, upgraded or replaced through a Build, Operate and Transfer (BOT) model.

Aside from system (B) (After Cove - Moshiel - Bafra - Bafra pipeline system), the effective operation of NPSC's Pipelines and Depots infrastructure are tied to the proper functioning of

the Refineries. The rehabilitation and upgrade of NPSC's Pipeline is being separately financed.

2. NESC OBJECTIVE

NNPC/PPSC plans to select a duly qualified limited liability Project Company(s) and execute on back-to-back terms, where the investor is expected to finance the project and recover their cost through Pipelines and Depot throughput tariff, through a Build, Operate and Transfer (BOT) assignment.

The tender will be conducted through an open competitive process in accordance with the Scope of Work as defined below.

NNPC/PPSC therefore invites suitably qualified, experienced and reputable prospective Project Companies to submit Request for Pre-qualification.

3. BRIEF DESCRIPTION OF THE SCOPE OF WORK

The rehabilitation, new construction of crude oil and petroleum product pipelines and the upgrade of petroleum product storage Depots scope of work shall cover but not limited to:

- Engineering, Procurement, Construction, Installation, Testing, Commissioning and Training (EPCIT)
- Funding the entire Project cost including the EPCIT and
- Operation of the upgraded facilities over a defined period to allow for full recovery of cost and agreed compensation.

NNPC/PPSC have already executed a Geotechnical and Geophysical survey of the PRDAs, followed by final and Engineering Design (FEED) in line with the critical need to change the vulnerability and obsolescence of the assets. This will be available to successfully pre-qualified companies to prepare the detailed engineering and construction.

The following shall have part but not limited to the scope of work to be executed:

INSTALLATION OF NEW PIPELINES

- Pipeline Right of Way (PROW) Reconnaissance Survey
- Environmental Impact Assessment
- Engineering & Management
 - Project Management
 - Engineering & Design
 - Procurement, Engineering
 - Field Engineering
- Construction Management
 - Materials Control
 - QA/QC
 - Materials & Equipment
 - Lake Pipe
 - Main Line Valves
 - In-line Detection
 - LEPs
 - Pumps
 - Cathodic Protection
 - Miscellaneous

- Construction
 - Security
 - Pipeline Construction
 - HDD
 - Pump Station Construction
 - Miscellaneous
- Partial Preliminary Survey, Construction & As-Built Survey
- Freight
- Commissioning

UPGRADE OF DEPOTS/ BOWRY EXPORT TERMINAL (BET)

- Equipment & Materials
- Tanks Rehabilitation / Reconstruction
- Mainline Pumps / Drivers
- Heat Exchanger for LPTO (BET)
- Truck Loading Pumps
- Truck Loading Arms
- Molten Loading Pumps (BET)
- Molten Loading Arms (BET)
- Piping, Pig Launchers, Valves & Fittings
- Offshore platforms (BET)
- Helipad (BET)
- Cathodic protection system
- Civil Works
- Electrical Works / Lighting
- Mechanical works
- Making Slab & Paving
- Intrusion Detection
- Control Systems
- System Integrative and Automation
- Control Room Rehabilitation / Reconstruction
- Engineering Studies (Process, Civil, Mechanical, E&E, Geotechnical, etc)
- Detailed Engineering Design
- Construction Management
- Supply Chain Management
- Inspection
- Mobilization / Demobilization / Clean-up
- Testing and Commissioning

The Rehabilitation of the pipelines and associated Depots / Terminal infrastructure will be through a Finance, Build, Operate and Transfer (BOT) model and will be awarded on L1C basis. A company is allowed to express interest in a maximum of two (2) LOTS. However, multi-placed winners will be awarded only one (1) LOT where they are most competitive. Prospective Companies will therefore be required to submit as part of the Pre-qualification documents indicating the LOT(s) of their interest. The LOTS are categorized as follows:

LOT	PIPELINE SEGMENTS/ASSOCIATED DEPOTS/TERMINAL
1.	Bowry - Port Harcourt Crude Oil Pipeline (Ø 36", 54.89KM), Port Harcourt - Aba - Enugu Products Pipeline (Ø 16", 71.6KM), Port Harcourt Depot, Aba Depots and Enugu Depot, Port Harcourt Refinery - Bowry Export Terminal Products Pipeline (Ø 10", 35 KM), Bowry Export Terminal - Loading Jetty Products Pipeline (Ø 10", 35KM), Bowry Export Terminal facilities.



REQUEST FOR PRE-QUALIFICATION OF COMPANIES FOR THE REHABILITATION OF NNPC DOWNSTREAM CRITICAL PIPELINES AND ASSOCIATED DEPOTS / TERMINAL INFRASTRUCTURE THROUGH FINANCE, BUILD, OPERATE AND TRANSFER (BOT) MODEL (cont'd)

<p>2. Escravos – Warri Crude Oil Pipeline (Ø24", 60KM), Warri – Benin Products Pipeline (Ø 12", 200KM), Benin – Ona Products Pipeline (Ø 12", 110KM), Warri Depot, Benin Depot and Ona Depot.</p> <p>3. Warri – Kaduna Crude Oil Pipeline (Ø 10", 604KM), Kaduna – Kano Products Pipeline (Ø 10", 124.3KM), Kaduna – Jos Products Pipeline (Ø 10", 166.4KM), Kaduna – Sokoto Products Pipeline (Ø 10", 170.2KM), Kaduna Depot, Kano Depot, Jos Depot and Sokoto Depot.</p> <p>4. Atlas Cove – Moskot/Satellite Products Pipeline (Ø 10", 72.3KM), Moskot – Ona Products Pipeline (Ø 10", 161.3KM), Moskot – Bode Products Pipeline (Ø 10", 78.1km), Atlas Cove Depot, Moskot Depot, Satellite Depot, Bode Depot and Ona Depot.</p>	<p>separate sheet(s);</p> <ul style="list-style-type: none"> - Proposal including conditions precedent applicable for open schemes. - Planned source of funds for financing the BOT. - Planned strategy for EPC and state examples of a similar project located in the past. - Strategy to mobilize local content in overall proposal, in line with the Nigerian Oil and Gas Industry Content Development Act, 2010. - Other suggestions that may be relevant to enhancing the feasibility of the project or overall success (state supporting investment type Party). - Provide 3-year company (ies) audited accounts (2017, 2018, 2019). - Provide 3-year Tax clearance certificates (2017, 2018, 2019). <p>6. Prospective bidders shall submit evidence of financing and executing a major engineering project to the tune of a minimum of \$500,000,000 (Five Hundred Million US Dollars) within the last 5 years (e.g. certificates of completion for similar or related jobs, evidence of ongoing similar or related jobs, etc.). Contact information for clients should be included.</p> <p>Prospective bidders shall have a minimum bank balance of \$500,000,000 (Five Hundred Million US Dollars).</p> <p>Prospective bidders shall have a minimum Net Worth of \$300,000,000 (Three Hundred Million US Dollars).</p> <p>Prospective bidders shall submit Letter of Commitment from an investment grade bank indicating availability of funds and readiness to finance the BOT.</p> <p>Prospective bidders shall submit Community Affairs, Safety, Health, Environment and Security (CHSES) plan adequate to cover the project execution.</p> <p>Prospective bidders shall submit relevant quality certification such as ISO 9001, etc.</p> <p>Prospective bidders shall submit evidence of experience in operating similar downstream infrastructure facilities.</p> <p>Indicate if your business is currently involved in any Legal Dispute. If YES, Provide List of Legal Dispute your business is involved in.</p> <p>Indicate if your Company is in Receivership, the Subject of any form of winding up petition or insolvency proceedings.</p> <p>Indicate if your Company is controlled by person or persons who are subject to any knowledge proceedings or who have been declared bankrupt and/or have made any compromises with their creditors within the last two calendar years.</p> <p>Indicate if any of your Company Directors has been convicted in any Country for any Criminal Offence relating to Fraud or Financial Impropriety or Criminal Misrepresentation or Violation of Anti-Risk Rating to Any Molecule.</p>	<p>6.3 All prospective bidders who do not provide as requested in 6.1 (b-c) above as at 12 noon of 4th September 2020 will no longer have access to submit the mandatory details.</p> <p>6.4 Prospective bidders will be duly notified on their registration in the NNPC/Nipex tender portal.</p> <p>6.5 Thereafter, the prospective bidder would have access to whether submissions to the NNPC/Nipex Tender Portal.</p> <p>6.6 All submitted bids should be marked "REQUEST FOR PRE-QUALIFICATION OF COMPANIES FOR THE REHABILITATION OF NNPC DOWNSTREAM CRITICAL PIPELINES AND ASSOCIATED DEPOTS / TERMINAL INFRASTRUCTURE THROUGH BOT MODEL".</p> <p>6.7 The submission deadline is:</p> <p>All pre-qualification documents should be submitted online through the electronic NNPC/Nipex Tender Portal on or before 12:00 Noon, 12th September, 2020 for info@nnpc.gov.ng 854.030.</p> <p>6.8 All pre-qualification documents shall be opened virtually and the entire process shall be visible to all Parties following the deadline for bids submission.</p> <p>6.9 All prospective bidders who have submitted pre-qualification documents and submitted observers shall be invited to attend a virtualised stream bid opening session.</p>
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4. WHO MAY SUBMIT PRE-QUALIFICATION DOCUMENTS

A. Replicable Engineering, Procurement and Construction (EPC) companies with capacity to raise the entire financing required for the Project.

B. Financial institutions with technical partners that have proven capacity to execute the Project.

C. Companies who own and/or operate downstream infrastructure facilities such as crude oil and/or petroleum products pipelines and storage assets anywhere in the world with proven capacity to fund and execute the Project.

D. Consortium made up of entities in the above.

5. PRE-QUALIFICATION REQUIREMENTS:

The pre-qualification requirements are divided into two parts. Part A is for companies to indicate their scope of projects of their interest from the list of LOTS indicated in this table as well as provide specific information about the pre-qualification criteria upon which the company's submission will be evaluated.

5.1 PART A

Interested companies shall provide their company profile detailing the following:

- Name of Company
- Registered Business Address
- Country of Incorporation
- Certificate of Incorporation
- Country of Domestic HQ
- Date of Incorporation
- Memorandum of Understanding between Consortiums (if any)
- Shareholding structure of company (Attach details)
- Core Business of company
- Relevant protecting license issued by appropriate regulatory agencies.
- Name and contact information of Principal with appropriate authorization
- Valid Contact e-mail Address
- Valid Telephone Number

5.2 PART B

a. Prospective bidders to clearly indicate their LOT of interest.

b. Prospective bidders to state clearly their BOT financing model scheme without any access to NNPC. The BOT model shall indicate loan and recovery mechanisms and indicative pricing.

c. Bidders to attach a full description of the following items in

6. SUBMISSION OF PRE-QUALIFICATION INFORMATION DUE TO THE COVID-19 PANDEMIC, ALL BIDS MUST BE SUBMITTED ELECTRONICALLY TO THE NNPC/Nipex TENDER PORTAL.

6.1 To be eligible for this tender exercise, prospective bidders are required to submit their mandatory details as outlined below to SCMTenders@nnpc.com.ng on or before 12:00 noon, 4th September, 2020:

- Company's name
- Company's full address
- Company's authorized contact person(s) name to include Phone number and Company's e-mail address.

6.2 Provision of 6.1 (b-c) above is a mandatory requirement to register your company for participation in this Prequalification stage of the tender process in the NNPC/Nipex tender process portal.

6.3 ADDITIONAL INFORMATION

7.1 The invitation shall not be construed as a commitment on the part of NNPC/Nipex, nor shall it create potential time to make any claims, whatsoever, and/or seek any indemnity from NNPC/Nipex by virtue of such time having elapsed to this invitation.

7.2 Pre-qualification documents submitted after due date and time shall be rejected.

7.3 All submissions should be arranged and numbered in the order listed in 5 above.

7.4 All cost incurred as a result of this pre-qualification invitation and any subsequent request for information shall be to the responding firm's account.

7.5 NNPC shall deal directly with only authorized officers of the interested companies and not through its Agents or agents.

7.6 All information must be provided in English Language.

7.7 Only Companies that meet the pre-qualification requirement will be considered for invitation to bid stage.

7.8 Prospective bidders are required to provide a sworn affidavit confirming the genuineness of their submission and that if discovered that the information provided in form, the company is liable to being prosecuted.

7.9 Any claim by prospective bidders' submission that will violate the terms of their submissions will not be acceptable by NNPC.

7.10 All enquiries for clarification shall be addressed to info@nnpc.gov.ng.

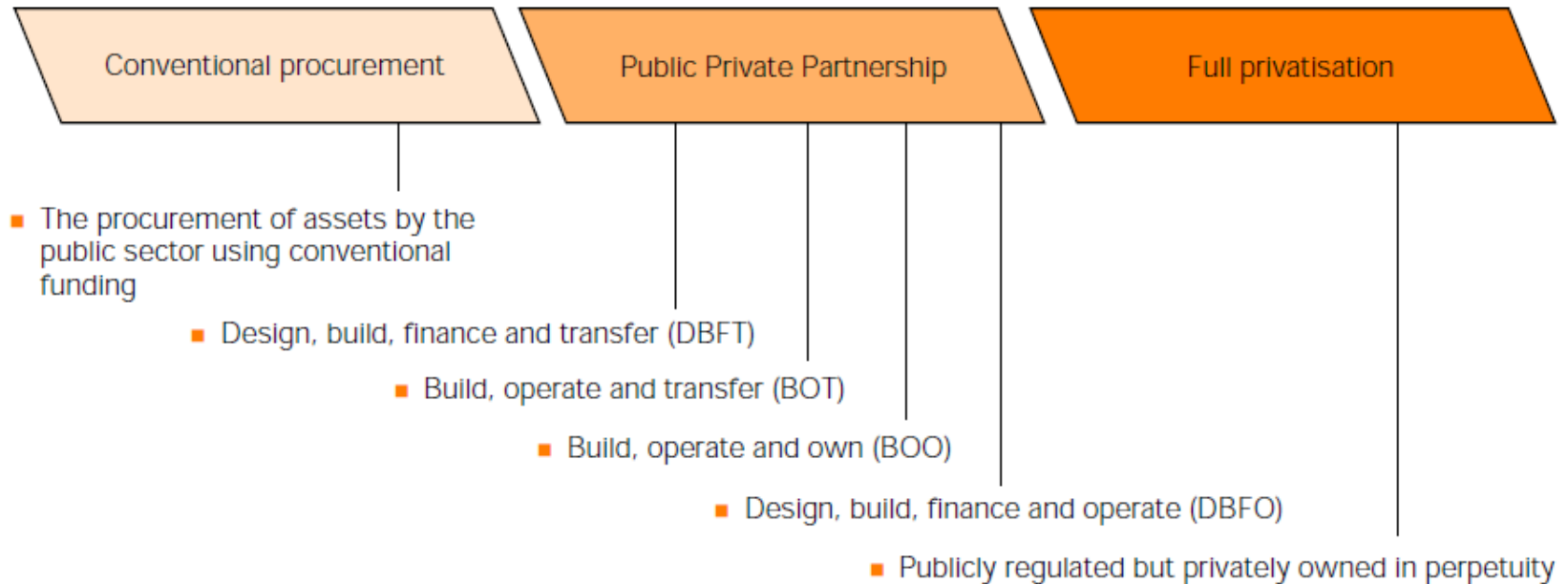
Procurement Spectrum

ICRC

Public Procurement Spectrum

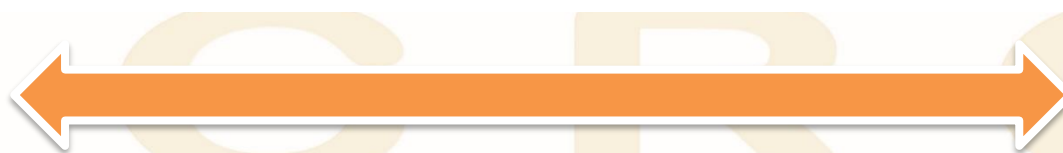


PPP represents a balance between state ownership and privatisation as indicated below:



Source: KPMG, KLegal

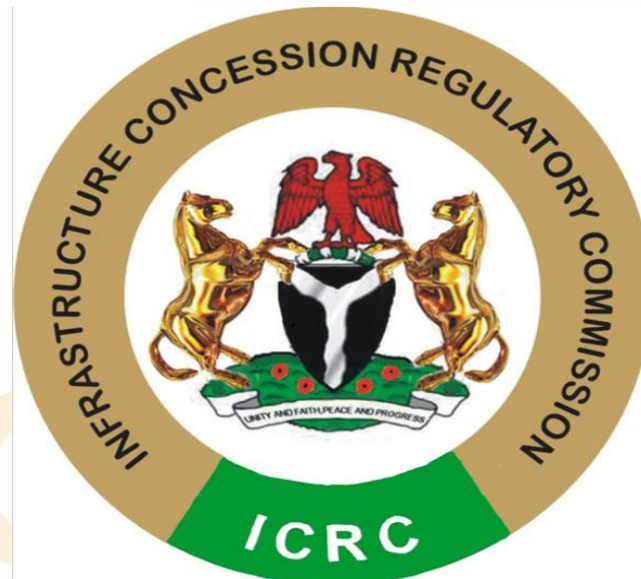
**Public
Sector**



Risk Spectrum

**Private
Sector**

Procurement Agencies



Defining PPPs

ICRC

Definition of PPP



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

Wide
Infrastructure
Gap

Growing demand
for private sector
participation in
infrastructure

Small and
depleting
Government
resources

Urgent need for
alternative funding of
Infrastructure

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

PPPs are Fundamentally Different



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

Entered through **competitive procurement**

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

With suitable **risk allocation** between parties

Putting **private investment at risk**

With **regulation or contract management of performance** of the private partner

Example

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

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

Government enters 30-year contract with private company

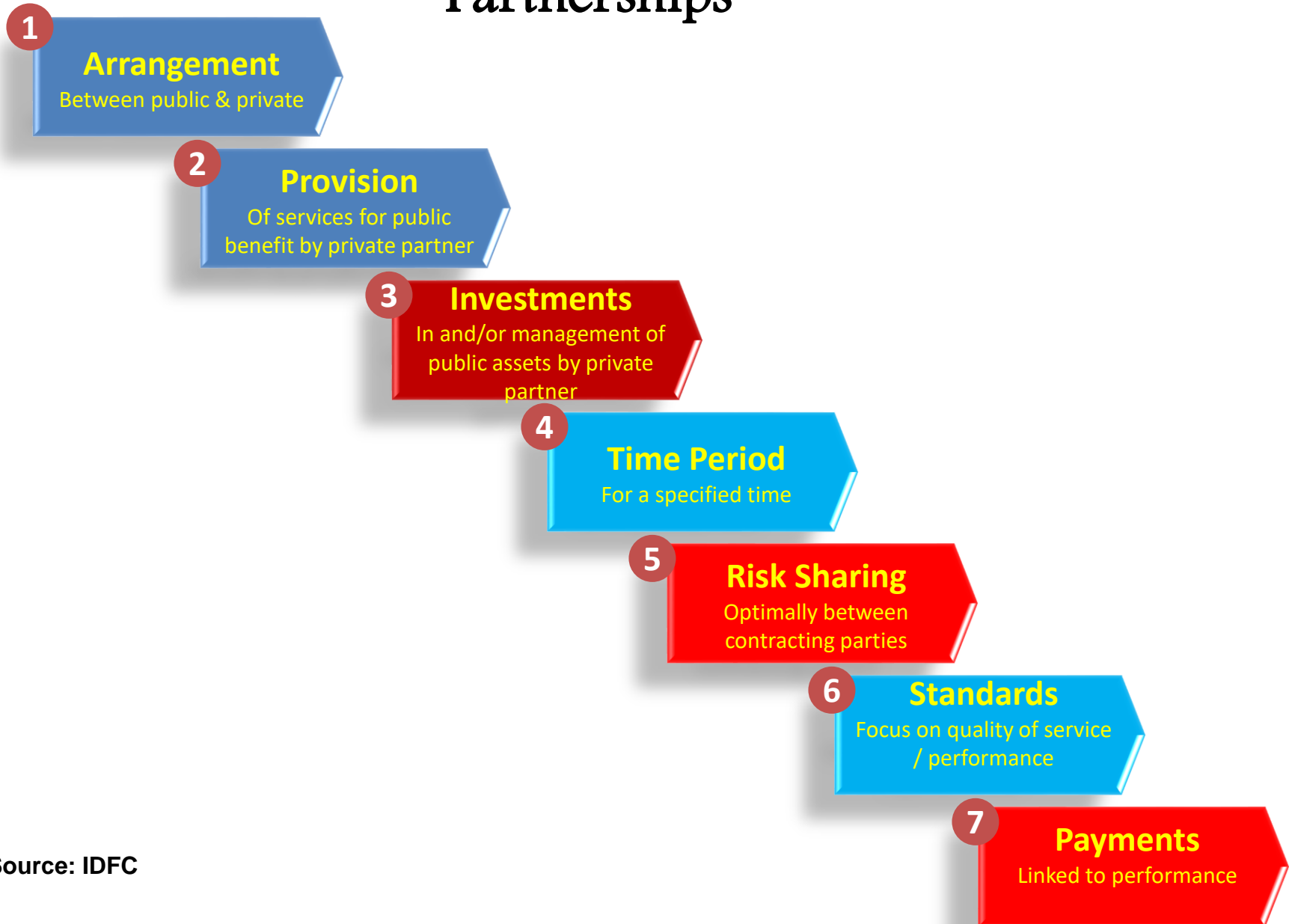
Private company designs, builds, finances bridge, then operates and maintains it for 30-years

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

Government checks on safety and availability

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

7 Essential Conditions That Define Public Private Partnerships



What is & What it is not PPP?



1. PPP is not privatisation or disinvestment

2. PPP is not about borrowing money from the private sector

3. PPP is more about creating a structure

... in which greater value for money is achieved for services

... through private sector innovation and management skills

... delivering significant improvement in service efficiency levels

4. This means that the public sector

... no longer builds roads, it purchases kilometres of maintained highway

... no longer builds prisons, it buys custodial services

... no longer operates ports but provides port services through world class operators

... No longer builds power plants but purchases power

PPP or Concessions??



- All Concessions are PPPs
But NOT all PPPs are
Concessions
- Concession is one of
many variants of the PPP
Model

Nigerian Legal and Regulatory Framework for PPPs

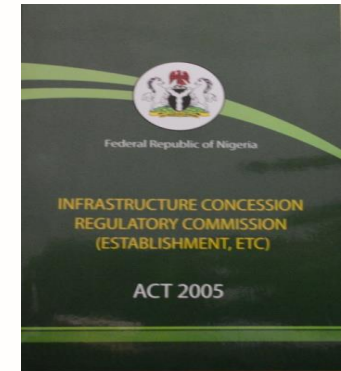
ICRC

Framework for PPP

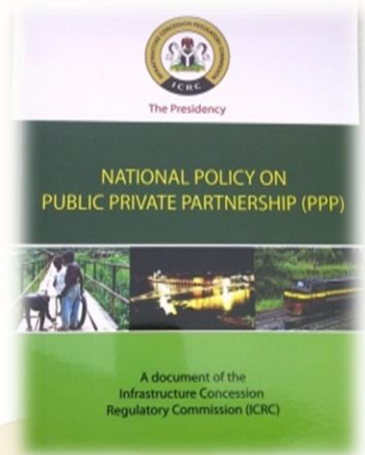


The Infrastructure Concession Regulatory Commission Act (Establishment Etc,) Act 2005.

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



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



Annual Report to the President presented every year in June.

Transparency and Competition

Framework for PPP



ICRC's Functions:

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

Framework for PPP



What MDAs and FEC does :

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

ICRC

Framework for PPP

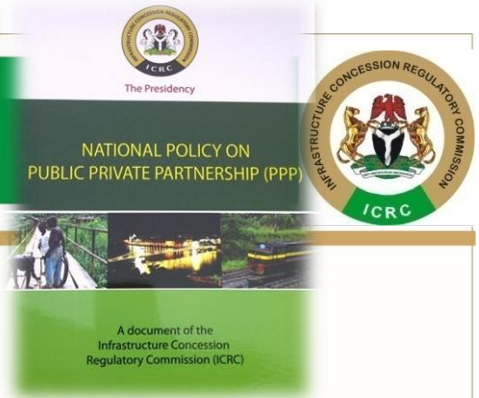


The PPP Process:

- Knowledge, experience and skills required to go through PPP phases:~
 1. PPP Project Initiation,
 2. PPP Project Development,
 3. PPP Project Procurement,
 4. PPP Project Implementation
 5. Asset return

ICRC

PPP Lifecycle in line with National Policy



Preliminaries

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

Development Phase

Procurement Phase

Implementation Phase

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

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

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

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

PPP Projects must be Bankable & Affordable



- $IRR > \text{Weighted Average Cost of Capital}$
 - $RoE > \text{Shareholders Requirement}$
 - Debt Service Cover Ratio $>$ Bankers or Lenders Requirements
 - Loan Life Cover Ratio $>$ Bankers or Lenders Requirements
- Focus on not just comparative but competitive advantage !!!**

Ideas don't get funded bankable projects get funded.

You must take to market projects with robust cash flows and cost reflective returns

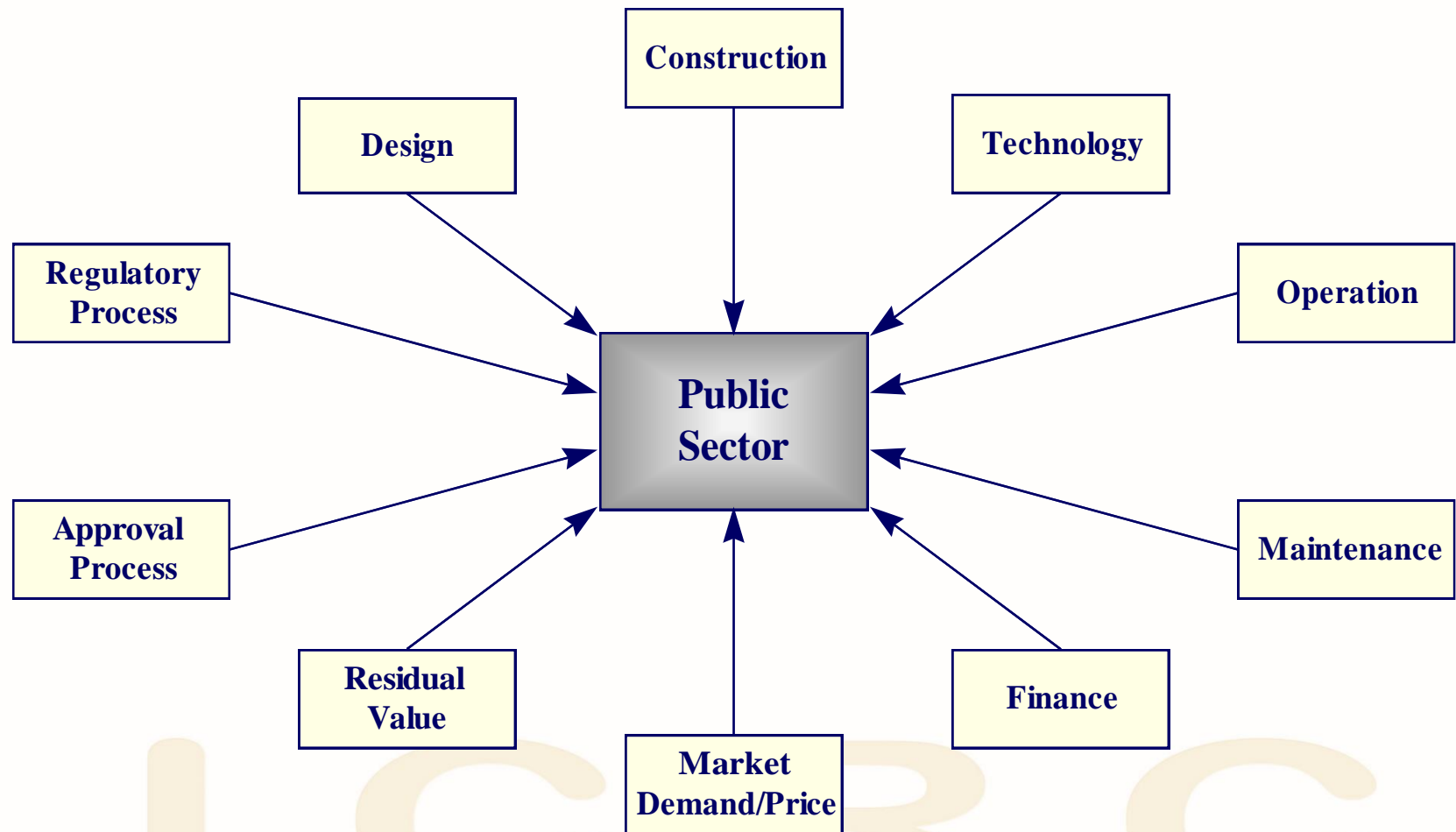
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Key PPP Principles (N4P)

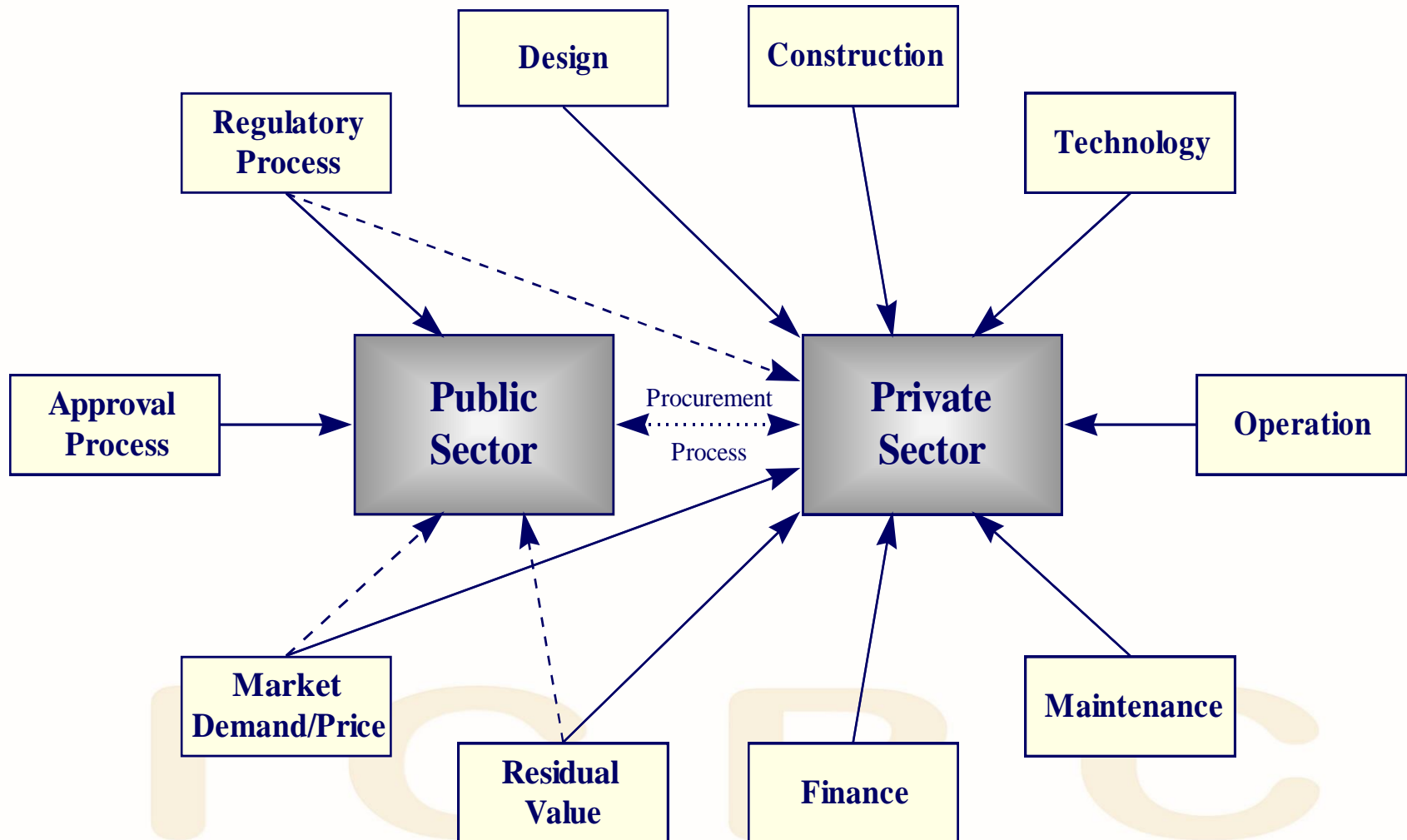


- **Value for Money**
Cost, risks and service quality
- **Public interest**
Adequate consultation with end-users and other stakeholders
- **Output requirements**
Clear and verifiable service standards for output specifications.
- **Transparency**
Transparency and probity can reduce concerns over corruption.
- **Risk allocation**
Risks allocated to the party best able to manage them.
- **Competition**
Ensuring and enforcing adequate competition procedures & laws.
- **Capacity to deliver**
Partners must have adequate capacity to deliver and manage the EPC & commercial processes

Traditional Risk Allocation



PPP- Risk Allocation



PPP Procurement Routes

ICRC

SOLICITED ROUTE

- Well prepared bankable projects to Market
- Transparent and Competitive Bidding
- May Require Government Funding Support
- Timely Financial Closure Required

UNSOLICITED ROUTE

- Bankable Business Case by Project Proponent
- Must be part of strategic plan of government
- Indicative Funding Available
- Negotiate or Subject to Competition via Swiss Challenge etc
- No Government Funding Support

Unsolicited PPP Proposal Route



Initiated by Private Party (must be full proposal with development phase complete or nearly complete ie, bankable OBC)

- (Unsolicited proposals means moving straight into PPP procurement phase)
- Contracting Authority Receives and Makes Preliminary Review
- Does proposal certify requirements
- Decision to use Swiss challenge to introduce competition
- Counter proposals requested for
- Review and Award

Lessons from Malaysia

ICRC

Infrastructure Leadership Quote from Other Lands

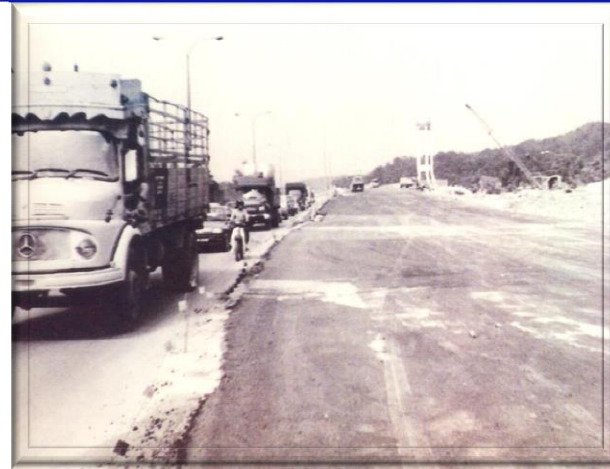
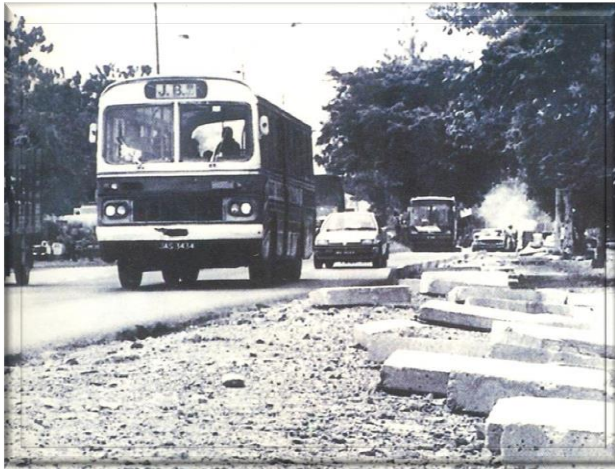
We told them we will give them roads to bring their products on, schools to send their children to, hospitals and clinics to improve their health.

We cannot waste our time.

We have to work fast to show results for we are judged by our performance, not what we promise

Tun Abdul Razak Hussein – Prime Minister of Malaysia 1970 - 1976

MALAYSIAN ROADS : 1970 – 1980



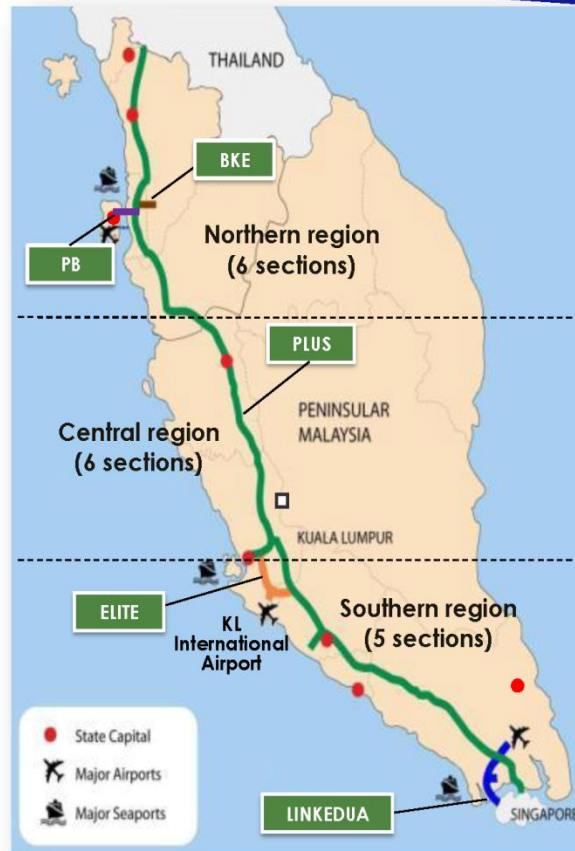
Source: Plus Malaysia Berhad, 2015

Presentation by Plus Berhard to Engr. Chidi Izuwah November 2015

Malaysian economy literally transformed by PPP execution of the North-South Expressway which was converted to a PPP in response to their 1980s financial crises

- Development Stage 1986 – 1988
- Construction 1989 – 1994
- Operation and Maintenance 1994 onwards

AVERAGE GDP GROWTH OF STATES Along North-South Expressway (NSE)

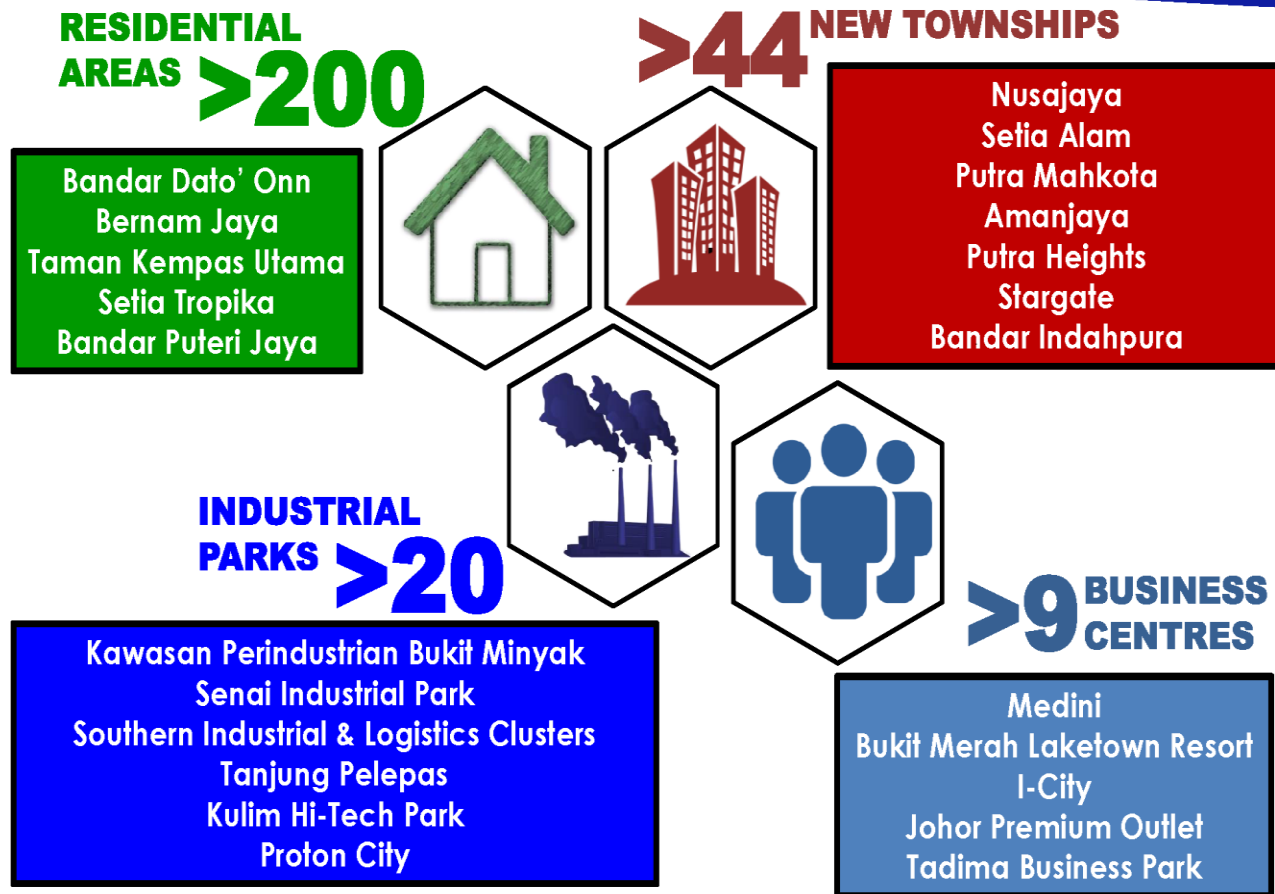


States	GDP GROWTH	
	1989 - 1993	2000 - 2013
	Before	After
Kedah	4.7%	7.5%
Penang	4.5%	7.5%
Perak	4.7%	7.3%
Selangor	5.4%	7.7%
N. Sembilan	3.9%	7.1%
Melaka	4.5%	7.3%
Johor	5.0%	7.7%

Source: Plus Malaysia Berhad, Nov 2015

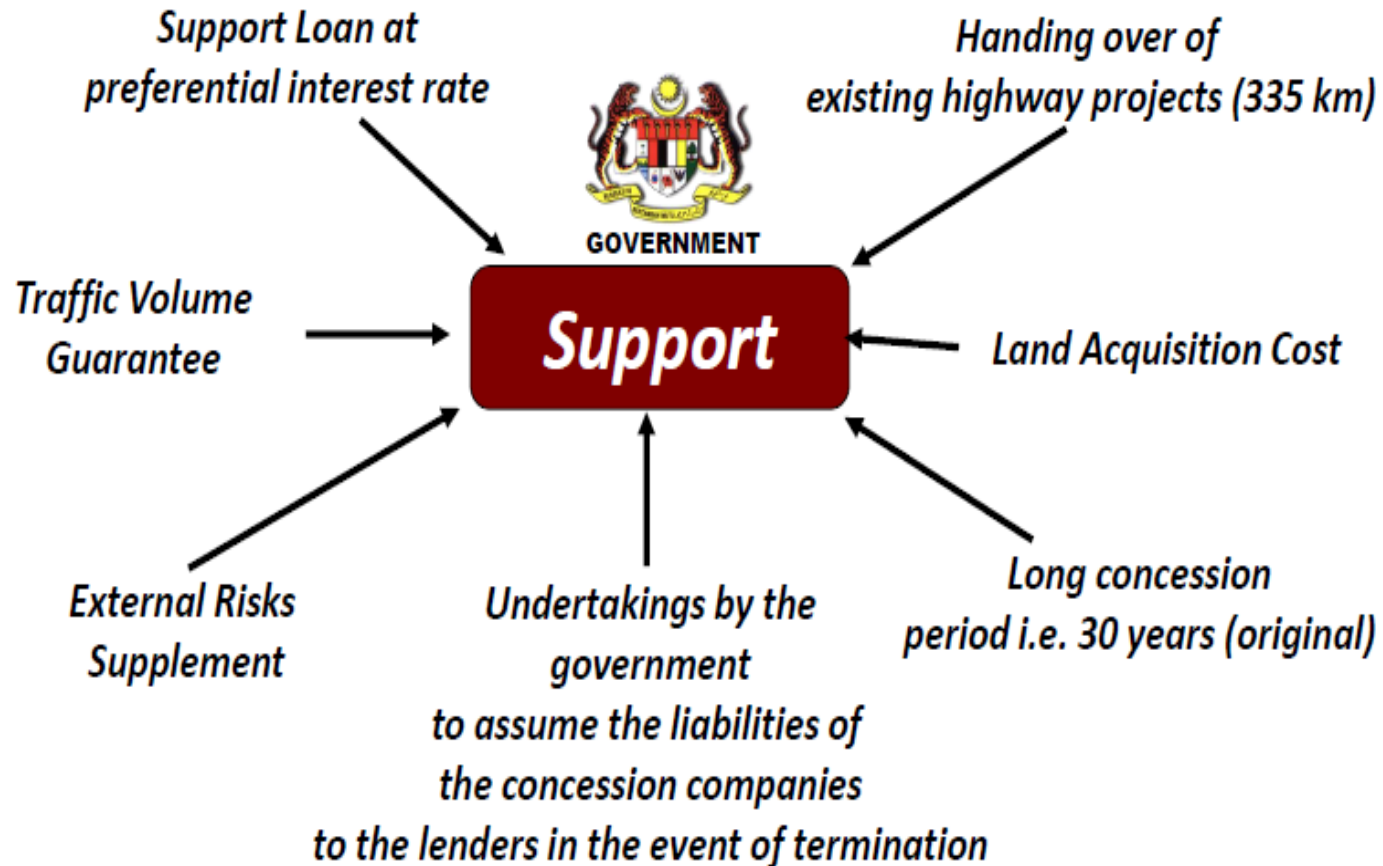
Presentation by Plus Berhad to Engr. Chidi Izuwah November 2015

NEW TOWNSHIP, INDUSTRIAL PARK, BUSINESS CENTER AND RESIDENTIAL ALONG NSE



Source: Plus Malaysia Berhad,
Nov. 2015

GOVERNMENT SUPPORTS FOR PROJECT VIABILITY



PLUS CONCESSION – Original Key Terms

The Government grants to PLUS the exclusive rights and authority to undertake and enjoy the Concession

- which includes the collection and retention of Toll Collected.

PLUS to undertake

- The design and construction of 462.2 km of North-South Expressways and 34.8 km of New Klang Valley Expressways
- Widening of Federal Highway Route 2 (16km) from dual 2-lane to dual 3-lane
- Taking over from the Government the management, operation and maintenance of 335 km of existing sections of North-South Expressways

Original concession period

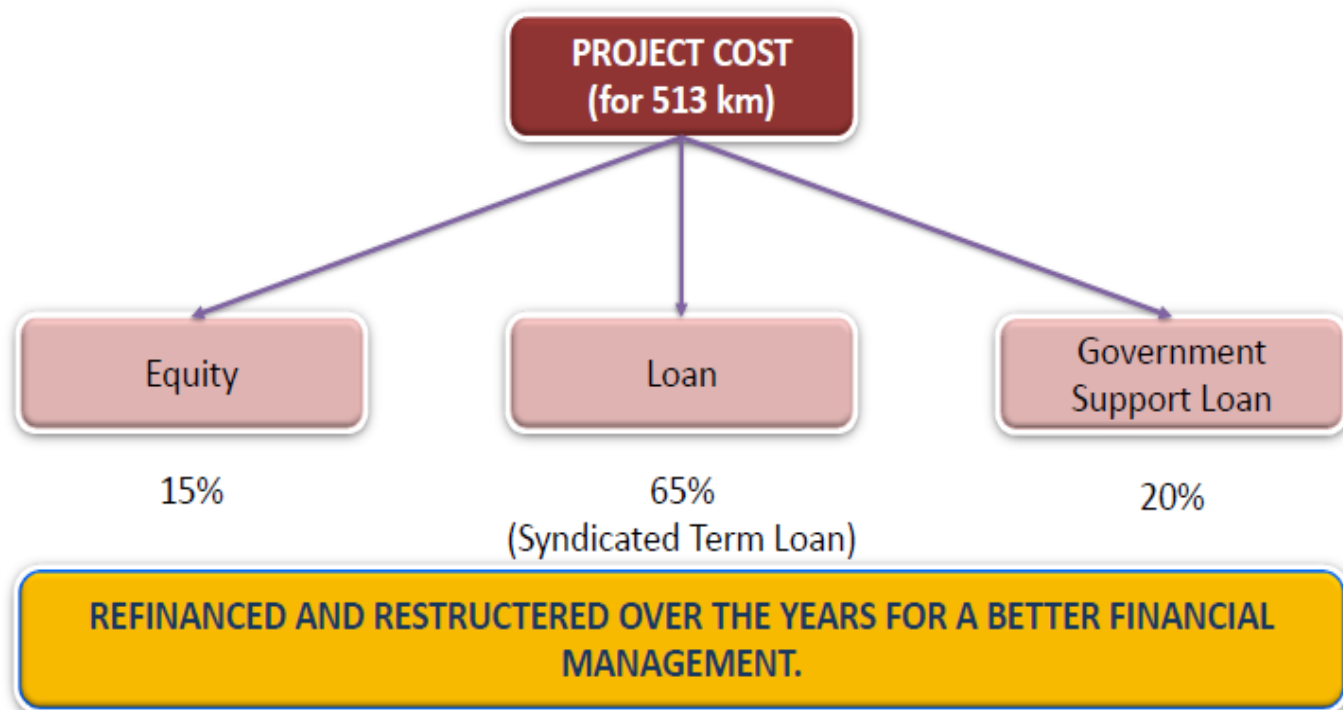
- 30 years

Agreed Toll Rates

- the toll specified for each class of vehicle using the Expressways for the relevant calendar year of the Concession as set out in the Concession Agreement.

PROJECT FUNDING

Take over stretches from MHA	335 km
Constructed PLUS	513 km
Total Length	848 km



NORTH SOUTH EXPRESSWAYS (NSE)

- Project Stages

- **Essentially 3 Stages :**
 1. **Development**
 2. **Constructions**
 3. **Operations & Maintenance**
- **Source of funds are different for each stage**
- **Risks are different**
- **Cost of capital is different**



NSE : Construction Stage (1989 – 1994)

- **Project Management Company to take charge and be responsible for the overall construction**
- **Construction was done in packages**
- **Oversight by Malaysian Highway Authority**
- **Highway was opened as and when each package was completed**
- **NSE was fully completed and opened for traffic in 1994 – 15 months ahead of schedule**

NOTE:

Concurrently, operate and maintain the completed stretches taken over from the Government.

Development



Constructions



Operations &
Maintenance

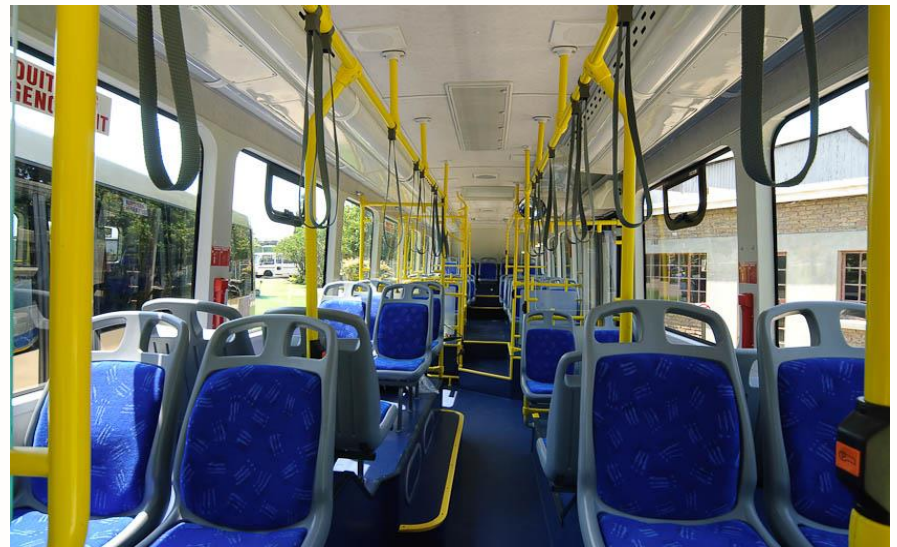
Gautrain Rapid Rail, SA



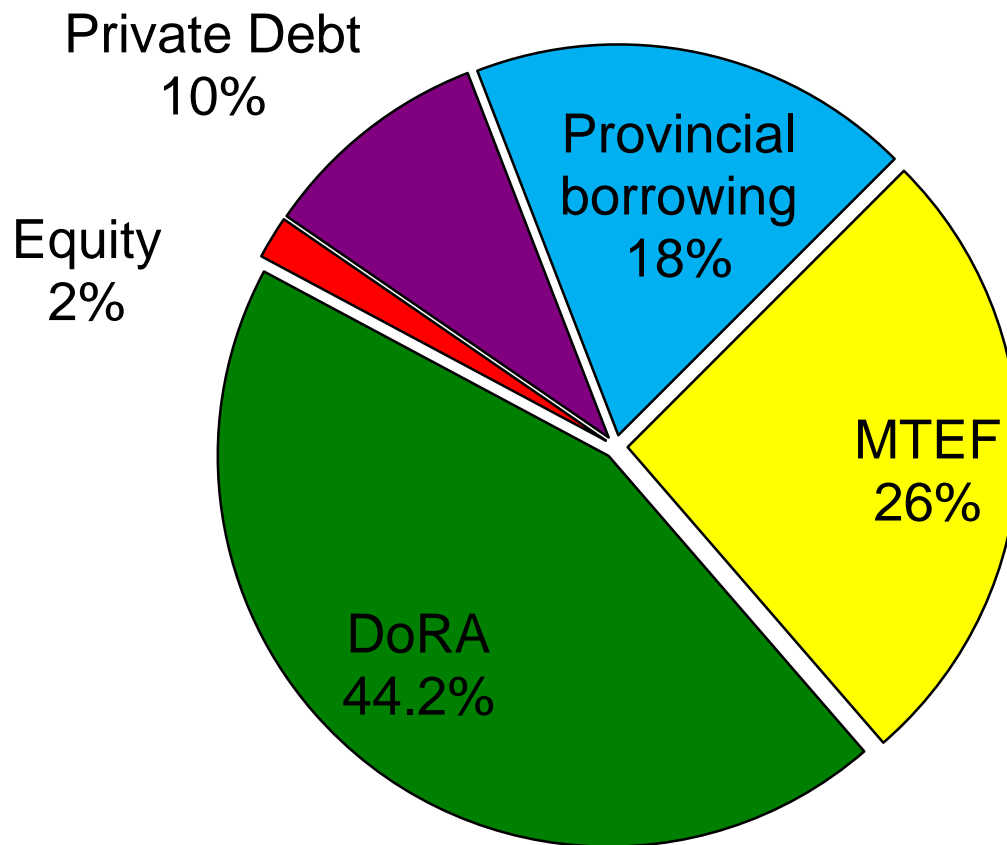
Gautrain Rapid Rail Link project – the biggest PPP project in Africa.
Built as a requirement for rapid transit during 2010 World Cup



Gautrain Feeder Bus System



Guatrain Project Financing



Rolling Stock....



Inside the train depot



Operations control centre





GAUTRAIN OUR JOURNEY TO A BETTER GAUTENG

Transforming Infrastructure in Nigeria

ICRC



PMB MOBILE MEDICAL MISSION FOR RURAL AND IDP NIGERIANS VIA PPP

ROADMAP TO WORLDCLASS UNIVERSAL HEALTHCARE FOR ALL RURAL AND IDP NIGERIANS – LESSONS FROM INDIA



MEDICAL MOBILE UNITS (MMU) - EXAMPLE



Public Partner – Government of Bihar

Private Partner – Spake Systems (14 MMUs), Jaagran Solutions (12 MMUs), Jain Studio (12 MMUs)

Objective: To provide primary health facilities to people living in the remote areas of the State. Since there is acute shortage of manpower in government hospitals, the state decided to procure MMU through a PPP. A fixed budget is allocated to be paid to each MMU operator by the State. The MMUs provide the same facilities as a basic hospital. PPP Partners were selected by competitive bidding

Solar Powered Mobile Medical Unit



Functional Specifications and Requirements for MMU



MMU should be a fully air-conditioned TATA 709 chassis or equivalent vehicle of similar dimension from a reputed manufacturer. It should be fitted with an up-to-date Global Positioning System (GPS) in order to keep track of the vehicle. The mobile van should be designed keeping in mind the following criteria: ease of deployment, privacy, community acceptance and cost.

A second vehicle (TATA Sumo/ Mahindra Bolero/equivalent) should accompany medical van; this second vehicle is used for the purpose of carriage of the medical personnel and it is also to be used as an ambulance for transporting patients in the case of an emergency.

The MMUs are equipped with 33 life-saving drugs, which are issued free of cost to patients in need. They are also equipped with various medical tools and facilities: Semi Auto-Analyzer, Portable X-ray Unit, Portable ECG, Microscope, Screen, Stretcher, O.T Table with standard accessories, Stools, Dressing Trolley/Instrument Trolley, Dressing Drums, Oxygen Cylinder, Suction Machine, Ophthalmoscope, Refraction Set, Horoscope, Mobile Light/ Ceiling Light (OT Light), Centrifugal Machine, Hemoglobin Meter, Glucometer, Autoclave, Incubator, Urine Analyzer, Vaccine Carrier, Weighing Machines - adult and infant, Stethoscope, BP Instrument, Suture Removal Kit, Pregnancy Test Kit, IUD Insertion Kit, Starter, Regent Kit, HIV Testing kit, General Instrument Kit, First Aid Kit, various other test and surgery kits, normal ambulance appliances like foldable furniture, waste basket, linen, mattress, mackintosh sheets, fire extinguisher etc. It also has a silent DG set, Audio-Visual equipment with projection system, 40" LCD, P&A System and a cell phone.

Responsibility of MMU PPP Partners



- **Provide the requisite MMU vehicle, equipment's and software**
- **Install, operate and maintain appropriate facilities**
- **Provide technical manpower to run the MMU and provide medical services to assigned area**
- **Provide technical back up for maintenance of the system**
- **Provide detailed reports and maintain database of MMU services as per pro formas provided at the time of signing of the contract, or as issued by the state health board from time to time**

Medical Services Provided by MMUs



- **Referral of complicated cases**
- **Early detection of tuberculosis, malaria, leprosy and other locally endemic communicable diseases as well as non-communicable diseases such as hypertension, diabetes and cataract cases.**
- **Minor surgical procedures and suturing**
- **Anti-natal checkups and related services**
- **Promotion of institutional deliveries**
- **Immunization clinics**
- **Treatment of common paediatric illnesses, diarrhoea, pneumonia, respiratory tract infections, sexually transmitted diseases**
- **Family planning services - counselling for spacing and permanent methods, distribution of contraceptives**
- **Investigations like haemoglobin, urine examination for sugar and albumin, clinical detection of tuberculosis.**

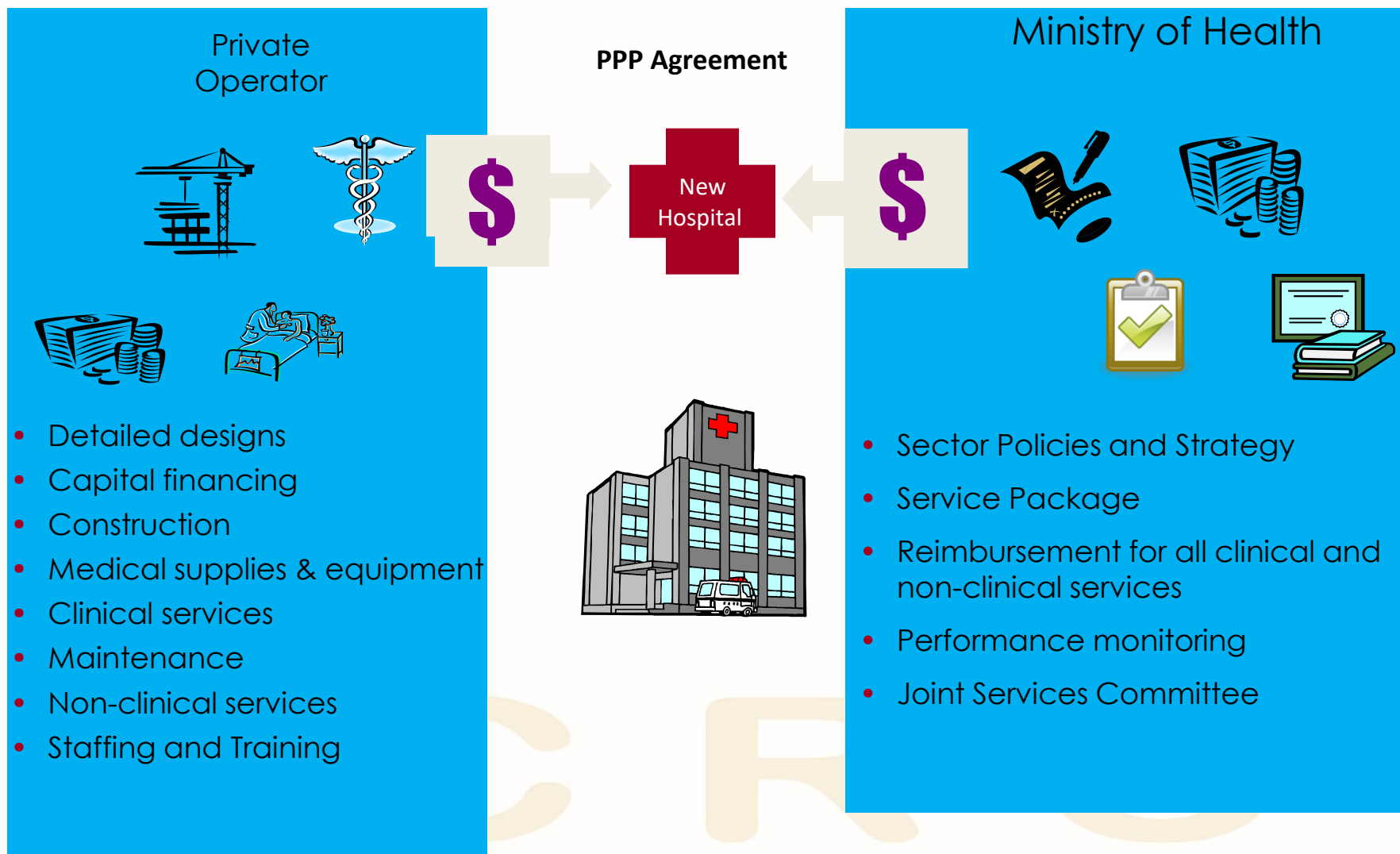
Manpower Specification for MMU



- The manpower required for the program is to be provided by the PPP partner
- Each MMU is accompanied by the following: 1 very experienced Doctor, 1 nurse, 1 pharmacist, 1 operation theatre assistant, 1 x-ray technician, 1 lab attendant, 1 Auxiliary Nurse Midwife (ANM) and 1 driver. The MMUs are able to attend to about 120 patients per day.

ICRC

Typical Hospital PPP Framework



MEDICAL CITY PPP





PUBLIC PRIVATE PARTNERSHIP

EDUCATION MANAGEMENT ORGANIZATION - EMO

ICRC

How EMO Innovation Works?



WHAT IS EMO INNOVATION



EMO – PPP MODEL

Government of Pakistan is **outsourcing management** of public schools to credible, high impact private organizations. These organizations are called Education Management Organizations (EMOs).

GOVERNMENT:

- Policy Reforms
- Resource Allocations
- Long-term Commitment
- Quality Assurance
- Result Oriented PPPs

DONORS:

- Financial Resource
- Technical Assistance
- Capacity Development
- Quality Assurance
- Efficient Management

SERVICE PROVIDERS:

- Knowledge & Experience
- Log-term Commitment
- Monitoring, Evaluation & Audits
- Performance based Rewards
- Result Oriented PPPs

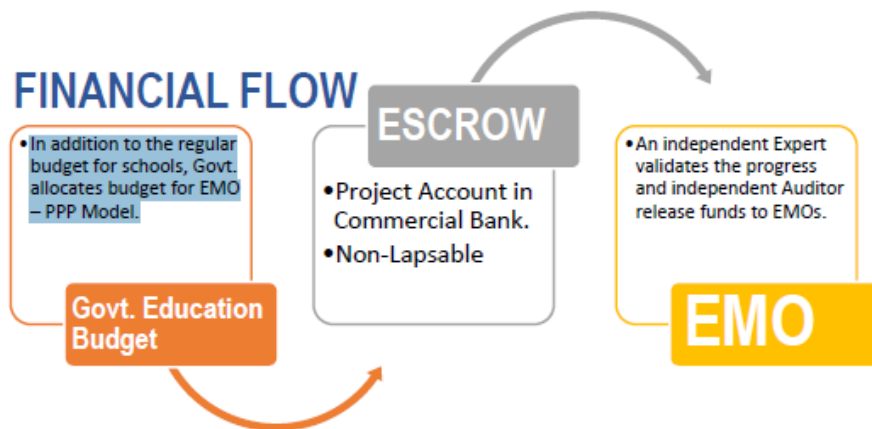
COMMUNITY:

- Awareness & Ownership
- Increased Enrollment
- Active Participation
- Women Participation
- Trust on Public Schools

How EMO Innovation Works?



HOW EMO INNOVATION WORKS



PROGRAM FLOW



AFRICA INTEGRAS

19 JUNE 2015
FOR IMMEDIATE RELEASE

KENYATTA UNIVERSITY SIGNS LANDMARK \$53MM USD PUBLIC-PRIVATE PARTNERSHIP INVESTMENT CONTRACT WITH AFRICA INTEGRAS

On Friday, June 19th 2015 Kenyatta University formally signed a Project Agreement with Africa Integras (an investment company that specializes in the development of education infrastructure based in New York) to construct students' hostels for 10,000 on the Main Campus through a 20-year BOT arrangement.

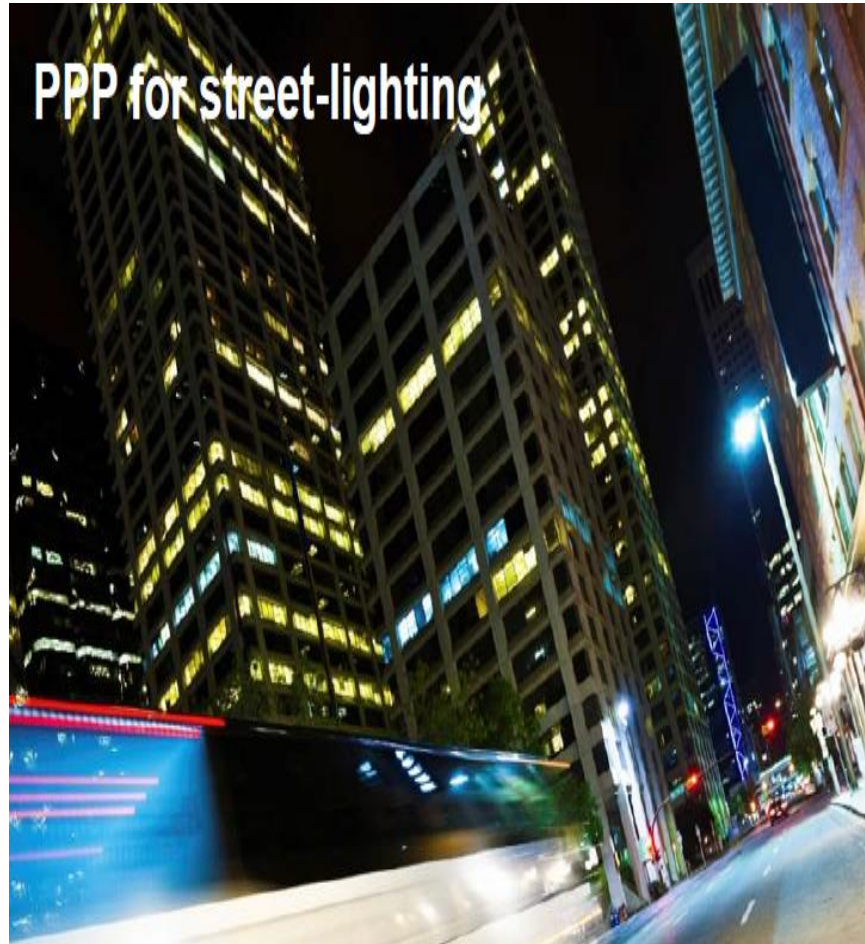
The project, which has been designed to meet high standards of environmental sustainability,



KENYAN STUDENTS HOSTEL BY PPP VISUALIZATION



Bhubaneswar Street-lighting Project, India



Intercity Bus Terminal - Amritsar, India



AMRITSAR BUS TERMINAL



24/09/2005



27/09/2005

State Road PPP – Ahmedabad Mehsana Toll Road Company Limited (AMTRL); Gujarat India

- ❑ Private Partner – AMTRL and Public Partner – PWD GoG
- ❑ Scope BoT Ahmedabad to Mehsana
 - Widening & Strengthening of Existing 51.6 km long road from two lanes to four lanes divided carriageway and construction of continuous service roads on either side.
 - Widening & Strengthening of Existing 11.5 km long two lanes Kadi - Kalol Spur road.
 - Bypass of 2.3 km long at Sertha village on left side of the existing road.
 - 2 Nos. Main Toll Plazas one Ahmedabad side and other Mehsana side at Km 20+000 and Km 65+500 respectively and two intermediate toll plazas at Chhatral and Nandasan respectively.
 - 2 Nos. Road over Bridges (RoB) & 2 Nos. Minor Bridges, 1 No. Road under Bridge (RuB) and 5 Nos. Underpasses of minimum size of 5 m x 3 m and 5 Nos. Cattle Crossings of minimum size 3 m x 2.1 m.
 - Provision of retro-reflective signboards to improve road safety with very good riding quality to enhance user comfort.
 - Toll Rates are based on road user benefits including savings in Vehicle Operating Costs, Fuel and Time.
 - Round-the-clock Highway Patrolling
 - 24 hours Ambulance services
 - Extensive tree plantation and transplantation of 1500 nos. trees.
 - Provision of roadside arboriculture and landscaping.
 - Completed 8 months ahead of schedule and under budget



AGRIC EQUIPMENT MODEL PPP GUJARAT INDIA – ESTABLISHMENT OF AGRICULTURAL TRACTOR AND IMPLEMENTS RESOURCE CENTRES

- ❑ **Objective – Facilitate Farm Mechanization and Productivity**
- ❑ **Public Partner – Government of Gujarat India**
- ❑ **Private Partner – John Deere Tractors India/USA**
- ❑ **Role of Private Partner**
 - Establish centres with 500 tractors and 13 different implements per centre.
 - Provide Trained Operators and Mechanics
 - Provide Extension Support Services
 - Train 1000 locals as tractor operators and 500 as mechanics.
- ❑ **Role of Government**
 - Provide land and revenue guarantees on minimum guarantees **(Note if utilization exceeds minimum by agreed percentage excess revenue is 50/50 with government).**
- ❑ **Role of Farmers – Use tractors and pay only for operating and maintenance costs. Provide via cooperatives provide individuals to be trained as tractor operators and mechanics.**



Mandaluyong (Philippines) Public Market





PUBLIC-PRIVATE PARTNERSHIP: The Cagayan de Oro Experience

BOT Projects in Cagayan de Oro

- **Carmen Market (West)**
- **Cogon Market (BusinessCenter)**
- **The Agora (East)**
- **City Slaughterhouse**





PUBLIC-PRIVATE PARTNERSHIP: The Cagayan de Oro Experience

RECENT AGORA REDEVELOPMENT



BEFORE



AFTER

PPP for Truck Stop Facility



Currently trucks stop at will on the Federal Highways near cities, denying throughput of essential traffic – the economic arteries of the States and Nation; potential PPP project could develop income streams from service provision

Footbridge, Hyderabad



Pro Poor PPP Procurement - Public Conveniences



Yes, this is a public toilet



BUS RAPID TRANSIT FOR URBAN MOBILITY IN NASARAWA STATE

WHAT IS BUS RAPID TRANSIT (BRT) SYSTEM?

Bus Rapid Transit is high-quality, customer-orientated transit that delivers fast, comfortable and low-cost urban mobility.



Characteristics:

- Segregated bus ways
- Rapid boarding and alighting
- Efficient fare collection
- Comfortable shelters and stations
- Clean bus & modern technologies
- Sophisticated marketing identity
- Excellence in customer service

BRT - A METRO EXPERIENCE ON ROAD THROUGH TECHNOLOGY INNOVATIONS AT 1/20th THE COST

High Quality Transport at Affordable Costs

Clark Green City Food Processing Terminal, Philippines



Investment Opportunities



IMPLEMENTING AGENCY

Bases Conversion and
Development Authority
(BCDA)

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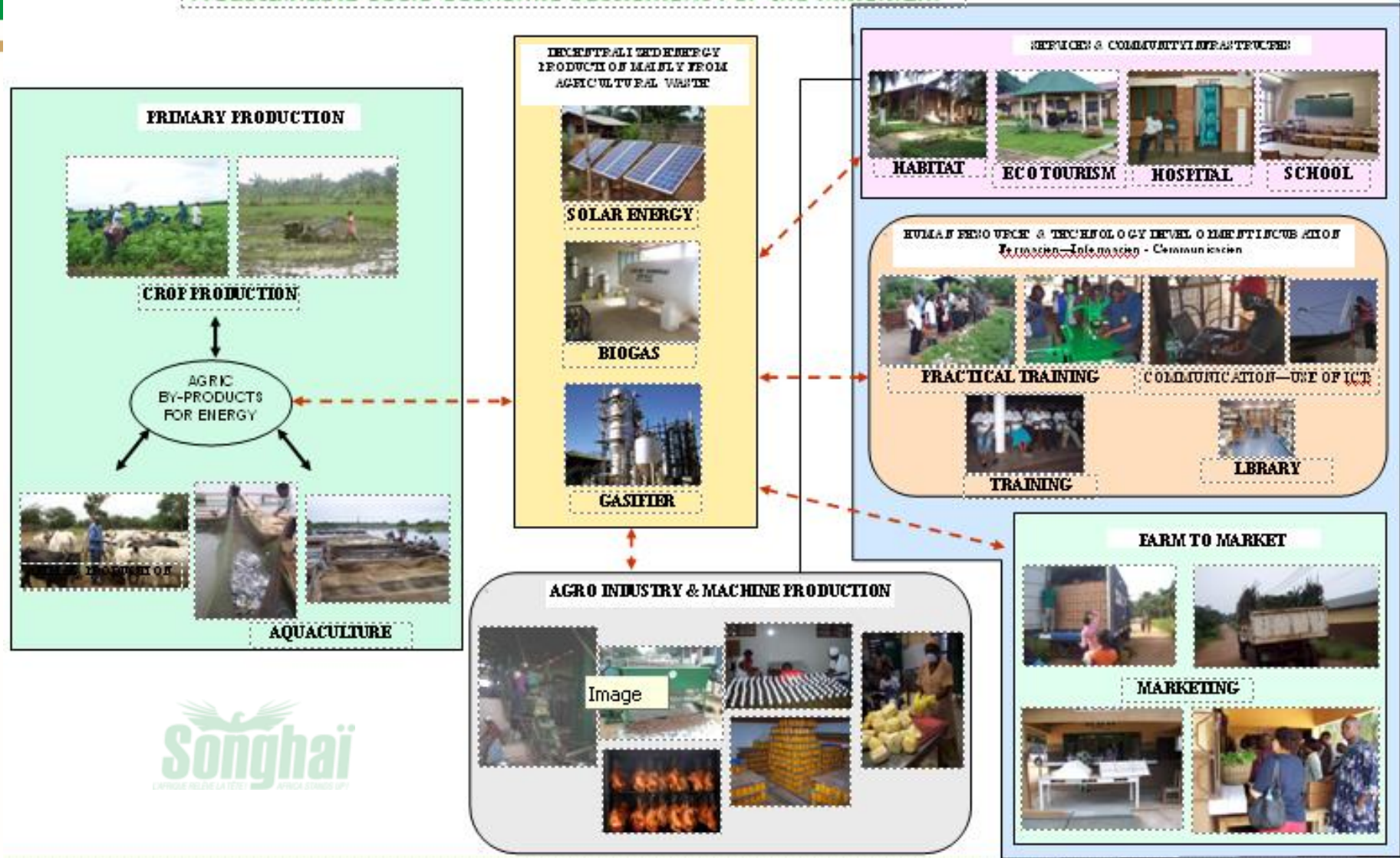
CLARK GREEN CITY FOOD PROCESSING TERMINAL

The proposed Food Processing Terminal in Clark Green City will be a "stock exchange" of fresh produce and processed products. The terminal will bring together in one roof the food supply chain and post-harvest production services for agri-fisheries products from Northern and Central Luzon and transport them to Metro Manila and neighboring countries. The food terminal will target niche markets such as organic produce and halal-certified goods.

The presence of a food terminal with supply chain and post-harvest services will reinvigorate the country's agricultural industry minimizing and preventing the spoilage of agricultural products through the introduction of relevant technologies and integrated post-harvest systems and facilities.

Songhai Model

SONGHAI GREEN RURAL CITY MODEL A Sustainable Socio economic Settlement For the Millenium





UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



FEDERAL REPUBLIC OF NIGERIA

Integrated ABIR and SCPZ - Nigeria



FEDERAL MINISTRY OF AGRICULTURE
AND RURAL DEVELOPMENT



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Advisor



International Consultant

Mahindra
Consulting Engineers

Motor Vehicle Inspection System PPP Philippines



IMPLEMENTING AGENCY

Department of
Transportation (DOTr) and
Land Transportation Office
(LTO)

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MOTOR VEHICLE INSPECTION SYSTEM (MVIS) PROJECT

The project involves the financing, design, construction, operations and maintenance of centralized, automated and national network of Motor Vehicle Inspection Centers (MVICs) for road worthiness testing.

It aims to improve the efficiency, effectiveness, reliability and transparency of motor vehicle inspection, thereby ensuring roadworthy and environmentally-sustainable vehicles.

AKUTE/ADIYAN WATER WORKS – 12.15MW IPP



- 12.15 MW provided by 4 x 3 MW GE Jenbacher gas engines
- 13km natural gas pipeline connected to existing natural gas infrastructure
- \$25.5 million total installed cost
- 12 month construction period and commenced operations in January 2010
- 10 year PPA with LWC

Benefits to LWC

- Constant, reliable, affordable power for LWC (40% savings)
- Water Plant Installed Capacity of 115 MGD
- Improvement in water delivery – (85% vs 36%)
- Service level coverage increased by 95%

Dry Port & Integration with Railways

All types of road vehicles transported



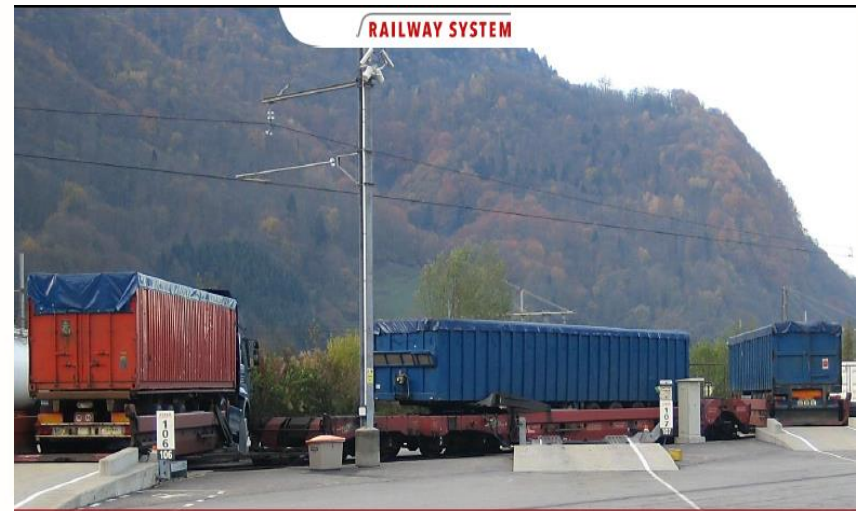
RAILWAY SYSTEM



All types of road vehicles transported



RAILWAY SYSTEM



Warehousing Opportunities



Way Forward Nuggets

ICRC

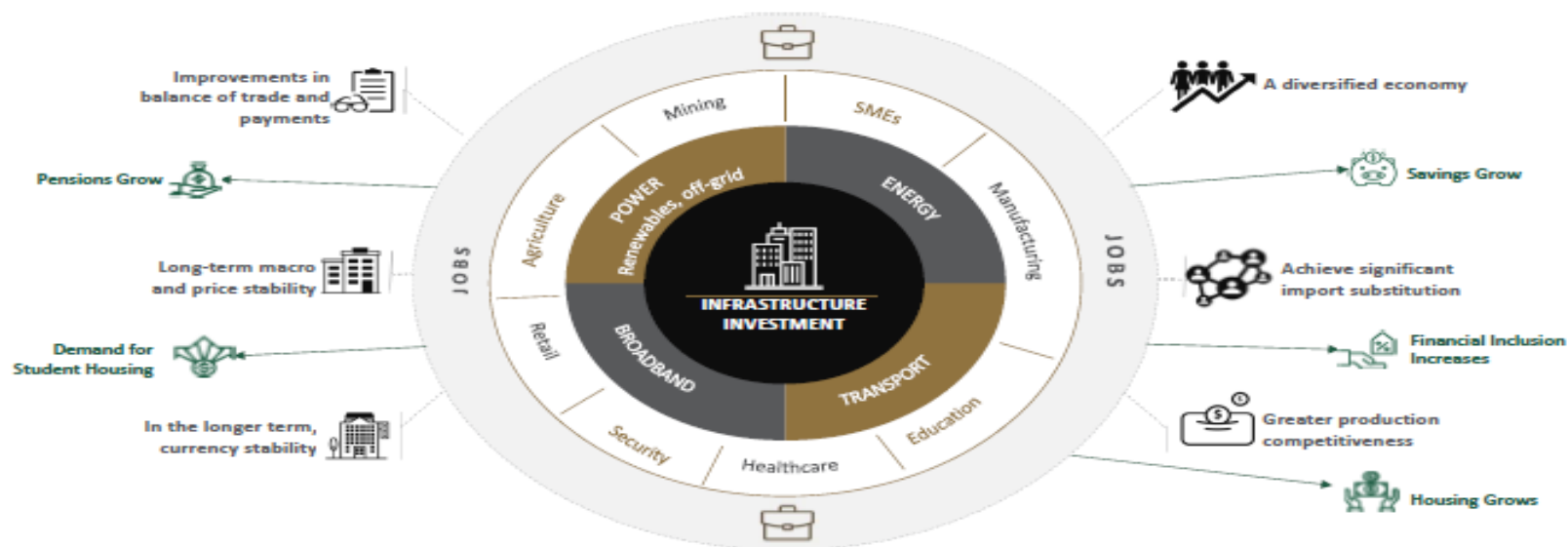
Credit to Chapel Hill Denham



Infrastructure is the cornerstone to growth



CHAPEL HILL DENHAM



Infrastructure + Nigeria = Progress



**If you want to grow rich – build
a road first (Chairman Mao)**

*“If Nigeria was a three legged
stool I would say its stability and
future depends on how well
and how fast we tackle the
infrastructure problem – the
shaky leg of the stool”*

World Bank Official



**1% increase in infrastructure stock results in a 1% increase in GDP – World
Bank**

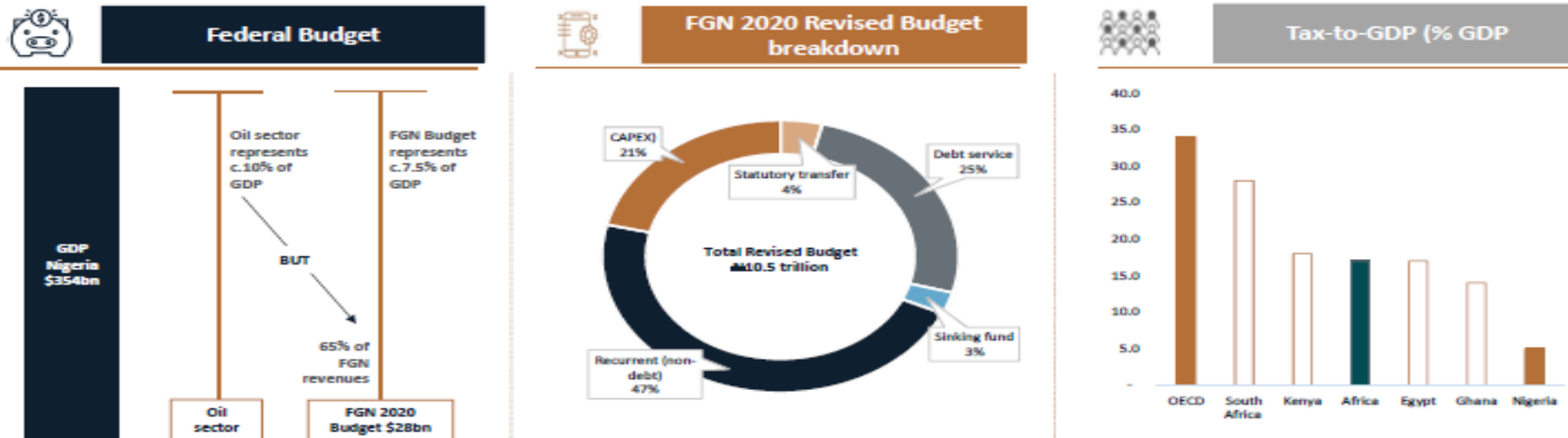
Budget cant Fund our Development



FGN Budget is constrained

FGN's budget represents 7.5% of GDP and just 21% of that is spent on CAPEX representing, at best, 1.6% of GDP.
Nigeria's population is growing faster than that

CH
CHAPEL HILL DENHAM



Our Situation Not New or Unique – Others Have Done it



It can be done

Marshall Plan 1948 – GERMANY – Miracle on the Rhine

The Marshall Plan was very successful and cost \$12 billion (\$100 billion equivalent today). Also established were counterpart funds, which used Marshall Plan aid to establish funds in the local currency and deployed in partnership with the business community. The western European countries involved experienced a rise in their gross national products of 15 to 25% during this period. The plan contributed greatly to the rapid renewal of the western European chemical, engineering, and steel industries. Truman extended the Marshall Plan to less-developed countries throughout the world under the Point Four Programme, initiated in 1949

Miracle on the Han River 1950s - KOREA

The period of rapid economic growth in South Korea following the Korean War, during which South Korea transformed from a developing country to a developed country. During the industrialization period of South Korea, President supported the rise of chaebol groups, facilitating the growth of these groups in order to trigger economic growth. Ten chaebol families were responsible for 60 percent of the growth of the South Korean economy during the Miracle on the Han River. With the help of governmental help and associations, chaebols are still an enormous influence on the Korean economy. Following the Miracle on the Han River, South Korea has been held as an economic model for other developing countries and acceded to the G20 in November 2010.

1980s Miracle of CHILE

The economic reforms implemented by Friedman's students, the Chicago Boys, had three main objectives: economic liberalisation, privatisation of state-owned companies, and stabilisation of inflation. The plan recommended a set of economic reforms that included deregulation and privatisation. Among other reforms, they made the central bank independent, cut tariffs, privatised the state-controlled pension system, state industries, and banks, and reduced taxes. Pinochet's stated aim was to "make Chile a nation of entrepreneurs". 25 years later Chile joined the OECD in 2010.

Post-Asian Financial crisis - THAILAND

The Thai economy collapsed as a result of the 1997 Asian financial crisis. Within a few months, the value of the baht floated from THB25/US\$ to THB56/US\$. The country's GDP dropped 15% in 1998. In dollar terms, it took Thailand as long as 10 years to regain its 1996 GDP. The nation is recognized by the World Bank as "one of the great development success stories" in social and development indicators. Despite a low per capita gross national income (GNI) of US\$6,610 and ranking 83th in the Human Development Index (HDI), the percentage of people below the national poverty line decreased from 65% in 1988 to 8.6% in 2016.


CHAPEL HILL DENHAM

Do's and Don't



Lessons for Nigeria


CHAPEL HILL DENHAM

DOs

Enabling environment

"Brand" Nigeria

Create institutions that can credibly commit

Pay in NGN

Lever the Government's investment

Technical RfP



DON'Ts

Go it alone

Finance 100% of the project

Own and manage the project

Pay in USD

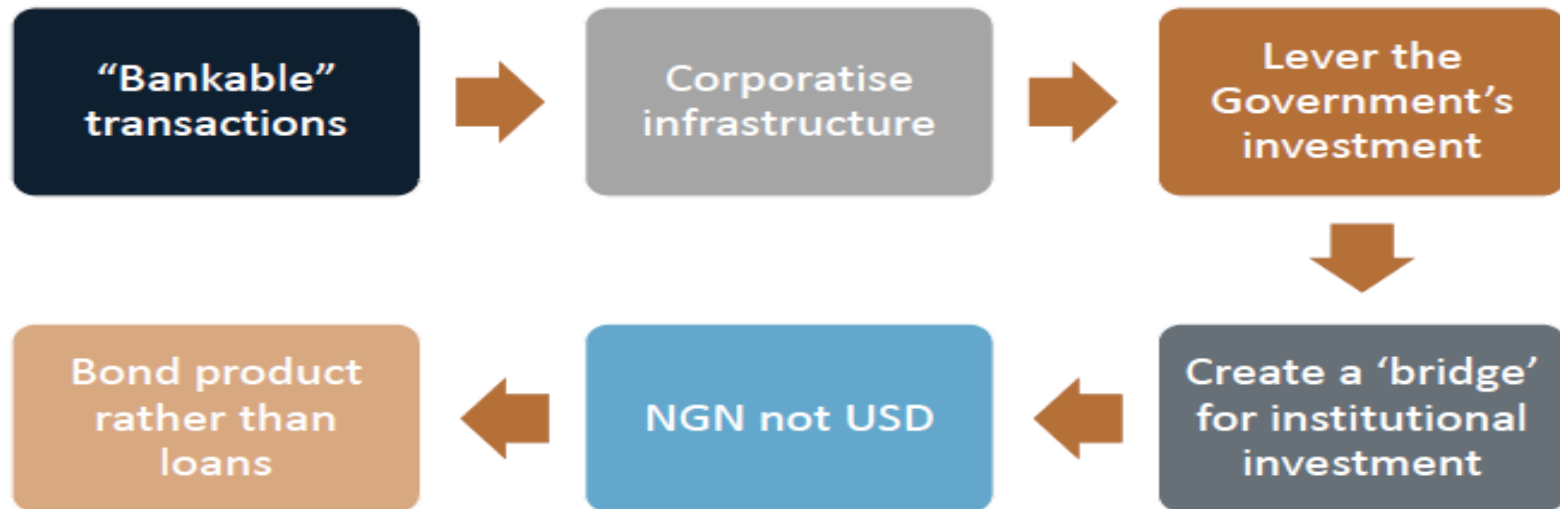
Structure long-term financing through a bank product

Procure on price alone

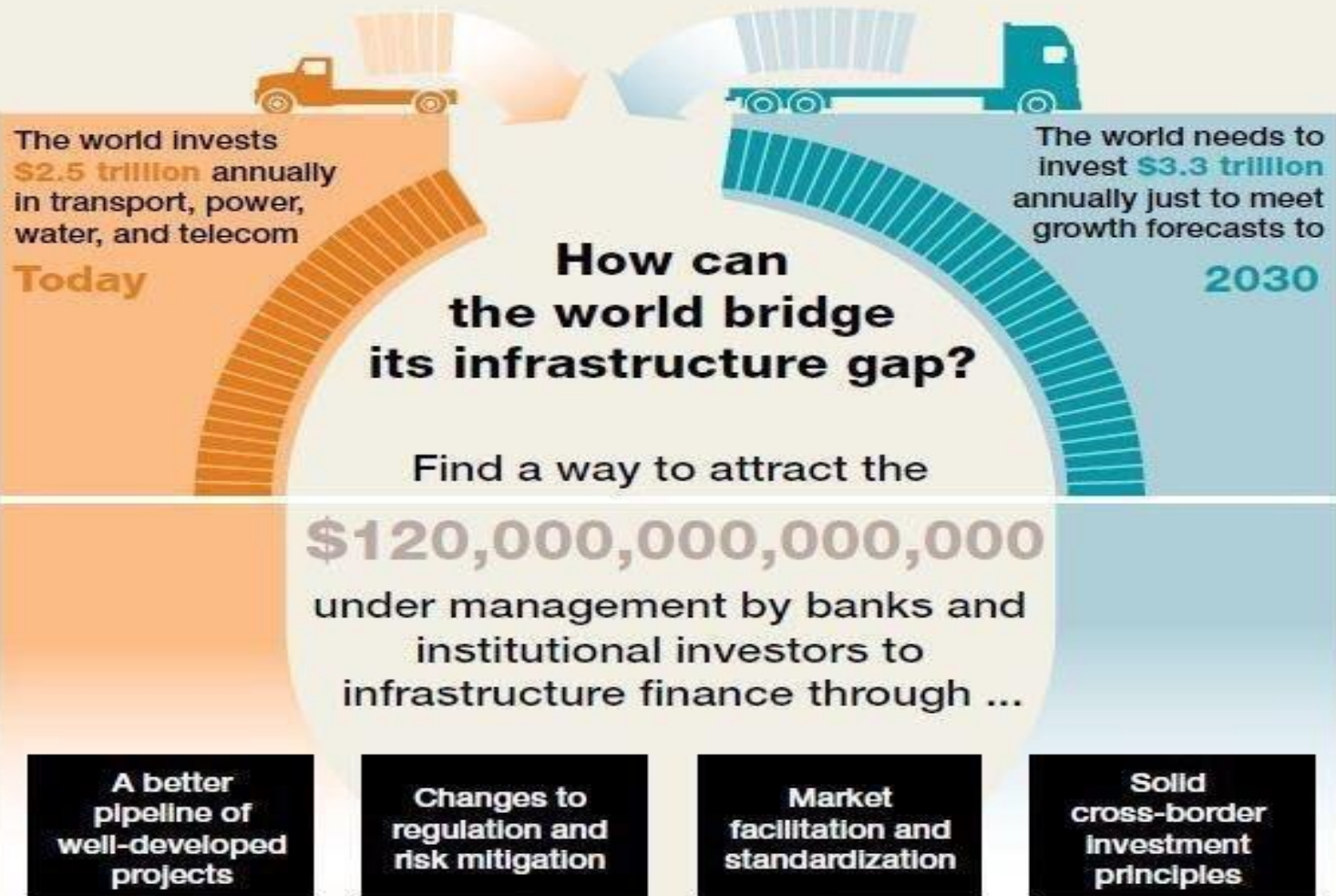
What's Needed



Infrastructure financing: What works?



Finance is not the problem?

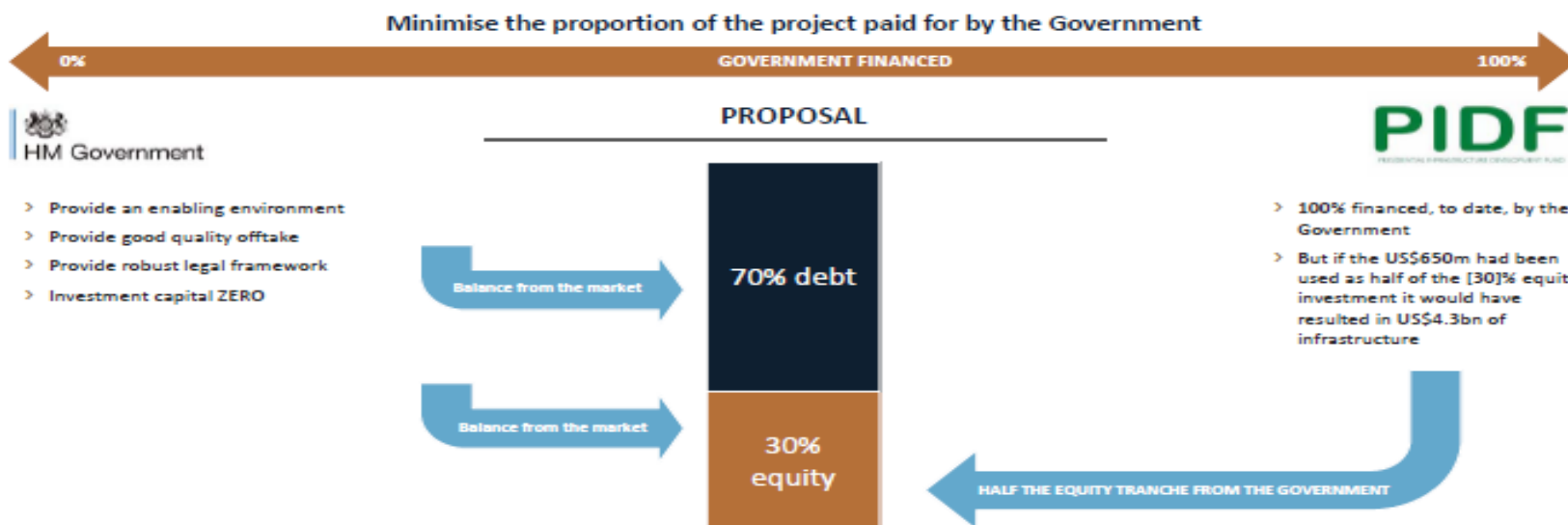


Use Government Scarce Capital Wisely



Lever the Government's investment


CHAPEL HILL DENHAM

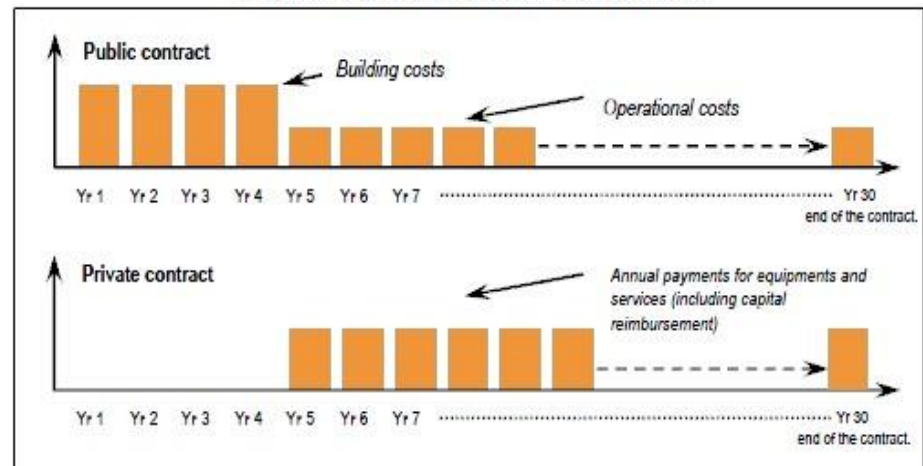


Public versus PPP Procurement Costs

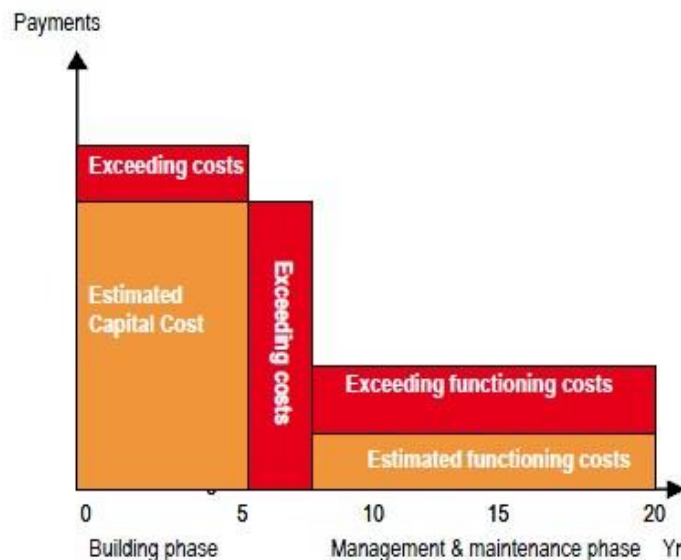
The need for:

- ✓ A comparative analysis between several financing options.
- ✓ A risk matrix as a management tool;
- ✓ A Test of the "value for money"
- ✓ Models and simulation of offers.

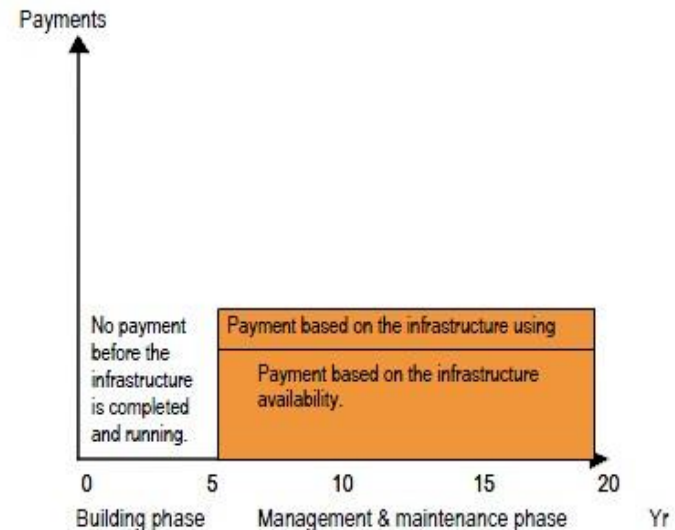
Public versus Private contracts.



Classical public contract – profil of payments:

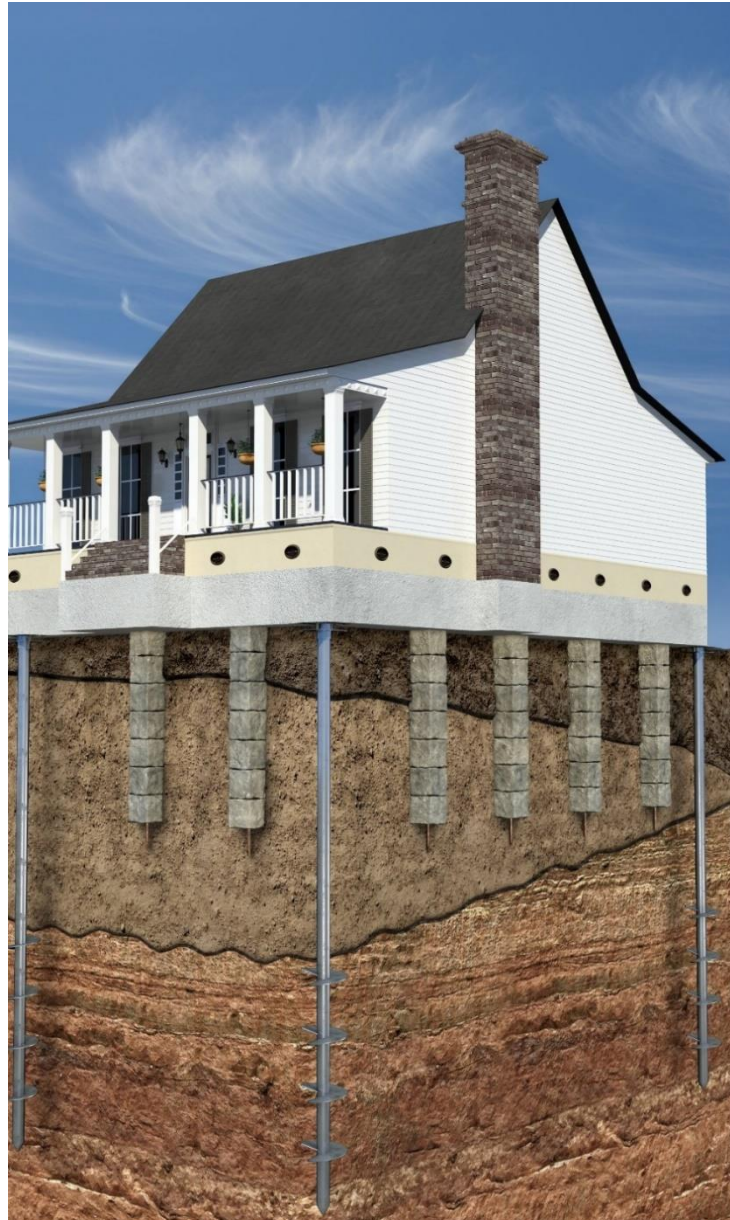


PPP contract – profil of payments

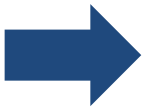


Funding vs. Financing

Financing



Funding



Key Lessons

Financing is not free money--financing converts future profits into money now.

Financing depends on funding.

If a country has “infrastructure financing problems,” it needs to address the underlying funding gap.

Effective, transparent sector and corporate governance can reduce the risk premium for private sector financing.

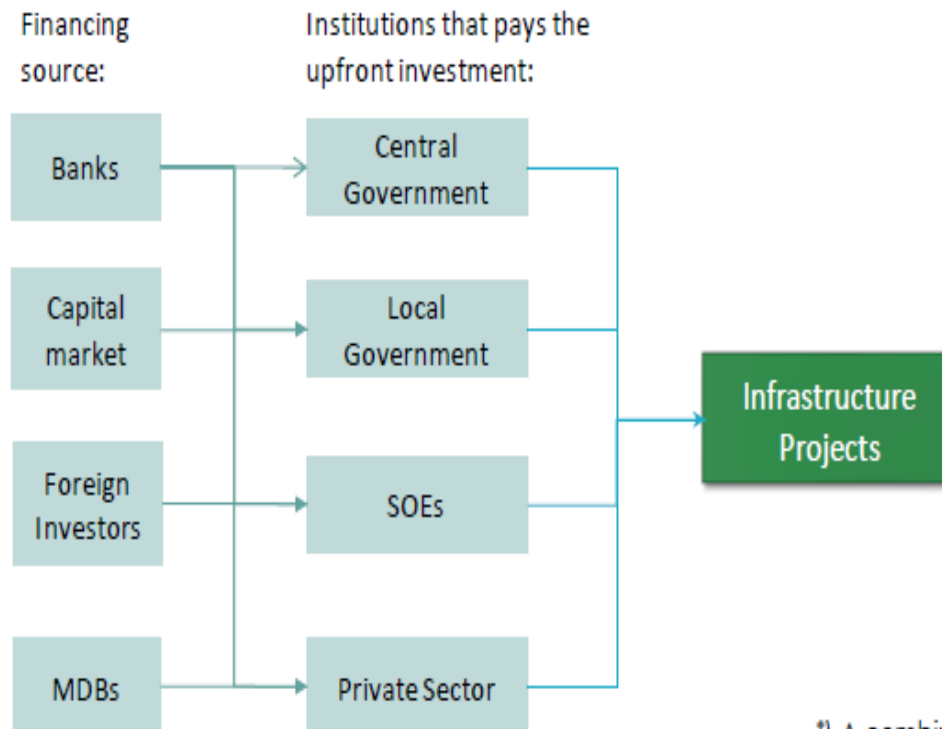


Funding and Financing for Infrastructure Development

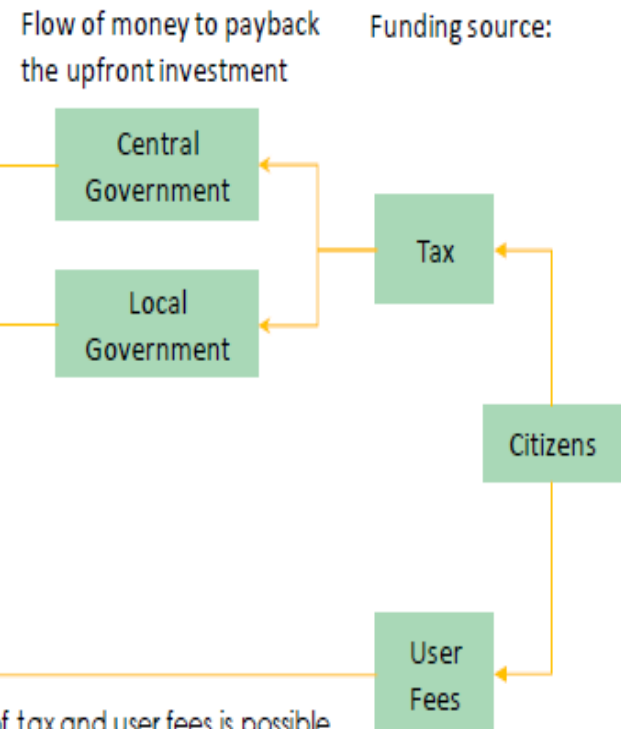


In order to increase infrastructure stock from 43% of GDP (in 2017) to 50% of GDP (in 2024), Indonesia requires infrastructure investment of USD 429.7 Bn or 6.1% of GDP in 2020-2024 mid-term period. This number increases by 20% from USD 359.2 Bn (in 2015-2019).

Financing – upfront investment



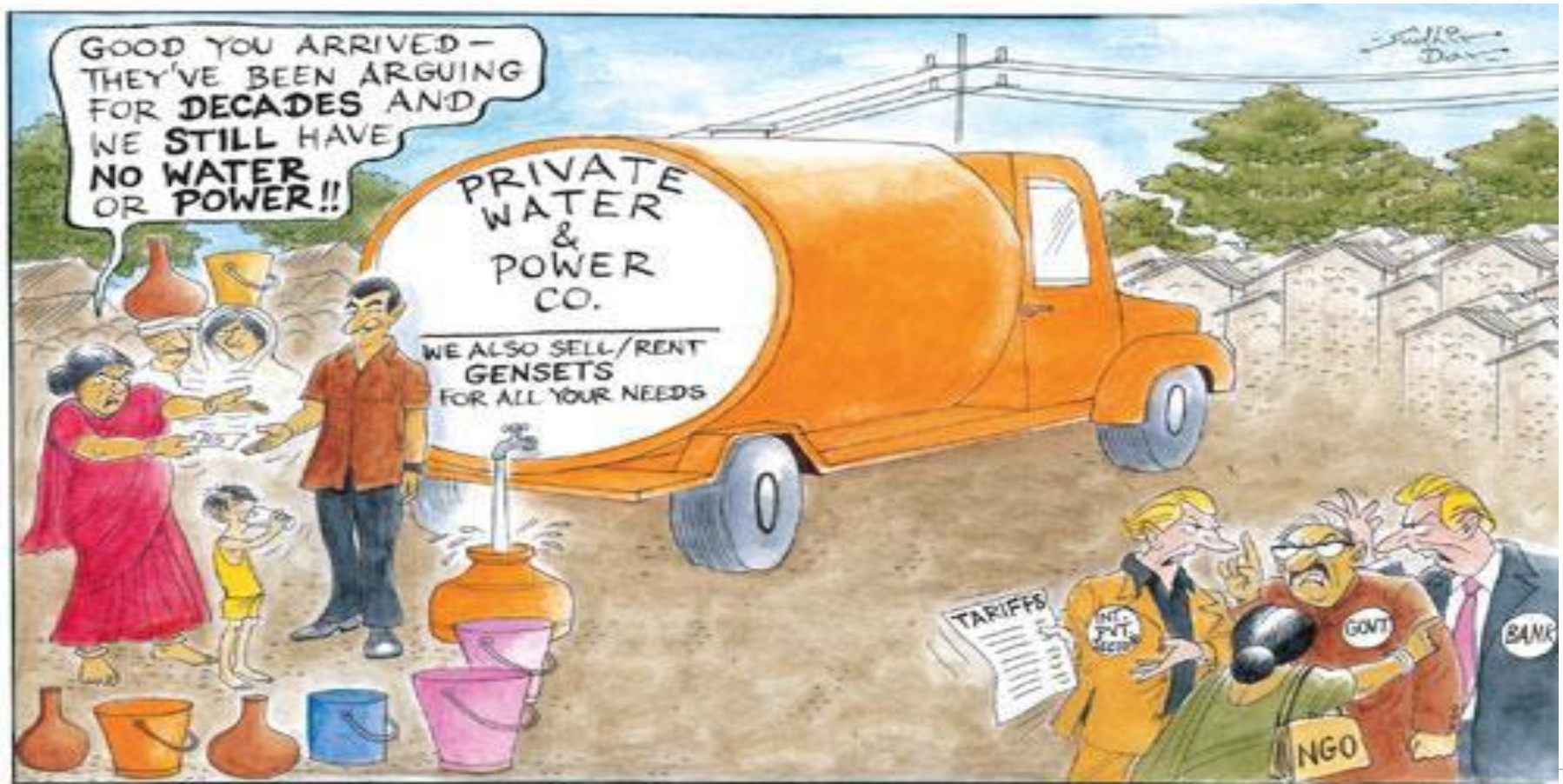
Funding* – where the money comes from to payback the financing



*) A combination of tax and user fees is possible

Additionality (Parallel Vs Sequential Development)

The increased economic benefits to consumer welfare of having needed public services accessible **NOW** because of the PPP procurement, rather than having to wait until Govt. could provide the services much later

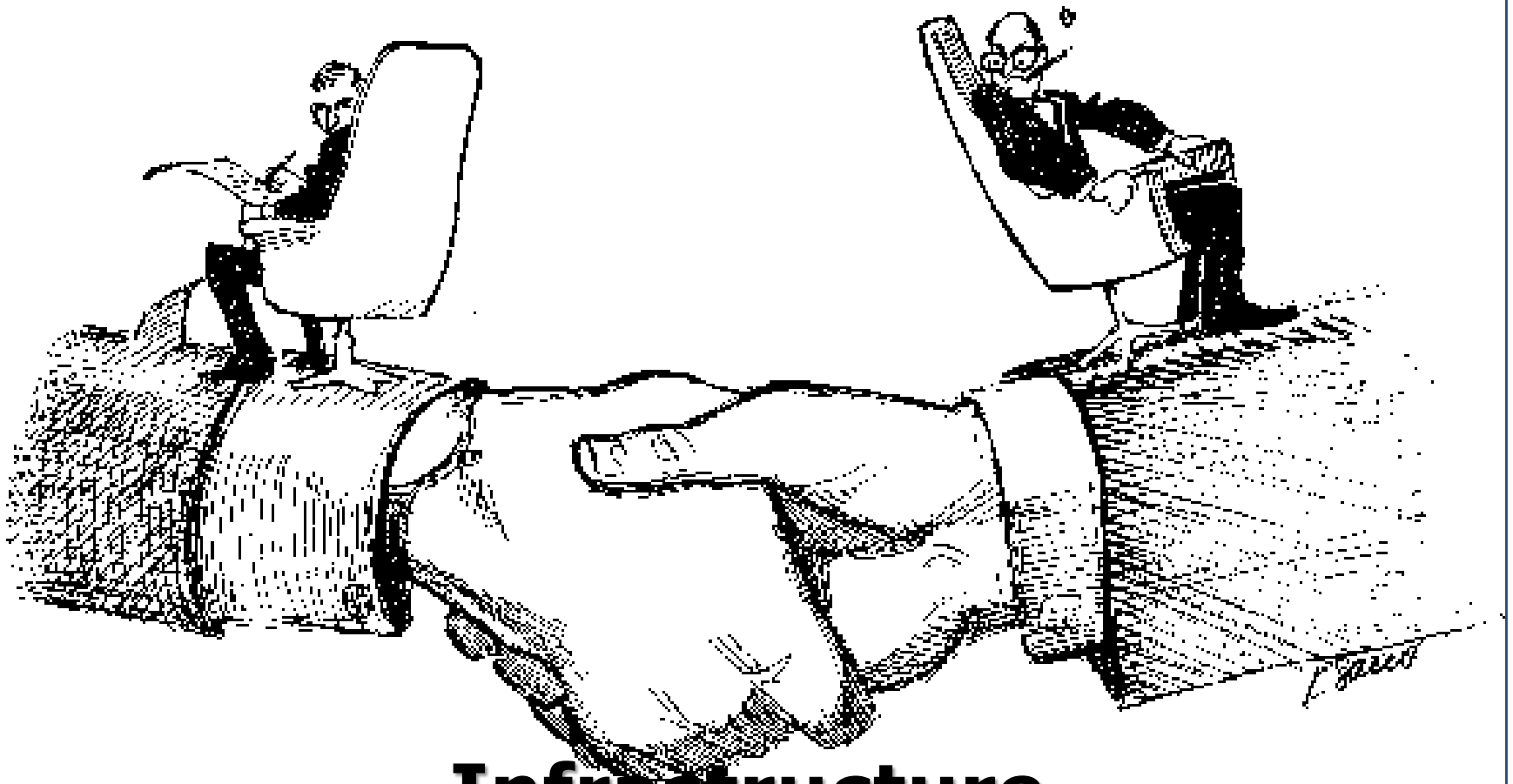


Understanding Capital



- Capital is a big coward
- Capital is very intelligent
- Capital is fungible
- Telecoms Success in Nigeria
- Turkey
- 3rd Istanbul Airport
- 3rd Bosphorus Bridge
- Izmir to Istanbul Expressway with sea bridge
- Eurasia Tunnel

Honest Advise !!!!!



Infrastructure

Public-private partnerships take a lot of work.

PPP – What's Needed



- PPP needs high level **political support** –this must be communicated
- Set up a **strategic PPP Task Force** and be consistent
- **Avoid deals** where the public sector party managing the contracts is opposed to them
- Use **recognised International** procedures and contracts to attract international finance and essential highest quality management
- **Develop** Private Sector capacity and expertise
- Key Objective - Build an Informed Debate
- Only with **understanding** will there be local and international interest. For Sub National PPPs local interest and capacity is often sufficient

ICRC

Jeff Delmon's PPP Advisory - 1



- Learn PPP by doing
- Use Small Steps without being timid
- Learn from the experiences of others without being dogmatic
- Keep it Simple
- PPP policies should be clear, comprehensive yet flexible
- Keep the legal framework simple and clear
- Do not use the legal framework to second guess the PPP contract by creating rights and obligations at law that should be addressed in the contract on agreed terms
- Make sure the different roles are allocated and that the systems works...ideological purity is less important
- Institutions are only as good as the people in them
- Strong consistent leadership is key
- A robust value for money assessment and transparent competitive procurement can protect the government
- Do not cut corners in procurement
- Invest in the PPP preparation phase

Jeff Delmon's PPP Advisory - 2



- Be clear to bidders about what you want
- Be cautious when selecting the winning bid...if its too good to be true
- Select good PPP able projects....garbage in garbage out
- Prepare the government to play its role from project development to expiry
- Be ready for challenges
- Consider all stakeholders
- Be proactive
- Renegotiation can be an opportunity
- Get good advice
- Government support can improve project viability
- Avoid perverse incentives
- Contingent support can be a powerful instrument but
 - Risk borne by government must be assessed honestly and managed carefully
 - Do not take too much risk away from the private sector they must have a skin in the game so they are motivated to solve problems when they arise

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Inter-American Development Bank



Multilateral Investment Fund
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THE
WORLD
BANK

The Seven Deadly Sins of PPPs

Presented at "Public-Private Partnerships for Sustained Growth", Barbados Hilton, Nov 19-20, 2013



S. Brian Samuel, Vice-President, Castalia

The Seven – and how to avoid them

- Sin # 1: Badly chosen projects
- Sin # 2: Weak procurement processes
- Sin # 3: Direct negotiation of unsolicited proposals
- Sin # 4: Lack of capacity
- Sin # 5: Inadequate risk allocation
- Sin # 6: No budgeting for fiscal costs
- Sin # 7: Going it alone
- How can governments avoid sinning?

Required Public Sector Actions



- *Understand and nurture the idea that increased private sector investment in infrastructure is the best way to achieve intensive job creation and incentivize funding and skills transfer*
- *Establish a solid legal and regulatory framework*
- *Build effective PPP units*
- *Put in place and integrated infrastructure plan*
 - *Basic Infrastructure difficult to make economically profitable should be responsibility of government and development partners*
 - *Infrastructure that's financially viable – private sector driven via concessions and PPPs*
 - *Infrastructure that's marginally profitable should be PPP with grants or subsidies or via O and M contracts*
- *Develop domestic capital and debt markets*
- *Insist on transparent procurement and contract sanctity*

Required Private Sector Actions



- *Our investment environment requires persistence, resilience, long term view and project success and appropriate risk tolerance*
- *Deep knowledge of target market and local dynamics*
- *Entrepreneur/Engineer outlook rather than a financiers hands off approach*
- *Awareness of community engagement as a core priority and not a mere add on*

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Bullet List - Critical Success Factors



- 1) Careful planning of PPP project**
- 2) Solid revenue and cost estimations**
- 3) User willingness to pay and communication plan**
- 4) Extensive feasibility study with use of PPP experts**
- 5) Compliance with contractual agreement**
- 6) Strong Legal and Regulatory Framework**
- 7) Strong Institutions with appropriate resources**
- 8) Competitive and transparent procurement**
- 9) Mitigation and flexibility in managing macro-risks**

ICRC and NSIA

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Key Actions



- ☐ Luxemborg Protocol – No private investment in rolling stock
- ☐ Capacity Building – NII3P and InfraCredit (ICBP)
- ☐ Panel of Advisers and Agreed Pipeline of Projects
- ☐ PPP Regulations, PPP Manual and Toolkits
- ☐ PPP Infrastructure Project Development Fund
- ☐ We have a national infrastructure emergency and should declare one immediately
- ☐ Agenda Item at every FEC etc
- ☐ NSIA Infrastructure Annuity Fund
- ☐ Pull the right resources to address.....war against bad infrastructure (WABI)
- ☐ An Executive Legislative Infrastructure Advisory Council (ELIAC) needed
- ☐ Presidential Council or National Council on Accelerated Infrastructure Delivery and PPPs – National Consensus, Political Direction...Match words with action

Key Actions ... Cont'



- ❑ Remember that 1% increase in a nation's infrastructure increases GDP by 1%.
- ❑ The fastest way to accelerate economic growth in Nigeria is by developing infrastructure.

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Conditions for PPP Success



PPP Success in other Jurisdictions - India

- A stable policy & regulatory framework – competition/ clear entry criteria, clear role for the private sector, setting of tariffs, use of real estate as incentive
- Contract sanctity
- Long term vision, strategy and plan owned by the government.
- Adequate PPP project development – capacity to develop PPP projects of requisite scale
- Equitable PPP contractual framework – fair risk allocation to all parties
- Transparent selection process ie. competitive bidding
- Reliable revenue sources - sustainability
- Managing the unexpected – implementation & monitoring/ partnership in practice

SOME CLOSE TO CONCLUSION WORDS OF ADVICE

- Capacity for preparing bankable & sustainable PPPs is currently very limited in the public service
- PPPs are complex legal and financial arrangements that are not easily amenable to SAFE SELF HELP
- Getting a PPP Adviser is often via Traditional Public Procurement
- PPP procurement can be expensive and time consuming
- Best use if there is a clear business case
- Short cuts can lead to a life time of troubles for your institution
- Get Competent Advisers or Consultants

FINAL POINTS

- PPP are a form of Public Procurement
- Each form of Public Procurement has due process requirements
- Compliance with these requirements
 - Earn's stakeholder trust and commitment
 - Assure's Financial Bankability
 - Assure's Legal Bankability

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

ICRC and NSIA have a key Role to Play

DUBAI 1990



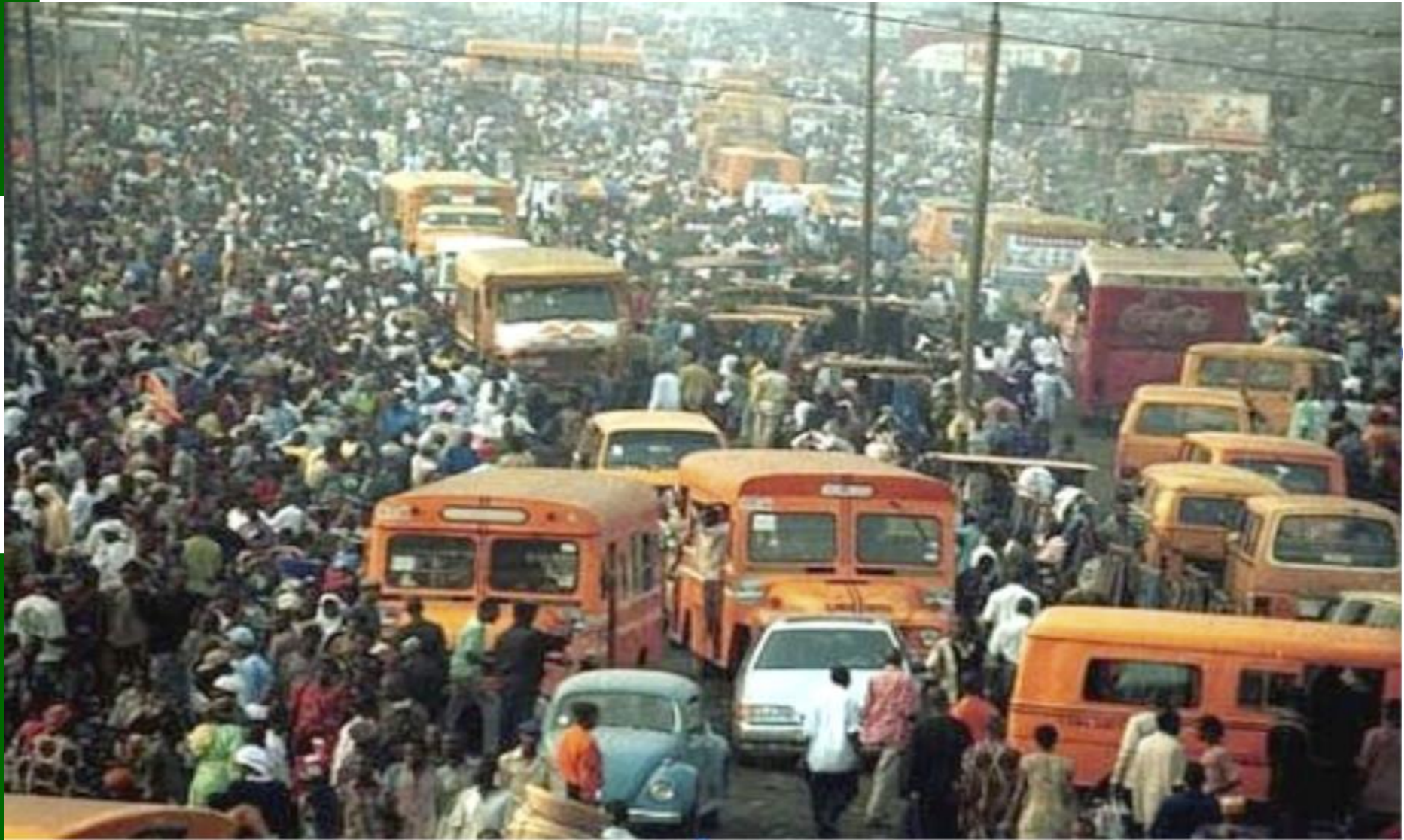
SAME STREET IN 2003



DUBAI TODAY



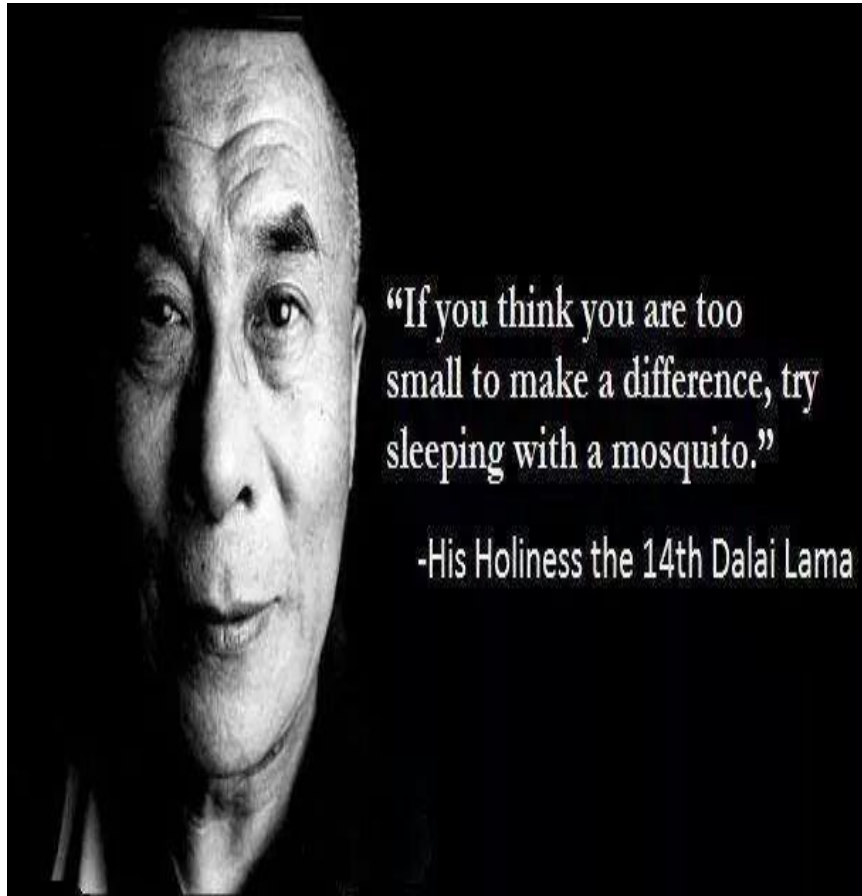
GOOD OLD LAGOS – OSHODI (2008)



THE NEW LAGOS – OSHODI (2009)



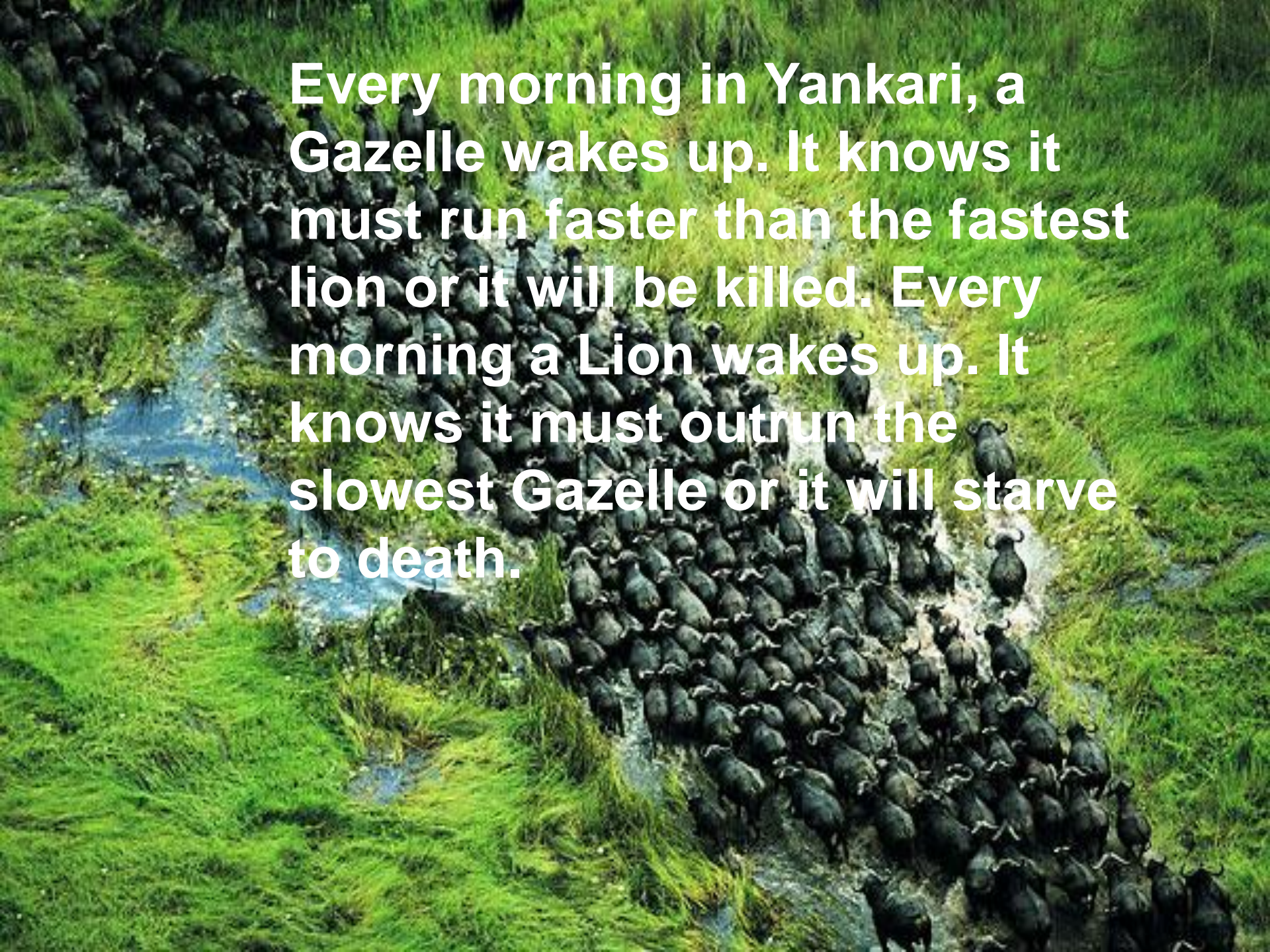
WISE WORDS



Poverty is not an accident. Like slavery and apartheid, it is man-made and can be removed by the actions of human beings.

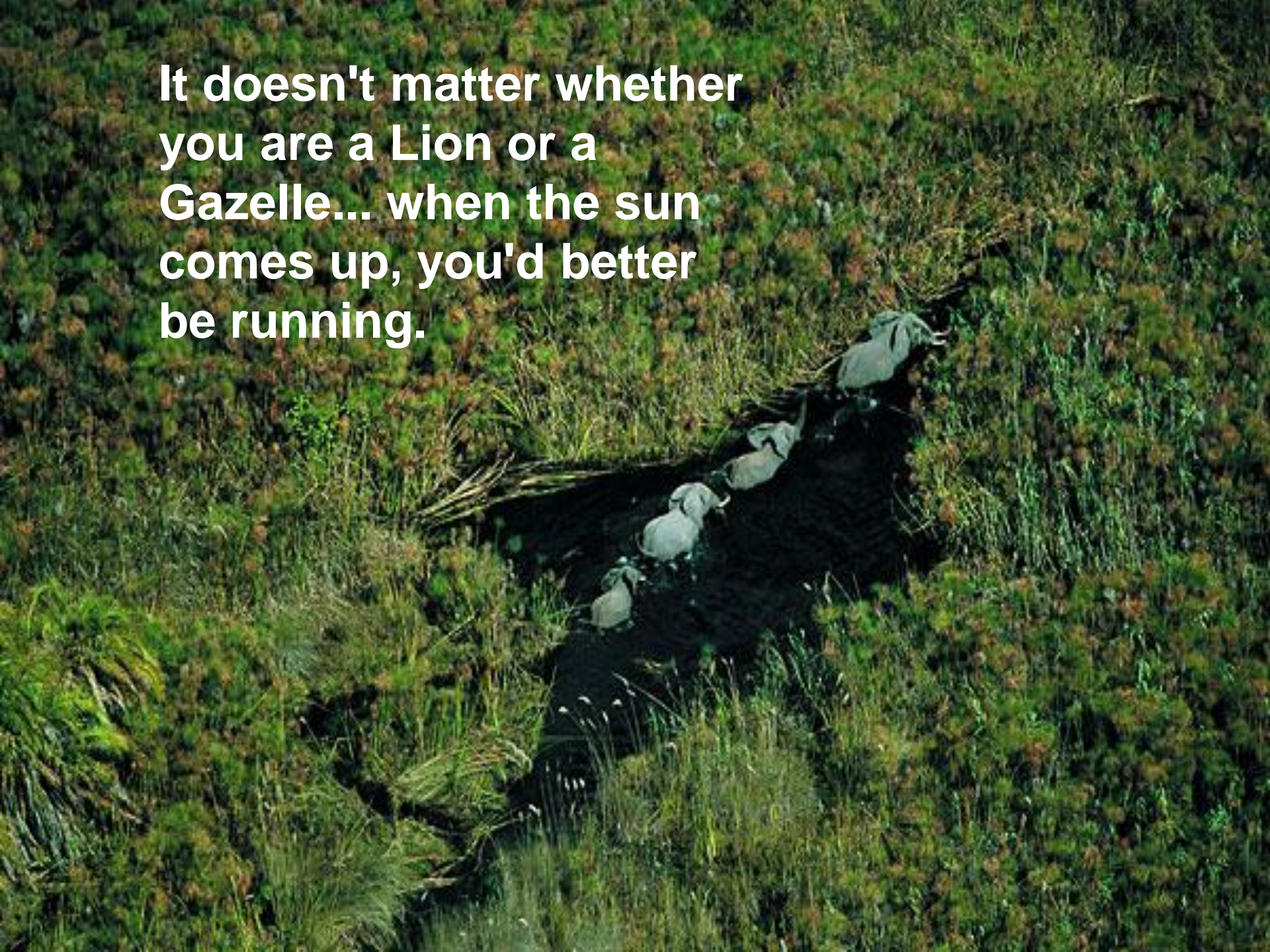
- Nelson Mandela



A high-angle photograph showing a massive herd of wildebeest crossing a river. The animals are packed closely together, forming a long line that stretches across the frame. The water is a murky brown color, and the surrounding grass is a vibrant green. The text is overlaid on the right side of the image.

Every morning in Yankari, a
Gazelle wakes up. It knows it
must run faster than the fastest
lion or it will be killed. Every
morning a Lion wakes up. It
knows it must outrun the
slowest Gazelle or it will starve
to death.

**It doesn't matter whether
you are a Lion or a
Gazelle... when the sun
comes up, you'd better
be running.**





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