INFRASTRUCTURE PROVISION THROUGH PUBLIC-PRIVATE PARTNERSHIPS: NIGERIA EXPERIENCE

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INTRODUCTION

Infrastructure provision is mostly the responsibility of governments using taxpayers' money through budgetary allocations. However, a growing phenomenon world-wide is the inability of public funds to adequately finance ever-growing infrastructure needs, with serious consequences in developing countries. Although governments in most countries are striving hard towards adequate infrastructure provision, a wide gap still exists in terms of meeting the quantity and quality of infrastructure required for sustainable socio-economic development, principally due to a shortage of public funds (Iboh *et al.* 2013). Numerous issues persist relating to dwindling resources, variable power supply, inadequate healthcare facilities, poor and insufficient housing, and problems with modes of transport including roads and air, which have become death traps in many developing countries like Nigeria. The appalling state of this infrastructure has given credence to private sector participation in the development of sustainable infrastructure. Other key drivers to the birth of the PPP scheme in the country include the poor economy arising from reduced oil revenue and mismanagement of resources, rising population, and an increased need for infrastructure such as housing, power, transport modes, health and educational facilities.

THE PPP ENVIRONMENT IN NIGERIA

The Enabling Environment

With a high level of determination to ensure success, the Government at the Federal level has attempted to create an enabling environment for implementing PPP schemes in Nigeria. Thus, the government has taken the initiative for ensuring that its economic policies provide a stable and predictable environment to attract private sector investments for the delivery of efficient public services in the most preferred sectors, including transportation, housing, health, and education Therefore, the Government has decided to implement a workable policy, including the associated legal, financial, and regulatory frameworks and build capacity in Ministries, Departments and Agencies (MDAs) in the planning, procurement, and management of PPP projects. In this regard, the Government has key objectives to pursue in order to ensure:

- Better coordination and planning of infrastructure provision;
- Greater use of economic appraisal techniques;
- A clear policy and regulatory framework for PPP;
- Good working relationship with international institutions such as the World Bank;
- Greater transparency and fairness in awarding contracts and resolving disputes;
- That its procurement processes are fair, transparent, and well managed, etc. (Infrastructure Concession Regulatory Commission, 2009).

Legal and Regulatory Framework

The two major legal and regulatory laws related to PPPs in Nigeria are the ICRC Act 2005 and the National Policy on PPP published by the ICRC (Infrastructure Concession Regulatory Commission) in 2009.

The ICRC Act 2005: The ICRC Act 2005 is the regulatory law meant to support the Government's drive towards embracing the PPP model in Nigeria (The Federal Government of Nigeria, 2005). The Act (Sec. 14.1) led to the establishment of the ICRC in 2008 as a means of addressing the huge infrastructure deficit in the country. By its provision, any Federal Government Ministry, Agency, Corporation or body is permitted to enter into contractual agreements with the Organised Private Sector for the development, financing and operation of infrastructure in any part of the country.

The National PPP Policy (N4Ps): Through the ICRC Act 2005, the National PPP Policy (N4Ps) was established in 2009 as a major step towards improved infrastructure development in the country. The legal framework under the N4Ps harmonises existing laws and provides a legal platform for implementing PPPs. The Policy on PPP was established for ensuring the attainment of "*Value for money, transparency, fairness and efficiency in any PPP project"* (Infrastructure Concession Regulatory Commission, 2009).

Further, in 2010 the World Bank–Nigeria PPP Programme was initiated. In addition, PPP operations in all sectors are guided by relevant regulatory laws such as the NERC, established under the EPSR Act 2005 and the National Communication Commission (NCC) intended to regulate telecommunication services in Nigeria. In achieving its objectives, the Government seeks to apply certain key principles for determining whether PPP is an appropriate procurement option for a particular public project, as shown in Table 1.

Table 1: Key Principles Determining PPP Procurement as an Appropriate Option for Any Public Project

Key Principles	Requirements
Value for Money	• Every project appraisal outcome must take account of the cost, risks and service quality. • Made a comparison of the costs at net present value of PPP proposals against a value for money benchmark.
Public Interest	• Adequate consultation with end-users and other stakeholders prior to the initiation of a project. • Private sector participants must contribute to strategies for communicating and consulting with the general public, customers, affected communities, and corporate stakeholders. • Contractors must be mindful of the consequences of their actions on the communities who will benefit, and guide against any socially unacceptable outcomes.
Risk Allocation	• Allocation of risks to the party best able to manage them.
Output Requirements	• Based on verifiable service standards, i.e. performance-based specifications.
Transparency	• Based on the rule of law, transparency, openness, fairness and non-discrimination.

	• Parties' readiness to observe commonly agreed principles and standards of responsible business conduct. • Acting in good faith and parties' ability to fulfill their contracted commitments.
Competition	• Giving room for effective competition by implementing and enforcing adequate competition laws. • Ensuring that business activities are subject to appropriate commercial pressures and devoid of unnecessary barriers to entry.
Capacity to Deliver	• Public initiators must have the capacity to manage the commercial processes involved and to partner on an equal basis with their private sector counterparts. • Provision for training and transfer of relevant skills to those involved in the PPP project.
Engaging with the Market	• Any public authority procuring a project must secure the formal approval of the Federal Executive Council before the involvement of the private sector. • Clear disclosure of all relevant information regarding the project, including the condition of existing infrastructure, and the standards of performance they require, together with proposed penalties for non-compliance as part of the procurement process.

Source: adapted from ICRC–National PPP Policy 2009.

The Scope of PPP

The PPP programmes for the provision of new infrastructure and expansion or refurbishment of existing assets cover: power generation plants and transmission/distribution networks; roads and bridges; ports; airports; railways; inland container depots and logistics hubs; and gas and petroleum infrastructure, such as storage depots and distribution pipelines etc. Others are: water supply, treatment and distribution systems; solid waste management; educational facilities (e.g. schools, universities); urban transport systems; housing; healthcare facilities, etc.

The PPP Process

The PPP process has a four-step process for implementing any asset procurement, as shown in Table 2.

Table 2: The PPP Process

Step	Involvement
1. Project Development	• Identification of need; • Technical appraisal of the identified need; • Economic, social and environmental cost benefit analysis, and an Environmental Impact Assessment, if required; • Value for money (VfM) and affordability tests; • Preparation of financial analysis – the pre-feasibility study; • Budget allocation within the National Development Plan and, subsequently, the Medium Term Expenditure Framework (MTEF); • Approval of Outline Business Case (OBC) prior to the commencement of procurement.

2. Procurement	• Creation of a project team and management structure; • Preparation of an Information Memorandum and bid documentation; • Market consultation, if appropriate; • A competitive and transparent procurement process, with a clear audit trail for the selection of bidders and the evaluation of bids; • Approval of Full Business Case (FBC) before the decision to award a contract.
3. Implementation	• Monitoring of design and construction, and subsequently operation and maintenance to ensure compliance with the required service standards; • Monitoring of payments against services delivered and any contingent liabilities.
4. Maturity	• Inspection and preparation for the handover of any public assets in accordance with the specified requirements, if appropriate; • Analysis of future service delivery options and further procurement, if appropriate; • Contract close and recording of lessons learned.

Source: adapted from ICRC–National PPP Policy 2009.

Institutional Framework

Both the ICRC Act 2005 and the N4Ps 2009 provide for the building of strong and effective institutions that can serve as a platform for successful PPP transactions in Nigeria. For instance, the ICRC Act provides that the governance and organisational structure of the ICRC be designed in a way that facilitates efficient delivery of the Commission's mandate. The ICRC has a Governing Board headed by a Chairman and four Committees assisting the Board in its oversight functions, policy formulation and other statutory functions. There is also the Executive Management Team comprising the Director General (DG), three Executive Directors, Head of Legal and Governance and the Technical Adviser to the DG. Table 3 shows the ICRC Organogram:

Table 3: ICRC Institutional Structure

The Board	Assisting Committees	Functions
The Governing Board(Headed by a Chairman)	Contract Compliance	• Oversees activities of the Contract Compliance Centre;
	Audit and Technical	• Oversees the activities of the PPP Resource Centre;
	Human Resources and Establishment	• Responsible for Human Resource matters, governance, institutional relations communications, etc.
	Finance and General Purpose	• Responsible for all finance related matters;
Executive Management (Headed by a DG) and has three Departments	The PPP Resource Centre	• Provides pre-contract regulatory guidelines to MDAs on project origination, identification, feasibility studies, design, procurement and implementation; • Maintains the national PPP project database; • Assists States in setting up appropriate PPP

		legal and regulatory frameworks; • Acts as a centre of technical expertise for MDAs and States;
	The Contract Compliance Centre	• Takes custody of, and ensures compliance with, the PPP contracts entered into by MDAs on behalf of the Federal Government of Nigeria; • Responsible for the implementation of some of the ICRC statutory functions; • Responsible for PPP contract implementation, information management; • Ensures that parties comply with the terms and conditions of PPP contracts, the provisions of the ICRC Act, the N4P and Regulations.
	The Support Services	• Provides an appropriate level of human, administrative, financial and facility support services.

Source: adapted from Infrastructure Concession Regulatory Commission 2012.

The institutional arrangement of the ICRC, as shown in Table 3, has built the foundations for the effective execution of PPP projects that reinforce the technical ability of MDAs for the delivery of public services within their respective areas of responsibility. This can pave the way for appropriate guidance, training, expertise and resources to plan, procure and manage investment projects and public services efficiently and effectively.

Financial Framework

In apparent realisation of the gravity of the infrastructure deficit in Nigeria, efforts are being made to address the situation. For instance, the National Planning Commission coordinated the development of the National Integrated Infrastructure Master Plan (NIIMP), which was approved for implementation by the Federal Executive Council (FEC) in 2014. This is aimed at accelerating infrastructure development by identifying the investment requirement of about $2.9 trillion for bridging, expanding and delivering quality infrastructure in Nigeria. The NIIMP also aims at raising Nigeria's stock of infrastructure from the current 20–25% of GDP to at least 70% of GDP by 2043. The fund is expected to cover differing sectors including energy, transport, ICT, housing, water, agriculture, mining, social infrastructure, vital registration and security over a 30–year period. The master plan provides that an investment of $166.1 billion (N26.9 trillion) will be required in the first five years (2014–2018) to deliver quality infrastructure. " In terms of financing, the public sector comprising the Federal Government and States will provide 52% of the total investment requirement for the first 5 years (USD86 billion) while the private sector provides the remaining 48%" (National Planning Commission, 2013).

Contract Disclosure Framework

Under the World Bank assisted programmes, the ICRC collaborated with the World Bank Institute (WBI) to develop Contract Disclosure Guidance. This is a template designed to ensure that all non-confidential information relating to a PPP contract is made available and easily accessible to members of the public. The objectives are to ensure that stakeholders, particularly the general public, are well informed as to the details of every PPP contract, and to effectively use the public as a monitoring tool. It is intended to pave the way for wider acceptance by stakeholders, and to strengthen private sector confidence in PPP projects.

STAKEHOLDERS' ROLES

For the implementation of the PPP policy, specific roles and responsibilities have been assigned to various MDAs for project identification, planning, approval, procurement, and implementation. The stakeholders and some of their specific roles as adapted from ICRC (2009) are:

The ICRC

The Board of the ICRC has the mandate to develop and issue general policy guidelines, take custody of every concession agreement and ensure stakeholders compliance, and to act as a national centre of expertise in PPP. It works closely with relevant MDAs to identify potential PPP projects, support, coordinate, and implement PPP process. It acts as the interface with the private sector to promote communication on national policies and programmes. It will provide an opinion to the FEC on whether projects submitted for approval meet the requirements of the regulations. The Commission also collaborates with other agencies, including PPP units at State level for establishing an integrated national regulatory environment for attracting private sector investment.

National Planning Commission (NPC)

The NPC has the task of coordinating the development of NIIMP for accelerating infrastructure improvement with a massive sum of $2.9 trillion. The Commission is to provide tools and methodologies for the economic appraisal of investment projects to be included within the National Development Plan.

Ministries, Departments and Agencies (MDAs)

Ministries or their agencies responsible for managing public infrastructure and public services, have the task of ensuring quality of public services and efficient management of resources. The MDAs are required to prepare long-term plans for infrastructure investment and maintenance, which can be incorporated into the 30-year NIIMP proposed by the NPC. Following FEC approval of a PPP project, the relevant Accounting Officer of an MDA will sign the contract and will be accountable for meeting the project objectives.

Federal Ministry of Finance

The Ministry of Finance undertakes the financial management of PPP projects by evaluating and managing fiscal risks that may result from the terms of the agreements. The Ministry is to ensure that the forecast costs for the Government—including any subsidies that may be required to make a project financially viable or to ease the transition for poor households to a full cost recovery tariff—are affordable over the life of the contract and within the Medium Term Expenditure Framework.

Debt Management Office (DMO)

The DMO is to be satisfied that any contingent liabilities are manageable within the Government's economic and fiscal forecasts.

Accountant General of the Federation

The Government will put in place measures through the Office of the Accountant General of the Federation to ensure that funding for payment obligations incurred through a Federal PPP contract is safeguarded to ensure prompt payment, subject to appropriate authorisation.

Bureau of Public Procurement (BPP)

The BPP aims to ensure that due process is followed in the procurement of any PPP projects. In this regard, it uses a benchmarking technique for ensuring that the prices paid for goods and services are fair and reasonable.

Bureau of Public Enterprises (BPE)

The BPE uses concessions as a means of Commercialisation of existing Government-owned enterprises. From its experience, the BPE makes available the skills and capacity developed for implementing PPP and other concession projects under the new PPP Policy. In this regard, the BPE may be required to serve as "Internal Consultants" to MDA's PPP Project teams along with any other External Transaction Advisers that may be procured by the ICRC.

PPP PROJECTS

Many PPP projects initiated by the Federal and some State Governments abound in Nigeria. However, few projects have successfully completed, while many have failed or been abandoned due to disagreements, corruption, lack of political drive and court cases.

Some notable PPP projects at the Federal Government level are:

Murtala Muhammed Airport (MMA2) in Lagos

This was a PPP project awarded in 2003 for building a new domestic terminal and ancillary facilities at the Murtala Muhammed Airport (MMA2) in Lagos. It was the first major concession/BOT (Built, Operate and Transfer) infrastructure project in the country between Bi-Courtney Aviation Services and the Federal Airports Authority of Nigeria (FAAN). The estimated cost of the contract was $200m for a period of 12 years initially, and was subsequently extended to 36 years in a controversial manner. However, the success of the contract was marred by a series of issues such as the inability to secure long-term financing for the project, and breach of the contract agreement by the parties involved. Other problems associated with the project included: parties' deficiencies due to lack of effective planning and realistic setting of goals and timelines; a weak regulatory framework for the monitoring and evaluation of the PPP project; poor provision for regular review of the project's progress to accommodate unforeseen changes; a lack of an effective dispute resolution mechanism which allowed controversies to escalate between the parties; FAAN's refusal to obey several court orders; and the incapability of the ICRC to protect private investors (Uwem and Abubakar 2013).

Lagos–Ibadan Expressway

In 2009, the Federal Government through the Federal Ministry of Works signed the first road concession agreement in the country with the Bi-Courtney Consortium for the Design, Build, Operate and Transfer of the Lagos–Ibadan Expressway. The PPP road concession was for 25 years at the cost of N89.53 billion ($593 million) with the sole aim of improving the condition of the road in order to alleviate commuters' suffering (Infrastructure Concession Regulatory Commission 2012). The execution of the 105km road project was in four phases of construction to last for four years. However, the project did not achieve financial close five years after the signing of the agreement. Based on the recommendations of the ICRC in 2010 and 2011 on ways of resolving issues which impeded the feasibility of the project, the President in 2012 approved the renegotiation of the concession contract in order to resolve the inherent barriers to its implementation. The failure of this renegotiation led to the Federal Ministry of Works announcing the termination of the agreement in 2012, due to the Concessionaire's failure to achieve financial close since 2009, including other breaches. The concession also failed due to (among other factors) the lack of competitive and transparent procurement, concrete evidence of financial capacity, and adequate technical knowledge about PPP procurement model by the stakeholders. The Federal Government finally cancelled the PPP concession contract in 2014.

Table 4 presents other PPP projects of the Federal Government.

Table 4: New Projects Granted Concession after the Inauguration of ICRC in November 2008

S/N	Project	Government Agency	Concessionaire	Duration	Status
1.	Development and operation of Deep Water Port (Lekki, Lagos)	Lekki Port LFTZ Enterprise	The Nigerian Ports Authority/Lagos State Government	45 years (April21, 2011 – April 21, 2056)	Extension of time to achieve financial close granted to April 2016
2.	Concession Agreements for the Operation, Maintenance, Design and Sales of electricity produce – Niger State	Kainji Hydro Electricity Plc	Mainstream Energy Solutions Ltd	30 Years from February 21, 2013	Under implementation
3.	Concession Agreements for the Operation, Maintenance, Design and Sales of electricity produce – Niger State	Shiroro Hydro Electric Plc	North South Power company Ltd	30 years from February 21, 2013	Under implementation
4.	Concession Agreement for the Reclamation and Infrastructural Development of FESTAC Phase II Housing Development Project – FESTAC Town, Lagos	Federal Ministry of Lands, Housing and Urban Development/The Federal Housing Authority	New FESTAC Property Development Company Ltd	30 years from September 8, 2014	Undergoing project procurement phase

Source: adapted from Infrastructure Concession Regulatory Commission (ICRC) 2016.

Notable PPP projects of the Lagos State Government include:

Lekki Toll Road Concession Project, Lagos

This was a Lagos State Government PPP project concession for upgrading and maintaining a 50km-portion of the Lekki–Epe Expressway. It was awarded to the Lekki Concession Company Limited (LCC), a Special Purpose Vehicle (SPV),which is a subsidiary of the Toll System Company Limited (TSC) for a period of 30 years at a cost of N50 billion. The initial concession agreement was signed in April 2006 on a BOT basis. The project was intended to solve the regular traffic problems along the Lekki–Epe Axis. The Concessionaire was to recoup the cost of the project principally through toll collection from the beneficiaries. The project was funded using a mix of debt and equity with some support from the State and the Federal Government of Nigeria in the form of a mezzanine loan, while the major shareholders in the project are Macquarie Bank and Old Mutual of South Africa with the support of the African Infrastructure Investment Fund (Uwem and Abubakar 2013). The Concessionaire was able to raise the first ever 15-year tenured local-currency debt financing in Nigeria from Standard Bank.

The project had problems on account of the partners' failure to carry out stakeholders' consultation as required for any PPP projects. For instance, the beneficial communities were not informed about the intention of the Concessionaire to construct three toll gates within a distance of fewer than 5km, and the failure to provide alternative routes that would allow them the opportunity of choosing between the toll road and the toll-free roads. These lapses led to protests from the relevant communities, who threatened to go to court. Finally, it was resolved that the Concessionaire must comply with the United Nations' rule on PPP by providing alternative roads within the Lekki–Epe Axis.

Mortuary Services –Isolo General Hospital

This is a PPP concession project aimed at improving the mortuary services of the Isolo General Hospital, and for instituting the best clinical operations and management services. The concession agreement was signed by the Lagos State Ministry of Health representing Lagos State Government and Farewell Funeral Homes Limited (FFHL) on the basis of Design, Build, Operate and Transfer (DBOT) (Lagos State Ministry of Health2010). The mortuary project was designed and built to the Ministry of Health specifications, having a storage chamber that can accommodate 60 bodies initially, and with provision for future expansion. It also accommodates other mortuary equipment including washing machines, autopsy trays, embalming tables, etc.

The project is a user-fee PPP concession on a full market risk allowing for the recovery of the private investment and other defined revenue sources. The project is for a period of 10 years from November 16, 2011 to October 17, 2021. The mortuary project was financed via 37% equity and 63% debt.

Co-operative Home Ownership Incentive Scheme (CHOIS)

This is a joint venture PPP co-operative housing project for the delivery of 10,000 affordable housing units to be provided in the three senatorial districts (Ikorodu, Badagry and Lekki–Epe) of Lagos State. Parties to the agreement, which was executed in 2008, are the Lagos State Ministry of Housing for the Government and First World Community Limited. The project has a period of 15 months with an initial delivery of 1,000 units. Table 5 shows some selected PPP projects of the Lagos State Government.

Table 5: Selected PPP Projects of the Lagos State Government

	PROJECT	PARTIES	PROJECT DESCRIPTION	PROGRESS UPDATE	PPP APPROACH
1	Lekki-Ikoyi Link Bridge	1. Lagos State Government (LASG) 2. Lagos Tolling Company (LTC)	The project is an operation & maintenance concession of Electronic Tolling System of the 1.358km Lekki-Ikoyi Bridge.	The Bridge was opened to traffic on June 1, 2013.	Concession
2	Island Power (9.7MW)	1. Lagos State Government (LASG) 2. Island Power Limited (a part of Negris Group)	The project is the development of a 9.7MW Independent Power Plant between the LASG and Negris Group.	Concession Effective Date: November 2009 Concession Expiry Date: October 2019.	Build, Own, Operate (BOO)
3	Lagos State Bus Rapid Transit scheme (BRT)	Lagos State Government and Lag Bus	The Lagos State Bus Rapid Transit is the first of its kind in sub-Sahara African conveying over 200,000 passengers daily.	Commercial Operations started March 17, 2008.	Public/Private Sector Operated
4	Gbagada Renal & Cardiac Centre	1. Renescorp LLP (SPV) 2. Lagos State Government (LASG)	The project is an operations and maintenance concession with Messrs RENESCORP LLP. The 39-bed centre is host to a 64 slice CT scanner, 24 dialysis stations (with beds) and other advanced medical equipment. .		Concession

Source: adapted from Bamidele *et al*. (2015).

PPP CHALLENGES IN NIGERIA

Despite the various efforts of the Federal Government under various regimes, on the use of PPP models for fixing the infrastructural deficit in Nigeria, some challenges have marred the success of the schemes. However, they can be categorised under government/political, sectoral, funding, investment plan and legal/regulatory framework.

Government and Political Issues

Since 1999, the Federal Government of Nigeria has, at various times, demonstrated unambiguous commitment and support to the establishment of PPP as a viable option for infrastructure development in Nigeria. However, many of these attempts are truncated by the Government's unclear political commitment and poor leadership support towards pushing the schemes to a pragmatic conclusion. Many of the PPP programmes have also experienced setbacks due to a myriad of political factors such as inconsistent and contradictory policy positions, lack of continuity due to changes in leadership and non-compliance with the approved national PPP policy process (Infrastructure Concession Regulatory Commission 2012). Incessant changes in relevant political office holders, including the Chief Executives of Regulatory agencies, constituted major setbacksfor PPP projects in the country (Dabak 2014). For instance, the Muritala Muhamed Airport II concessionaire has had, over a period of seven years, six different Ministers and five different Chief Executives of the FAAN in charge, each with different policies, divergent opinions and perspectives on Concession Agreements and the concession itself (Afolabi 2011, cited in Dabak 2014). Others relate to the political interference in the selection of partners and personal and ethnic considerations in prioritising projects for the PPP option.

Sectoral Challenges

There are challenges relating to different sectors of the economy like transport, power, agriculture, oil and gas, etc. These challenges manifest themselves in the activities of the respective MDAs in charge of each sector. Many of the MDAs are without separate PPP offices and lack competent officials for preparing valid contract agreements and to handle project monitoring and evaluation. The general absence of proper coordination of the supervisory, monitoring and regulatory activities by Government agencies is adversely affecting the success of PPP contracts. Officials are not undergoing training and retraining exercises on a regular basis, due to a dearth of training infrastructure, facilities and staff development programmes. Inadequate knowledge, skills and capacity by participants both in the public and private sectors, poor evaluation, monitoring and due diligence by government, non-competitive bidding, poor financial projections and access to funds, as well as politicisation of concessions, are some of the factors contributing to these failures (Oyedele 2013).

Therefore, a significant number of MDAs lack dedicated staff with the requisite skills and management capacities for handling PPP project procurements. External consultants are used for executing many of the PPP projects, which makes PPPs expensive and time consuming. In most cases, corrupt officials also collude with contractors in order to cover-up their inadequacies, resulting into project abandonment and poor quality works. All these inadequacies, resulting from poor knowledge and skills, lack of commitment and weak institutions, can help to explain why PPP project implementation is clouded with a series of litigations, contract cancellations, poor success, and woeful failures.

Funding

The issue of inadequate funding has severely impacted both the ICRC and MDAs' operations. It has been observed that some MDAs make little or no budgetary provisions for funding the PPP project preparation phase. The ICRC is also subjected to inadequate funds for the required project monitoring in accordance with its mandate to ensure partners' compliance with conditions of PPP contracts. Similarly, the size of the Nigerian banks poses a problem to the survival of PPP projects, as they are unable to give long-term loans, even at reasonable interest rates (Dabak 2014). Many PPP concession agreements failed due to the inability of private partners to obtain the necessary loan facilities to perform. The Government's budgetary allocations to MDAs and Commissions like the ICRC are dwindling on a yearly basis as a result of the poor economy and declining oil revenue.

Investment Plan

There has been an absence of any reliable and achievable national investment or development plan that can clearly show that the Nigerian Government is ready for the use of PPP for infrastructure provision. Like other national plans by both the military and civilian governments since attaining independence in 1960, the National Integrated Infrastructure Master Plan (NIIMP) 2014, intended to accelerate infrastructure development in the country, has faltered from inception. As of January 2016, the implementation of the 30–year (2014–2043) National Plan has not yet commenced due to a lack of political will and change of government, despite the elaborate fanfare that heralded its inauguration in September 2014. The new government is not ready to effect the mandatory provision of 52% of the total required investment; instead, it has pledged to review the whole PPP process again. Even the hope of attracting the remaining 48% from the private sector for the first five years (2014–2018) is dashed. Nigeria has seen many brilliant, impeccable and well-written national plans ultimately falter, be abandoned, or fail due to poor implementation by corrupt and power hungry politicians and civil servants alike (Onyenekenwa, 2011).

Legal/Regulatory Framework

The lack of a robust legal/regulatory framework constitutes a major flaw impeding the success of PPP project procurements in Nigeria. Although the ICRC Act empowers the ICRC to oversee and regulate the PPP framework in Nigeria, the Commission complains of a lack of power to enforce compliance. Consequently, it has been reported (ICRC, 2012) that MDAs can choose their projects and implement them without the knowledge or involvement of the Commission. The private sector and project beneficiaries are not actively involved in the formulation of regulatory laws guiding PPP procurements. Many of the State Governments are yet to have the required PPP regulatory laws, which is a fundamental setback to creating a solid foundation for the scheme.

LESSONS LEARNED

Based on the challenges highlighted above, a number of pertinent lessons can be identified as a means of enhancing efficiency in PPP project implementation in Nigeria. These can serve as a template for efficient handling of PPP schemes in future. Some of these lessons are shown in Table 6.

Table 6: Lessons Learned from PPP Projects Implementations in Nigeria

Areas of Implementation	Lessons Learned

Project Preparation	Adequate skill and knowledge required, as poorly-prepared PPP projects will fail. An experienced Transaction Adviser (TA) is needed.
Enabling Environment	An effective and stable PPP policy that allows for sincerity, transparency and competitiveness is essential, as are political will, a reliable regulatory framework, and a well-focused and clear direction.
Selection of Partners/ Procurement	The selection process must be transparent, competitive, timely, and follow due process.
Contract Document	A well-prepared contract agreement, fully packaged and clearly stating responsibilities, risk allocations and reward to parties, including time of actions from inception to completion, is necessary.
Data	All necessary data—technical, economic, social and environmental—relating to the project before it commences, and during project development and execution must be properly kept by parties.
Stakeholder Consultation	Adequate information about the project must be made available to all stakeholders, especially the beneficiary communities.
Funding and Revenue	Reliable evidence of funding and flow of returns to repay parties' investments must be shown before the signing of the contract agreement.
Equity	The public partner must not exhibit a domineering attitude over the private partner and must concede management activities to the private partner.

Source: adapted from Diko (2014): Infrastructure and National Transformation: The PPP Imperative.

CONCLUSION

The importance of PPP as a viable option for the development, upgrade and maintenance of infrastructure, particularly in transitional economies like Nigeria, cannot be overstated, particularly given the downturn in the global economy. It is noteworthy that the Federal Government of Nigeria has duly recognised the importance of PPP in revamping the country's failing infrastructure. In view of the appalling state of the country's infrastructure, private sector participation has become essential in bridging this infrastructure gap and developing it to a sustainable level. The Government has hitherto put in place a number of apparatus including an enabling environment, a 30–year development plan (NIIMP), PPP legal and policy frameworks, and supervisory institutions including the ICRC and the Federal Ministry of Finance, to ensure the effective implementation of PPP schemes. In addition, the N4Ps serve as a template for PPP schemes.

However, a success story can still not be told regarding PPP operations in the country, as many of the attempts have been hindered by issues including unclear political commitment, inconsistent and contradictory policy positions, a lack of continuity due to changes in leadership, political interference in the selection of partners and personal considerations in prioritising projects for the PPP option. Others include: poor knowledge, skills and capacity by participants both in the public and private sectors for efficient evaluation and monitoring, non-competitive bidding, poor financial projections and funding as well as politicisation of concessions. The scheme also suffers from weak institutions, poor implementation of legal and policy frameworks and a failed development plan. A fundamental setback is that many of the State Governments are yet to have the required PPP regulatory laws necessary for creating a solid foundation for the scheme at that level of governance. In most cases, private partners and project beneficiaries are not actively involved in the PPP projects concessions and formulation of regulatory laws guiding procurements.

Based on the various issues working against the success of PPP schemes in Nigeria, it is strongly recommended that an effective legal and regulatory framework, strong political support, and efficient institutions (MDAs and the ICRC) with the skill and technical ability to develop, supervise, coordinate and enforce compliance with PPP regulations and guidelines should be holistically pursued. There is also a need to ensure continuity in project implementation, competitive and transparent PPP procurements, effective stakeholder consultation, and confirmation of reliable sources of investment funds before signing contract agreements with private partners. Adequate funding and the establishment of a workable national development plan like the NIIMP, among others, are necessary to achieve success in PPP project implementation. In addition, the use of active political will to fight corruption and insecurity in the country is essential, because no investor will invest in infrastructure development where there are security challenges and limited returns due to corruption. All of the aforementioned recommendations are essential as they can bring PPP strategy back on the track of success in Nigeria. Efficient PPP schemes can help to create employment opportunities, meet the infrastructure needs of the population, and improve the country's ailing economy. Most importantly, base on the benefits of the requisite skills and vibrant financial resources, PPP schemes can help to reduce the adverse effect of the current economic recession on the gasping infrastructure in Nigeria.

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