

Legal and Regulatory Frameworks of PPPs

DR. JOBSON OSEODION EWALEFOH

Director General
INFRASTRUCTURE CONCESSION REGULATORY
COMMISSION



LEGAL AND REGULATORY FRAMEWORKS OF PPP

- ❑ Legal and regulatory frameworks are essential for the successful implementation of PPPs.
- ❑ It establishes the groundwork for collaboration, promotes transparency, and enhances accountability among stakeholders.
- ❑ It addresses key components such as legislation, policy frameworks, regulatory bodies, and compliance mechanisms, governments can create an environment conducive to sustainable infrastructure development through PPPs.

Question 1:

What are private sector players looking for in regulatory frameworks of PPP?

- ☐ Private sector players look for several key elements in the regulatory frameworks of PPPs to ensure that their investments are secure, and yield expected returns with minimum level of risks.
- ☐ These elements include:
 - ✓ Clarity and Stability of legal and regulatory structure
 - ✓ Risk Allocation:
 - ✓ Transparency and Predictability
 - ✓ Dispute Resolution Mechanisms
 - ✓ Government Support and Guarantees
 - ✓ Flexibility and Adaptability
 - ✓ Accountability and Enforcement
 - ✓ Attractive Incentives
 - ✓ Environmental and Social Governance (ESG)
 - ✓ Public Sector Capacity

Question 2

What can be implemented to improve legal frameworks to increase attractiveness and mitigate risk in PPP?

- ❑ Improving legal frameworks to increase the attractiveness of PPP and mitigate risk for private sector players involves introducing reforms that enhance transparency, fairness, and predictability.
- ❑ Some of the strategies that can be implemented to strengthen these frameworks include:
 - ✓ Clear and Comprehensive PPP Legislation
 - ✓ Institutional Framework and Governance
 - ✓ Transparent and Competitive Procurement Processes
 - ✓ Dispute Resolution Mechanisms
 - ✓ Financial Incentives and Credit Enhancements
 - ✓ Flexibility in Contractual Terms

Question 3

What is being done from a government perspective to balance the need to attract private investment while safeguarding public interest?

- ❑ Governments are implementing various strategies to attract private investment in infrastructure and services while ensuring the protection of public interests.
- ❑ Some key measures being taken from a government perspective include:
 - ✓ Clear Regulatory Frameworks
 - ✓ Balanced Risk Sharing
 - ✓ Transparency and Accountability Mechanisms
 - ✓ Performance-Based Contracts: Service and Performance Standards
 - ✓ Public Consultation and Stakeholder Engagement
 - ✓ Institutional Capacity Building
 - ✓ Independent Oversight and Dispute Resolution

Question 4

Current plans for Incorporating provisions for the adoption of efficient technologies and renewable energy usage.

- ❑ Current plans for incorporating efficient technologies and renewable energy usage are multifaceted, involving legislative, financial, and collaborative strategies.
- ❑ Some current strategies and initiatives are:
 - ✓ Adoption of efficient technologies helps us to reduce manual processes, reduce time and effort required to complete a PPP approval process.
 - ✓ At the ICRC, we are currently working out modalities to fully digitalize our operations. This would in no doubt reduce time to market, that is, from PPP project initiation to commencement.
 - ✓ Nigeria is deploying – through PPP – massive renewable energy to reduce carbon footprints.
 - ✓ Efforts are being done to develop PPP regulatory framework to cater for investors that are renewable energy friendly.

Question 5

The importance of transparency and accountability across both private and public sectors for project monitoring and stakeholder engagement.

- ❑ Transparency and accountability are essential components for the effective monitoring of projects and stakeholder engagement in both the private and public sectors.
- ❑ The following principles foster trust and collaboration between public and private sectors, and ensure that projects are executed effectively and sustainably.
 - ✓ Building Trust and Confidence
 - ✓ Enhancing Project Monitoring and Performance
 - ✓ Preventing Corruption and Mismanagement
 - ✓ Fostering Stakeholder Engagement and Participation
 - ✓ Promoting Fairness and Inclusivity
 - ✓ Ensuring Compliance with Legal and Ethical Standards
 - ✓ Facilitating Conflict Resolution
 - ✓ Promoting Long-Term Sustainability
 - ✓ Aligning Interests Between Public and Private Sectors
 - ✓ Encouraging Investor Confidence