

INFRASTRUCTURE CONCESSION REGULATORY COMMISSION

2019 COMPLIANCE & PERFORMANCE MONITORING OF PUBLIC PRIVATE PARTNERSHIP PROJECTS

The Infrastructure Concession Regulatory Commission (ICRC), is empowered by its (Establishment, etc) Act 2005 to superintend over all Public Private Partnership (PPP) transactions entered into by Ministries, Departments and Agencies (MDAs) on behalf of the Federal Government of Nigeria. The Commission is also mandated under section (20) of its Act, to take custody of, and monitor the efficient execution of the projects and ensure compliance with the terms and conditions of the agreements.

In fulfillment of this mandate and in line with the ease of doing business/transparency drive of **His Excellency**, **President Muhammadu Buhari**, **GCFR**, the Commission has concluded arrangements to visit various sector-based PPP projects comprising of Pre-Contract Regulatory Monitoring (Inspection & Site Visits) and Post Contract Monitoring (Contract & Performance Management & Compliance) visits to selected PPP project sites.

Consequently, the Commission wishes to notify relevant Ministries, Departments and Agencies, Concessionaires and the general public of the commencement of her 2019 monitoring exercise on the following PPP projects across the country. As the monitoring programme is spread over the course of the year, actual monitoring visit date/timing and other details will be advised directly to MDAs, Concessionaires and other stakeholders in a timely and appropriate manner in due course.

S/N	PROJECT(S)	GRANTOR	LOCATION	STATUS
1.	Apapa Port Terminals	Federal Ministry of Transportation / Nigerian Ports Authority	Lagos State	Implementation Phase
2.	Calabar Port Terminals	Federal Ministry of Transportation/ Nigerian Ports Authority	Calabar, Cross River State	Implementation Phase
3.	Inland Container Depot	Federal Ministry of Transportation/ Nigerian Shippers Council	Funtua, Katsina State	Implementation Phase
4.	Inland Container Depot	Federal Ministry of Transportation/ Nigerian Shippers Council	Dala, Kano State	Implementation Phase
5.	Lekki Deep Seaport	Federal Ministry of Transportation/ Nigerian Ports Authority	Lagos State	Implementation Phase
6.	Shiroro Hydroelectric Power Concession	Federal Ministry of Power, Works & Housing (Power)	Niger State	Implementation Phase
7.	Kainji/Jebba Hydroelectric Concession	Federal Ministry of Power, Works & Housing (Power)	Niger State	Implementation Phase
8.	Ikere Gorge Hydroelectric Power Dam	Federal Ministry of Power, Works & Housing (Power)	Ibadan, Oyo State	Implementation Phase
9.	Ibadan Silo Complex	Federal Ministry of Agriculture & Rural Development	Ibadan, Oyo State	Implementation Phase
10.	Kwali Silo Complex	Federal Ministry of Agriculture & Rural Development	Kwali, Abuja	Implementation Phase
11.	Gurara Phase 1, 30MW Hydropower Plant	Federal Ministry of Power, Works & Housing (Power) / Federal Ministry of Water Resources	Kaduna State	Procurement Phase
12.	Independence Building	Federal Ministry of Trade & Investment / Tafawa Balewa Square Management Board	Lagos State	Development/ Procurement Phase
13.	Development of Commercial Hub, National Open University	Federal Ministry of Education	Abuja, FCT	Development Phase
14.	Marina Quayside Development Project	Federal Ministry of Power, Works & Housing (Housing)	Lagos state	Development/ Procurement Phase
15.	Military & Para-Military Clothing and Accessories Factory	Federal Ministry of Defense / Defense Industries Corporation of Nigeria	Kaduna State	Development/ Procurement Phase
16.	Port Harcourt International Airport, New Terminal	Federal Ministry of Aviation / Federal Airport Authority of Nigeria	Port Harcourt, Rivers State	Development/ Procurement Phase
17.	Nnamdi Azikiwe International Airport	Federal Ministry of Aviation / Federal Airport Authority of Nigeria	Abuja	Development Phase
18.	University of Benin 15MW Solar Photovoltaic Power Plant	Federal Ministry of Education/ University of Benin	Ugbowo Campus,Benin City, Edo State	Development/ Procurement Phase
19.	Solar Power Generation Facility at Power House Maitama	Federal Ministry of Power, Works & Housing (Power)	Abuja, FCT	Implementation Phase
20.	University of Benin Teaching Hospital Solar Power Project	Federal Ministry of Health/ University of Benin Teaching Hospital	Benin City, Edo State	Development/ Procurement Phase
21.	Athletes Hostel for the National Stadium, Abuja	Federal Ministry of Youth & Sports Development	Abuja, FCT	Development Phase
22.	Transformer Testing & Repairs Workshop	Federal Ministry of Power, Works & Housing (Power)/Nigerian Electricity Management Services Agency	Ijora, Lagos State	Development/ Procurement Phase



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THE PRESIDENCY

S/N	PROJECT(S)	GRANTOR	LOCATION	STATUS
23.	Onitsha River Port Concession	Federal Ministry of Transportation/ National Inland Waterways Authority	Onitsha, Anambra State	Development/ Procurement Phase
24.	Establishment of Radiotherapy/ Oncology Centre and Operation of Oxygen Gas Plant	Federal Ministry of Health /Aminu Kano Teaching Hospital	Kano State	Development/ Procurement Phase
25.	Aminu Kano International Airport	Federal Ministry of Aviation/Federal Airports Authority of Nigeria	Kano State	Development/ Procurement Phase
26.	Industrial Development Centre	Federal Ministry of Trade & Investment/Small and Medium Enterprises Development Agency of Nigeria	Lagos State	Development/ Procurement Phase
27.	Narrow Gauge & Ticketing Service Concession	Federal Ministry of Transportation/Nigerian Railway Corporation	Lagos State	Development/Proc urement Phase
28.	Industrial Development Center	Federal Ministry of Trade & Investment/Small and Medium Enterprises Development Agency of Nigeria	Owerri, Imo state	Development/Proc urement Phase
29.	Truck Transit Park (TTP)	Federal Ministry of Transportation/Nigerian Shippers Council	Obollo Afor, Enugu State	Development/ Procurement Phase
30.	Hostel Accommodation	Federal Ministry of Health/ University of Port Harcourt Teaching Hospital	Port Harcourt, Rivers State	Development/ Procurement Phase

The Commission would hold project performance focused meetings with the respective parties to evaluate Pre and Post Contract Compliance on above projects during the visits. All MDAs and other stakeholders are reminded that our extant laws and guidelines require mandatory ICRC regulatory involvement in all PPP and concession arrangements; non compliance results in the invalidity of such arrangement.

Signed,

Engr. Chidi K.C. Izuwah

Director General/CEO

ICRC PPP KNOWLEDGE BRIEF

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 (National Council on PPP USA).

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

PPPs ARE:

- A <u>Formal contract</u> between a public and private partner (over the duration the service will be provided).
- Entered through a <u>competitive and</u> <u>transparent procurement process</u>.
- Using <u>output specifications</u> the government specifies "what", the private sector defines "how".
- With suitable <u>risk allocation</u> between the public and private parties.
- Putting <u>private investment at risk</u> with appropriate rewards.
- With <u>regulation or contract</u> <u>management of performance</u> of the private partner by government.

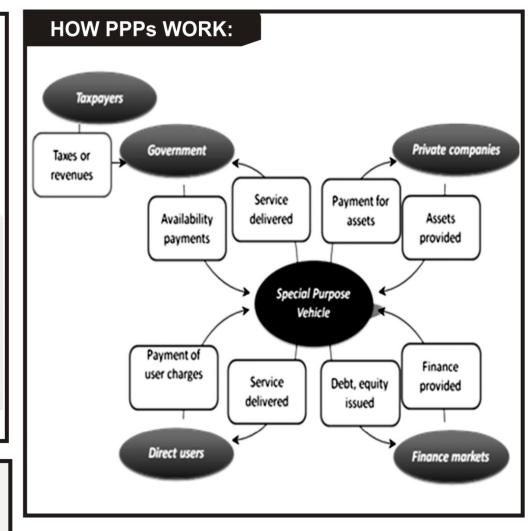
CHARACTERISTICS OF PPPs:

- Long-term contractual arrangement
- Optimal Risk Allocation
- Focus is on Output specifications
- Performance linked payments
- Whole life costing
- Financing by the private sector
- In PPPs, assets for infrastructure service delivery i.e Toll roads, hospitals, etc remain owned by the government through the full life cycle.

PPP PROCESS LIFECYCLE IN LINE WITH THE NATIONAL POLICY ON PPP mplementation Phase **Development Phase** TRANSACTION ADVISER TRANSACTION ADVISER NEEDS ANALYSIS REQUEST FOR QUALIFICATION COMMERCIAL CLOSE PPP OPTIONS APPRAISAL SHORT LISTING FINANCIAL CLOSE VALUE FOR MONEY REQUEST FOR PROPOSAL ■ INDEPENDENT ENGINEER AFFORDABILITY BIDDERS CONFERENCE MONITOR DESIGN AND SUSTAINABILITY BID EVALUATION CONSTRUCTION VALUE FOR MONEY TEST COMMISSIONING TEST PRELIM RISK MATRIX PREFERRED BIDDER VIABILITY/BANKABILITY VERIFY OUTPUT FULL BUSINESS CASE (FBC) VIABILITY GAP FUNDING REQUIREMENTS OBC DEVELOPMENT FBC CERTIFICATION BY ICRC CONTRACT MANAGEMENT OBC CERTIFICATION BY ICRC FBC APPROVAL BY FEC

PPPs ARE CHARACTERISED BY THE PUBLIC SECTOR:

- Entering into contracts to acquire services, rather than procuring an asset
- Specifying the service requirement on the basis of outputs, not inputs
- Linking payments to the private sector to the level and quality of services actually delivered
- Often requiring a "whole life" approach to the design, building and operation of project assets
- Seeking optimal risk transfer to the private sector
- Requiring the private partner to be responsible for raising some, or all, of investment finance required
- Utilising diverse payment mechanisms, such as user charges, annuities and capacity & availability payments, etc.



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