

# UNSOLICITED PPP PROCUREMENT GUIDE



## Federal Government of Nigeria | Infrastructure Concession Regulatory Commission

An UNSOLICITED Public-Private Partnership (PPP) Process OR a Privately Initiated Infrastructure Proposal (PIIP) would typically follow the steps below:

### 1. PROJECT DEVELOPMENT AND PREPARATION PHASE

- i. Private Proponent submits an Outline Business Case (OBC), Financial Model (FM), and draft PPP Agreement to the relevant MDA, accompanied by a **NON-REFUNDABLE** Unsolicited Proposal Fee payable to the **Infrastructure Concession Regulatory Commission TSA account** via [www.remita.net](http://www.remita.net), in accordance with the applicable schedule below:

UNSOLICITED PROPOSAL FEE SCHEDULE		
SN	Project Cost	Unsolicited Proposal Fee
1	Below ₦10bn	₦10 million
2	Above ₦10bn and below ₦20bn	₦20 million
3	Above ₦20bn and below ₦100bn	₦50 million
4	Above ₦100bn	₦100 million

- ii. The MDA evaluates the submission and, if satisfied, submits the OBC, FM, draft PPP Agreement to the ICRC for review.
- iii. Following the review, the ICRC issues an OBC Certificate of Compliance to the MDA or advises the MDA accordingly.
- iv. The MDA may procure a Transaction Adviser/Consultant to support the process, where internal capacity is insufficient, while the ICRC may provide guidance and complementary support where appropriate.

### 2. PPP PROCUREMENT PHASE

- i. Following the issuance of the OBC Certificate of Compliance, the Project Proponent shall post a Project Bond in favour of ICRC, in such form, value, and conditions as may be determined by the ICRC upon review of the project.
- ii. The ICRC leads and coordinates a due diligence review of the private proponent and its partner(s) to validate their financial and technical capabilities and to evaluate the practicability of executing the submitted proposal.

- iii. MDA undertakes Procurement based on the ICRC's guidance and recommendation, which could be any of the following, based on review of the project:
- **Swiss Challenge Process**
  - **Modified Swiss Challenge**
  - **Direct Negotiations**
- iv. iv. Negotiation is undertaken to finalise project details and contractual terms. The ICRC will facilitate and coordinate project negotiations to ensure that contractual provisions are equitable, implementable, and aligned with timely project execution.
- v. The Preferred Bidder incorporates a Special Purpose Vehicle (SPV) with the sole aim of implementing the project.
- vi. Full Business Case (FBC) is developed and submitted along with the negotiated PPP Agreement and Financial Model to the ICRC for review.
- vii. The ICRC reviews the FBC and issues a Certificate of Compliance or advises the MDA with further guidance as applicable.
- viii. The FBC Certificate of Compliance is sent to the MDA for necessary approval by the MDA's Project Approval Board (PAB) or Federal Executive Council (FEC), as applicable.
- ix. The negotiated PPP Agreement is transmitted to the Federal Ministry of Justice for vetting within 30 days of receipt of FEC or PAB extract.
- x. The vetted PPP Agreement is signed between the MDA and the SPV.

### 3. PPP IMPLEMENTATION PHASE

1. The MDA shall transmit one original copy of the signed Agreement to the ICRC pursuant to Section 20(a) of the ICRC (Est. Etc.) Act, 2005.
2. The ICRC shall take custody of the signed PPP Agreement and monitor the fulfilment of Conditions Precedent (CPs), prior to the Effective Date of the Agreement.
3. ICRC shall ensure compliance and efficient execution of the terms and conditions of the PPP Agreement in line with Section 20(a) of the ICRC (Est. Etc.) Act, 2005.

<sup>1</sup>The Project Bond should be posted in favour of the ICRC, which in turn shall be redeemed to the MDA subject to an administrative charge of 10 per cent of the bond value in favour of the ICRC in the event of default by the Project Proponent. This Bond shall be between 1 to 5 per cent of the initial project cost for projects within the Project Approval Board's (PAB) threshold, or as specified in the OBC approval letter for project costs above the PAB approval threshold.