



Address by

His Excellency, President Umaru Musa Yar'Adua, GCFR

At the Inauguration of the Board of the Infrastructure Concession Regulatory Commission

Abuja, 27th November 2008

PROTOCOL

I am especially pleased to inaugurate the Board of the *Infrastructure Concession Regulatory Commission* (ICRC), a major plank in operationalizing the process of private sector participation in infrastructure finance in our country.

Global demand for basic infrastructure services has grown over the years, quickly outstripping the supply capacity of existing assets. Nigeria's experience is that huge infrastructure deficit has greatly constrained economic growth and development, thus inhibiting our

ability to improve the quality of life as envisaged in the *Seven- Point Agenda*.

Nigeria needs to make massive investments beyond the means available to government in order to close the yawning infrastructure gap. Private Sector capital therefore is the effective recourse for Government. It is our expectation that private participation in our infrastructure development will enhance efficiency, broaden access, and improve quality of services.

Given the Federal Government's budgetary constraints vis-à-vis the quantum of resources required to rebuild, maintain, upgrade, and expand our critical infrastructure, the concession programme as envisaged would leverage effectively on private capital.

This would necessarily involve the requisite upgrade of government's regulatory and monitoring roles, with the Federal Government focusing on planning and structuring, while the private sector engages in management, investment, construction and finance of infrastructure development.

In line with our Administration's commitment to transparency and accountability, the ICRC must ensure that the transfer of responsibility to the private sector is accomplished through strict deregulation and open competition. In other words, the Commission is expected to epitomize best practices in Public Private Partnership (PPP), and be a beacon for sub-national entities to take their bearings from.

It is important to stress that it is the ICRC's purview to develop the appropriate framework for concessioning and handle all infrastructure projects relating to the grant of concessions, while the Bureau of Public Enterprises (BPE) focuses on privatization of Federal Government assets in line with the Act setting up the Bureau.

In accordance with its ICRC Act, I expect the Commission to, among others:

- Develop and issue guidelines on PPP policies, processes and procedures;**
- Work closely with relevant MDAs to identify potential PPP projects and take a lead role in the development and procurement processes that will enable the participation of the private sector in line with international best practices;**

- **Act as the interface with the private sector to promote communication on national PPP policies and programmes;**
- **Collaborate with State Governments to promote an orderly and harmonized framework for development of infrastructure, and accelerate market development for PPP projects.**

This Administration assures the investor community of the legality and enforceability of concessions consummated in accordance with ICRC Act.

Distinguished Ladies and Gentlemen, the task that we have charged the members of the ICRC with is an onerous one. I am confident though, that, given the impressive antecedents of the members, along with the stature and richly varied experience of the Chairman,

His Excellency Chief Ernest Shonekan, we have chosen the right people to make a success of the work of the ICRC. I congratulate all the members and assure them of the unstinting support of the Federal Government as they commence their vitally important assignment at this point in our nation's development.

It is now my pleasure to formally inaugurate the *Infrastructure Concession Regulatory Commission.*

Thank you and God bless.