



Visit of the Nigerian Association of Chambers of Commerce, Industry, Mines, and Agriculture (NACCIMA)

ICRC / PPP Project Development Process

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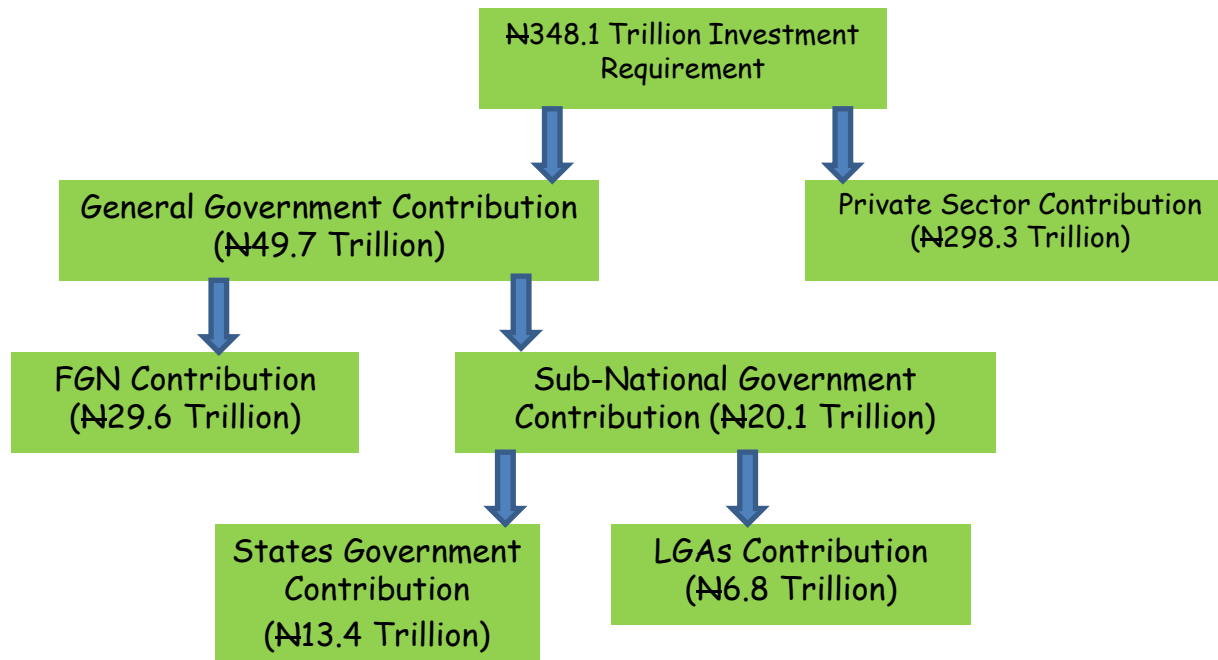
Presentation Outline



- **Public Private Partnerships**
- **7 essential conditions that define PPPs**
- **Mandate of ICRC**
- **The Nigerian PPP Framework**
- **Asset Procurement Options**
- **PPP Process, including the matrix**
- **Potentials Areas of Collaboration**
- **Critical Success Factors**

ICRC

Mid-Term National Development Plan 2021 – 2025



Financing the Plan: Planned Investment

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

Public Private Partnerships



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.

Wide
Infrastructure
Gap

Small and
depleting
Government
resources

Growing
demand for
private sector
participation in
infrastructure

Urgent need for
alternative funding of
Infrastructure



7 Essential Conditions That Define PPPs

1

Arrangement

Between public & private

2

Provision

Of services for public
benefit by private partner

3

Investments

In and/or management of
public assets by private
partner

4

Time Period

For a specified time

5

Risk Sharing

Optimally between
contracting parties

6

Standards

Focus on quality of service
/ performance

7

Payments

Linked to performance

What PPPs are about!



1. Mobilising private sector's money, expertise and capacities for infrastructure development
2. Long- term relationship between government and private sector (usually>10years)
3. Sharing of Risks and Rewards *(no lop-sided agreements-privatizing the profits, nationalizing the loses)*
4. Private sector performs to agreed KPIs
5. Life cycle focus *(operations and maintenance)*

Government is moving from role of Developer & Operator to Facilitator

Developer &
Operator



Facilitator

Mandate of ICRC



- ❑ The ICRC is the FGN's agency charged with **regulating** public and private processes in infrastructure provision.
- ❑ Promoting the development of a sustainable **PPP framework** towards the development of Brownfield and Greenfield infrastructure for the benefit of Nigerians
- ❑ The **ICRC Establishment Act 2005**, sets out the following key functions of the commission:
 1. Provide general policy guidelines, rules and regulations
 2. Take custody of every concession agreement
 3. Ensure efficient execution of any concession agreement or contract entered by the Federal Government

The Nigerian PPP Framework



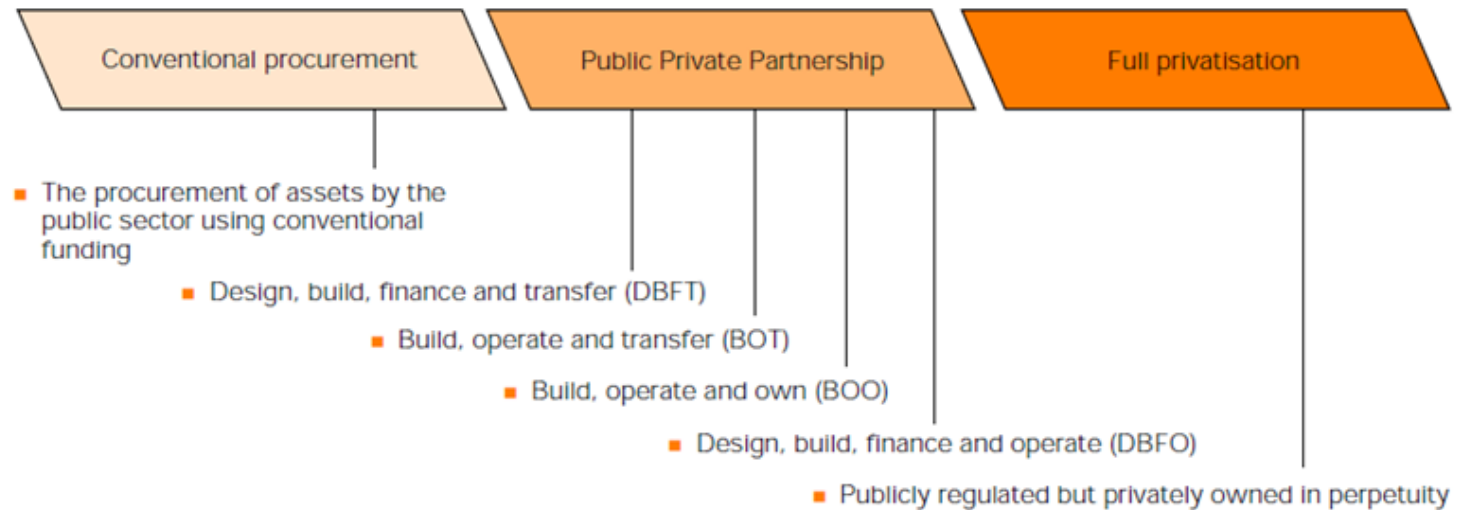
- The Infrastructure Concession Regulatory Commission (Establishment, etc.) Act 2005.
- The National Policy on PPP (N4P) approved by the Federal Executive Council in 2009.
- Other operational guidelines, which provide best practice guidelines and procedures for the effective development and competitive procurement of PPP Projects are also issued from time to time.

Asset Procurement Options

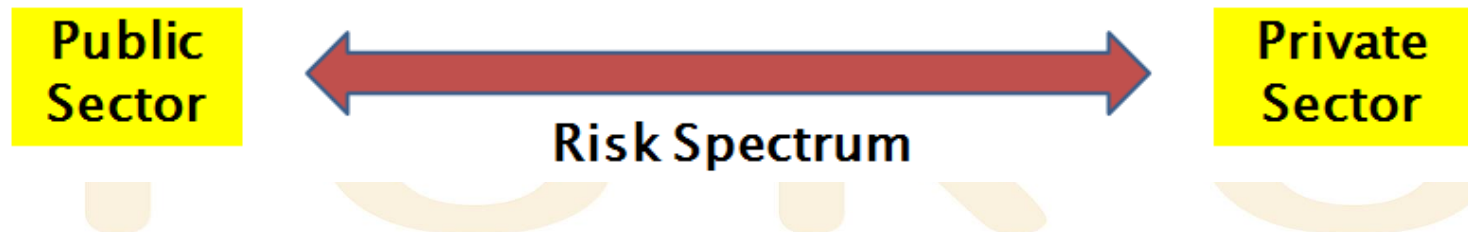


1.3 Asset procurement options under PPP

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



Source: KPMG, KLegal

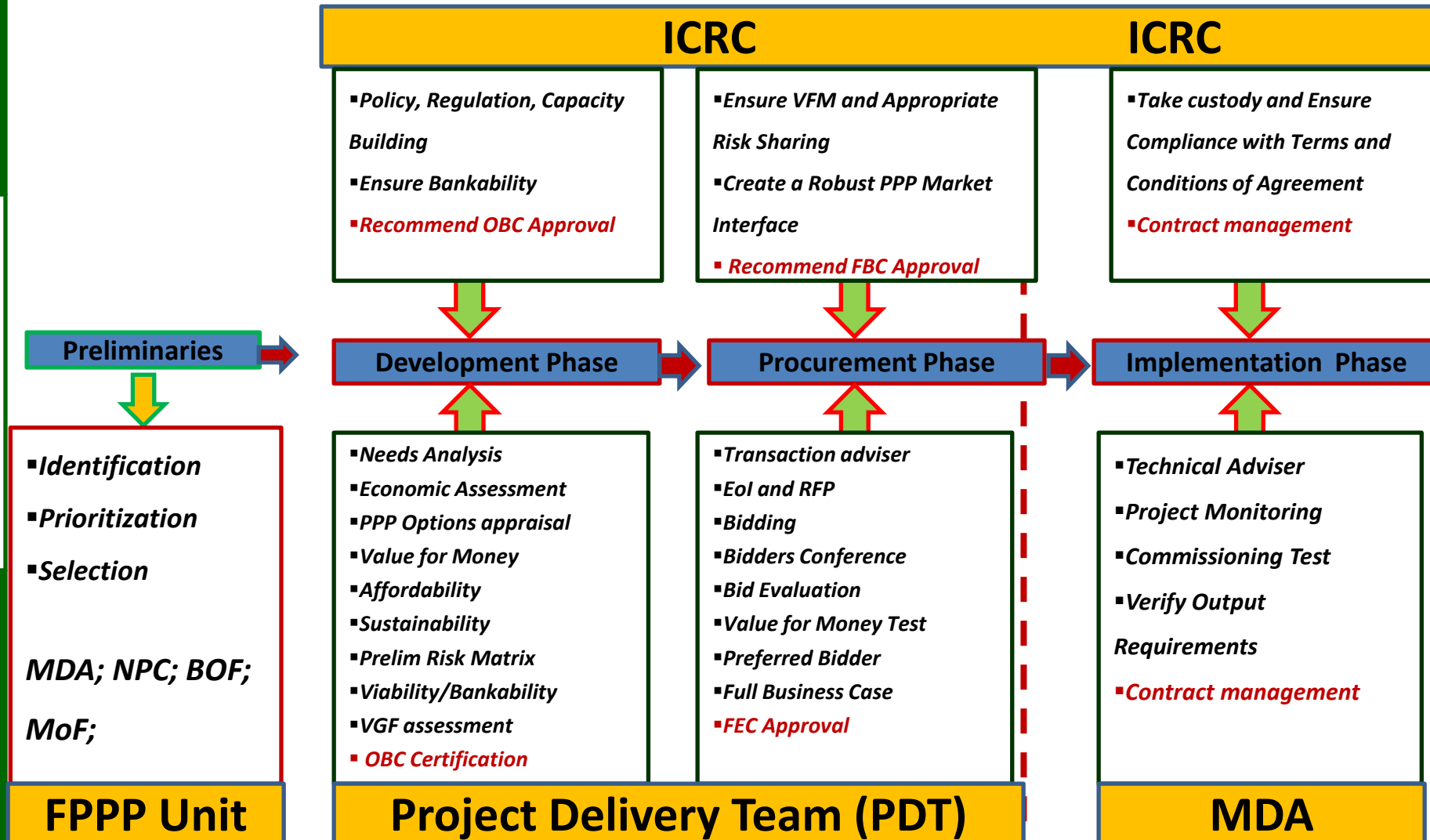


The PPP Process

... Delivery Mechanism

Pre-Contract

Post-Contract



Infrastructure Concession Regulatory Commission

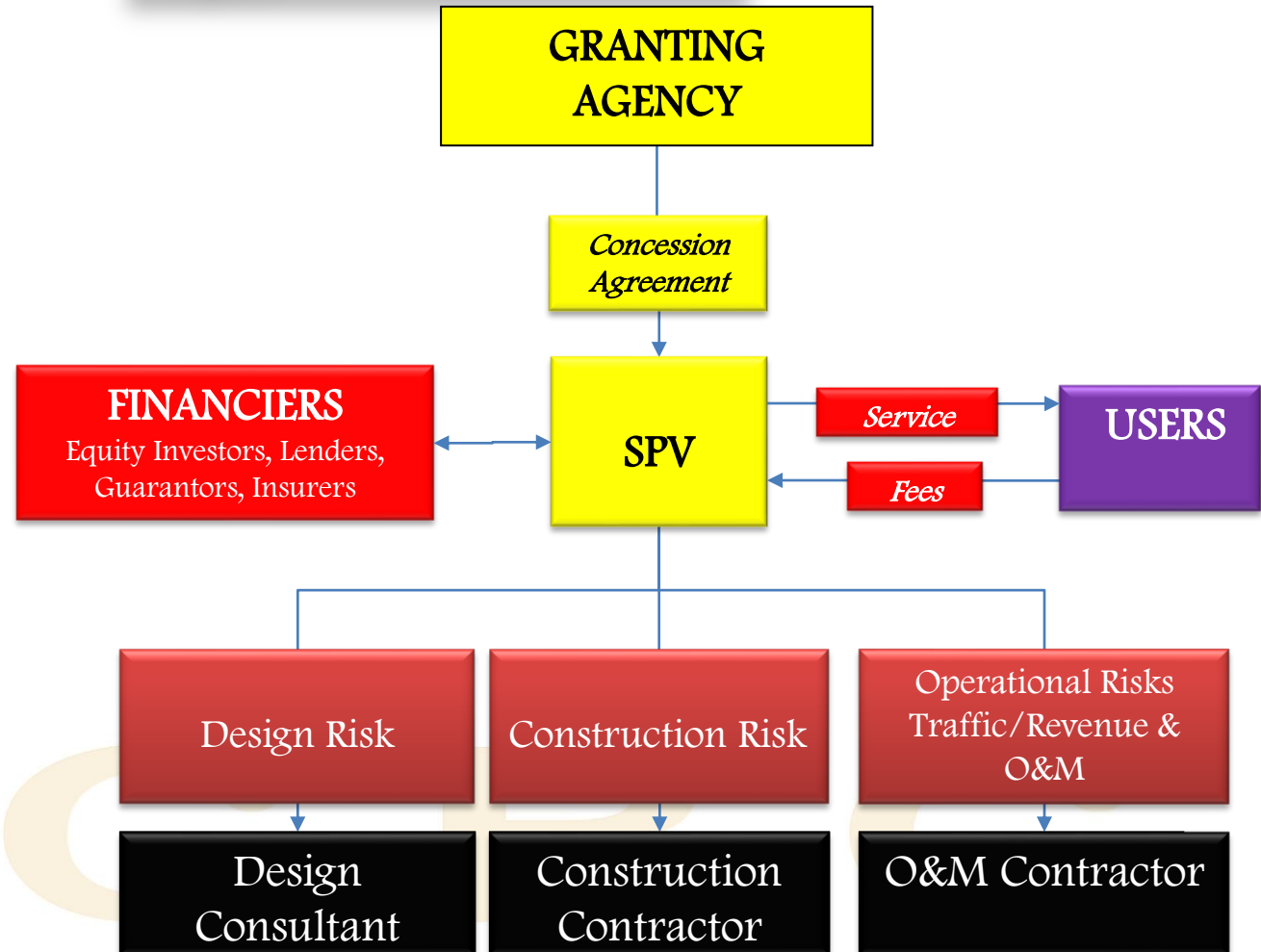


Typical Structure of Public Private Partnerships

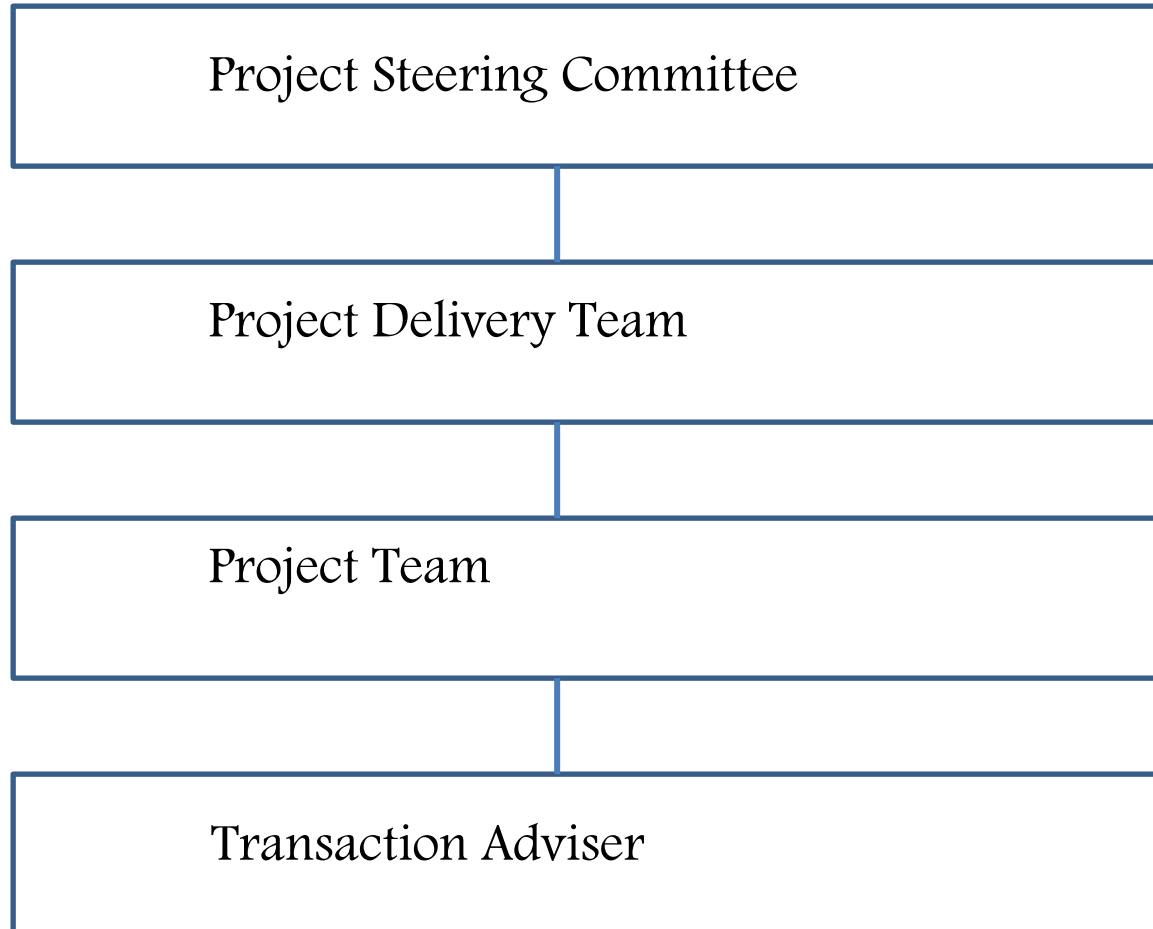


BOT- Airport Transit Rail Project

The final responsibility for service delivery continues to remain with the public sector agency



PPP Governance Structure in MDAs



PPP Procurement Process

To improve the PPP procurement process, we have notified MDAs that this should be conducted using a competitive two stage process in line with international best practice. This will consist of Request for Qualifications (RFQ) and Request for Proposals (RFP) phases.

We are always reviewing our processes in order continuously improve the regulatory sphere to ensure that our PPPs succeed. Presently, we are doing an in~study on fast-track process for delivery of PPP projects.

Nigeria's PPP Journey



- As at July 2022, there are 77 post-contract PPP projects under implementation at the ICRC Projects Disclosure Portal (www.ppp.icrc.gov.ng or www.icrc.gov.ng). The portal is the first disclosure portal in the world, established in collaboration with the World Bank.
- As at July 2022, there are 197 pre-contract projects at different Development and Procurement stages at the ICRC website (www.icrc.gov.ng).
- Between 2010 and 2021, under the regulatory guidance of the ICRC, the Nigerian Government has approved PPP projects worth more than USD 17 Billion.
- As at July 2022 ICRC has issued 135 Outline Business Case Compliance Certificates to different MDAs, confirming bankability to proceed to procurement
- As at July 2022 ICRC has issued 58 Full Business Case¹⁴ Compliance Certificates to different MDAs, in order to obtain Federal Executive Council approval to sign PPP contracts

Nigeria's PPP Journey



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 56 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

Potential Areas of Collaboration

- The Commission sees opportunities for collaboration with the NACCIMA. Our Commission is hopeful that we take our discussions to a subsequent higher level.

Critical Success Factors for PPPs



ACCESS TO CAPITAL

Availability of long tenor private capital

INSTITUTIONAL FRAMEWORK

Public sector competence and expertise to ensure efficient and effective detailed preparation of projects and faithful implementation of transactions

SUCCESSFUL PPPs

POLITICAL WILL AND TRANSPARENT POLICY

A PPP 'Champ' with the transparency
Track record and power to make it
happen cleanly

LEGISLATION

To enable private sector participation in an
efficient and effective manner

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





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