



# INFRASTRUCTURE DEVELOPMENT AND INDUSTRIALIZATION IN NIGERIA: OPTION FOR NIGERIA

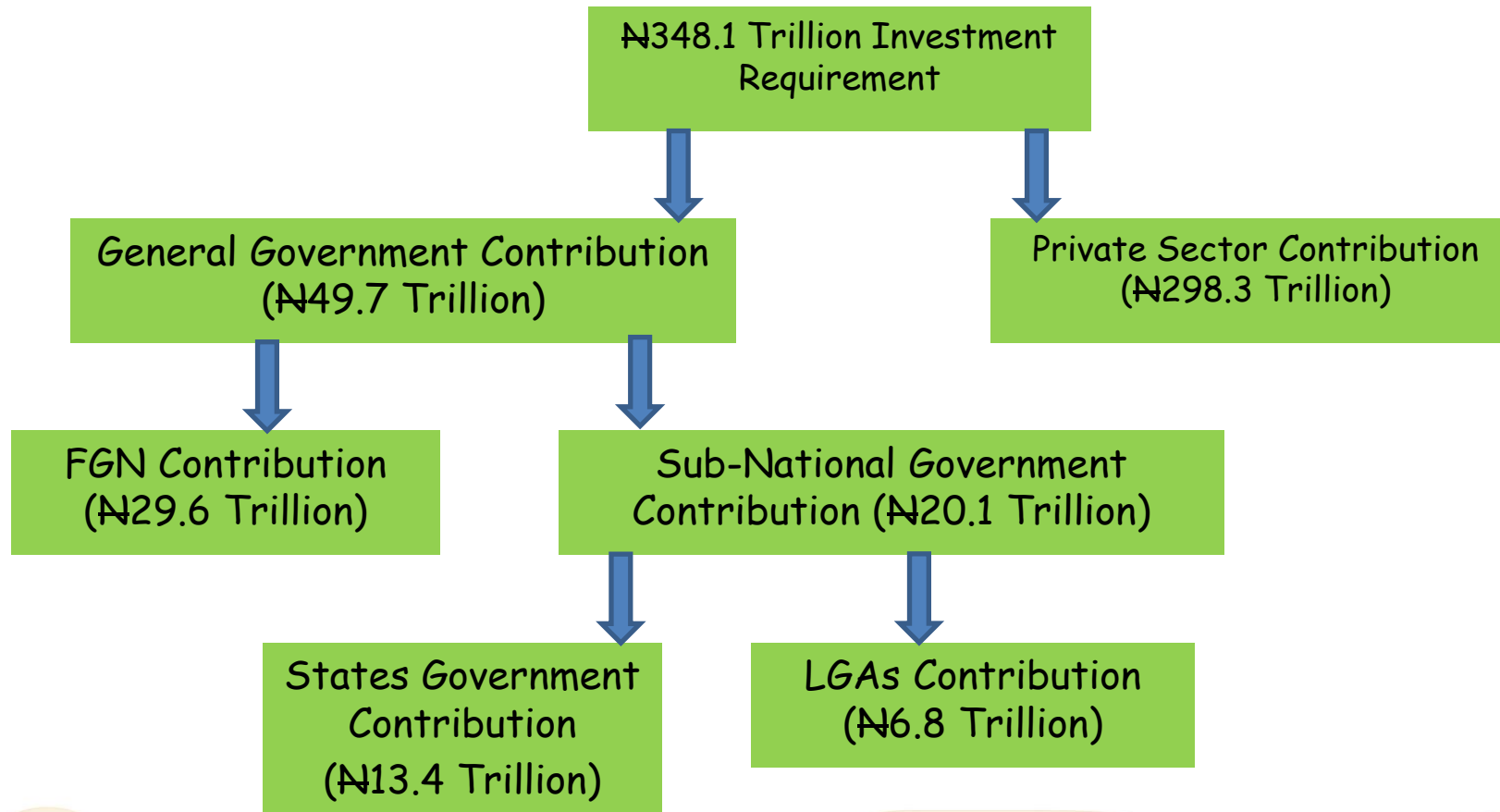
*Presented at the 21<sup>st</sup> Edition of the Joint Planning Board & National Council on Development Planning Meeting at Abakiliki, Ebonyi State*

By Barr. Mike Ohiani  
*Ag. Director General, Infrastructure Concession Regulatory Commission (ICRC)*  
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# The Investment Gap – Crossing the Bridge



2021 – 2025  
Mid Term  
National  
Development  
Plan



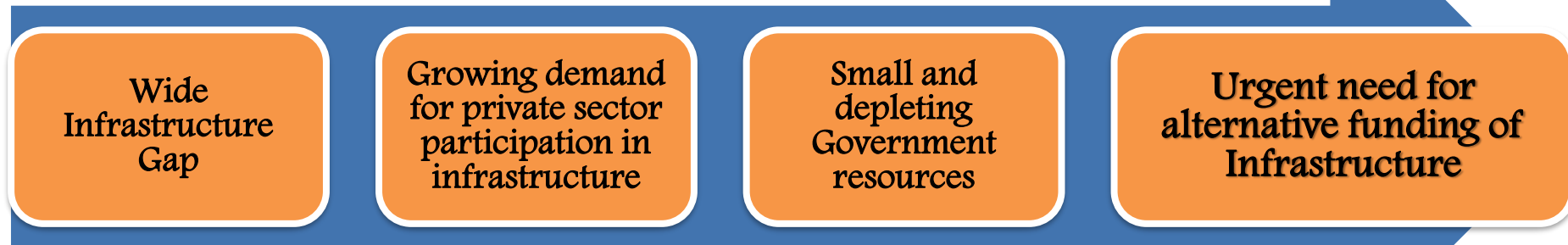
**Financing the Plan: Planned Investment –**

Source Federal Ministry of Finance, Budget & National Planning, 2021

# 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)



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

# Key Benefits of PPPs



1. Rigorous project preparation – since the focus shifts to developing bankable projects
2. Delivery of a whole life solution – going beyond asset creation and including Operation and Maintenance (O&M)
3. Focus shifts to service delivery – construction responsibility is integrated with O&M obligations and together with appropriate quality monitoring and service delivery-linked payments such an arrangement could enhance the levels of service delivery
4. It is possible to adopt a programmatic approach to infrastructure development and service delivery – various time bound projects can be integrated under a programme and have a time-bound implementation plan
5. Can lead to better overall management of public services – transparency in selection and ongoing implementation

# Advantages of PPPs



- Maximizes the use of each sector's strength
- Reduces development risk
- Reduces public capital investment
- Mobilizes excess or underutilized assets
- Improves efficiencies/quicker completion
- Improves service to the community
- Improves cost effectiveness
- Shares resources
- Shares/allocates risks
- Mutual rewards

ICRC



# Nigeria's ICRC



In 2005, the Infrastructure Concession Regulatory Commission (ICRC) Act was passed to bring about renewed hope in the quest for critical infrastructural development in Nigeria through the use of alternative sources of financing, by attracting private investment capital into infrastructure development. This enables the Private Sector to effectively partner with the Public sector in the provision of critical infrastructure, which the government was unable to provide due to pressure on scarce revenue, through a clear framework which provides regulatory guidance.

. The Act is being amended by the National Assembly to implement improvements observed over the years

# The ICRC Act, 2005



- Establishes the Infrastructure Concession Regulatory Commission (ICRC) Sec. 14.1
- MDAs may enter into a contract with or grant concession to any duly pre-qualified private sector proponent for the financing, construction, operation, and maintenance of any infrastructure that is financially viable or any development facility of the Federal Government. (Section 1.1).
- Empowers the ICRC to;
  - Provide general policy guidelines, rules and regulations.
  - Take custody of every concession agreement entered by the Federal Government
  - Ensure efficient execution of any concession agreement or contract entered by the Federal Government.
- **Section 11 (Arbitrary Variation etc) No agreement reached in respect of this Act shall be arbitrarily suspended, stopped, cancelled or changed except in accordance with the provisions of this Act.**

# PPP Framework Nigeria

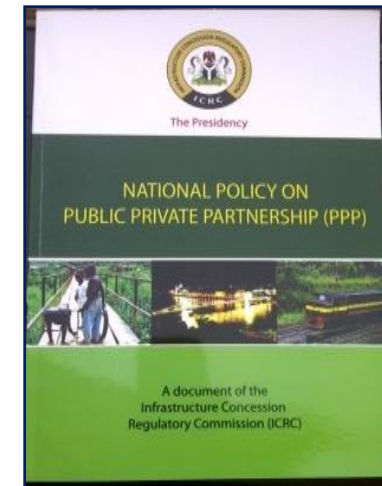
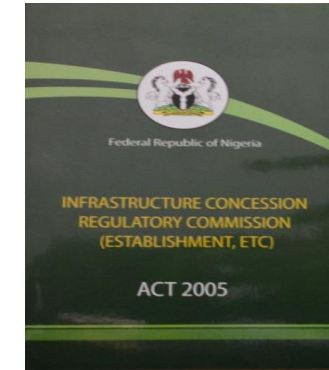


Common Law Jurisdiction – Framework Precedes the ICRC Act

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

National Policy on PPP (N4P)

Regulations, Guidelines and Circulars.





# Nigeria's PPP Journey



- As at February 2022, there are 77 post-contract PPP projects under implementation at the ICRC Projects Disclosure Portal ([www.ppp.icrc.gov.ng](http://www.ppp.icrc.gov.ng) or [www.icrc.gov.ng](http://www.icrc.gov.ng)). The portal is the first disclosure portal in the world, established in collaboration with the World Bank.
- As at February 2022, there are 183 pre-contract projects at different Development and Procurement stages at the ICRC website ([www.icrc.gov.ng](http://www.icrc.gov.ng)).
- Between 2010 and 2020, under the regulatory guidance of the ICRC, the Nigerian Government has approved PPP projects worth more than USD 17 Billion.
- As at February 2022 ICRC has issued 117 Outline Business Case Compliance Certificates to different MDAs, confirming bankability to proceed to procurement
- As at February 2022 ICRC has issued 47 Full Business Case Compliance Certificates to different MDAs, in order to obtain Federal Executive Council approval to sign PPP contracts

# Nigeria's PPP Journey: Road to a New Future



ICRC gazetted in April 2021, a pipeline of 51 eligible and bankable PPP projects, worth over USD 17 Billion

This list contains the projects from different economic sectors which have been granted the Outline Business Case Compliance Certificates, but which do not have identified bidders.

For 2022, ICRC intends to gazette another pipeline of eligible and bankable PPP projects, worth about USD 22 Billion by Q2, 2022

# Nigeria's PPP Journey (cont'd)



- ICRC has established a capacity building arm known as the Nigeria Institute of Infrastructure and Public Private Partnership (NII3P), to focus on PPP trainings for MDAs
- The NII3P is involved in Basic, Intermediate and Advanced PPP trainings, as well as Short courses in Infrastructure Development ~ on topics including but not limited to Project Finance, Capital Market, Arbitration and other legal issues, Banking, Risk Management, Financial Modelling, Project Management, etc; with resource persons drawn from experienced industry experts.
- The Institute is collaborating with reputable organizations to deliver the global APMG Certified PPP Professional courses on Foundation, Preparation and Execution; and is also undertaking an MBA in PPP training programme, in collaboration with Malaysia University of Science and Technology



# Nigeria's PPP Journey (cont'd)



The ICRC coordinates the activities of the **Nigeria Public Private Partnership Network (NPPPN)**, a platform for all States Heads of PPP Units nationwide, as well as the **Public Private Partnership Units Consultative Forum (3PUCF)**, a forum for Heads of PPP Units in Federal Ministries, Departments and Agencies; for knowledge and experience sharing ensuring symmetry of effort towards institutionalizing the Federal Government's PPP programme, provision of training and educational intervention among others

ICRC



**INFRASTRUCTURE CONCESSION REGULATORY COMMISSION**

Plot 1270 Ayangba Street, Near FCDA Headquarters,  
Area 11, Garki, Abuja – Federal Capital City.

Phone: +234 9-4604900, E-mail: [info@icrc.gov.ng](mailto:info@icrc.gov.ng)

Website: [www.icrc.gov.ng](http://www.icrc.gov.ng)