

Policy & Operational **Guidelines**

for
**Public Private Partnership
in NIGER STATE**

PPP Unit, Governor's Office,
No.1, Musa Zago Road, Minna, Niger State

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Governments world wide have sought to increase the involvement of the private sector in the delivery of Public Services. These initiatives have taken many forms such as the outright privatization of previously state-owned industries, contracting out of services and the use of private finance in the provision of social infrastructures and services. It is generally recognized that a Public Private Partnerships programme offers a long-term, sustainable approach to improving social infrastructure, enhancing the value of Public assets and making better use of tax payer's money and have developed in part due to financial shortages in the Public Sector. PPP have demonstrated the ability to harness additional financial resources, prudence and operating efficiencies inherent to the Private Sector

The concept of PPP has existed for centuries in the USA and Europe but has become more prominent in recent decades in local economic development. PPP is the idea of bringing in private finance to finance public sector infrastructure originated with the early occurrences of PPP. In a broad terms, it encompass a very wide diversity of partnerships and the circumstances in which they arise as agreed, cooperative ventures that involve at least one public and one private sector institution as partners. PPP is further referred to as a contractual arrangement between a public sector agency and a for-profit private sector concern, whereby resources and risks are shared for the purpose of delivery of a public service or development of public infrastructure. PPP arrangements are growing in use and acceptance as an alternative and effective method to mobilize additional financial resources and benefits from private sector efficiencies. PPP is not the only method to deliver project financing and realization, it does not provide a miracle solution nor a quick fix and should only be used where appropriate and where it is able to deliver clear

advantages and benefits. A multitude of PPP structures exists and must be selected according to project type, needs and sector because there is no single perfect model. Each type of PPP has inherent strengths and weaknesses which need to be recognized and integrated into project design. Each partner to a PPP has responsibilities; The Sector must transform it's role from a service provider to Manager/Monitor of private contractors guaranteeing and enhancing public benefit from PPP's which will depend to a large degree on effective management and monitoring system. The large financial short-fall in available public funds requires not only the identification of additional funding sources but also attention to the more effective use of public funds.

The Chief Servant
DR. MU'AZU BABANGIDA ALIYU, OON
(TALBAN MINNA)
EXECUTIVE GOVERNOR, NIGER STATE
13TH AUGUST, 2007

Niger State is now at a cross roads in the quest for rapid socio-economic development to propel her into the perceived status of a Power State and a competitive key player in national and international economic affairs. It's abundant resources such as the Food and Agro-allied products, Hydro-channels, Tourism Sites, Proximity to FCT, Centralization of the State in the country and its human capacity have positioned her to be a major player in the national economic development. However rapid socio-economic and industrial development can only be realized if it is anchored on sound philosophy, principles and concepts. The present administration of Chief Servant, Dr. Mu'azu Babangida Aliyu Talban Minna, (OON) is undertaking major reforms in both the Public and Private Sectors of Niger State to facilitate the actual realization of dividend of democracy in Niger State. These reforms are as encapsulated in the MDG, SEEDS and Poverty Reduction documents but identifying and using Strategic Partners and collaborations within the concept of Private Finance Initiative (PFI) model of PPP.

Though the concept of PPP is new in the State but it is not new to its citizens. The Strategic Public Sector interest in all PPP Synergy and network must be guided to achieve application of the Private Sector Financial Prudency, time consciousness, technical expertise to public sector projects; Heavy investment in infrastructure to enhance economic growth and development by the private sector particularly in the utilities; Greater efficiency and effectiveness in the use of resources and Generating commercial value from public sector assets. In order to fact-tract the attainment of PPP objectives in the State, PPP Unit have been established in the Chief Servant's Office to coordinate PPP Projects and activities in the State. This is to overcome the bureaucratic bottle necks, that can affect the smooth operation of the PPP Concept. To achieve

these a draft policy and operational guidelines on the PPP Operations in the State have been developed and presented in this simplified form. It is hoped that the information contained here in, will give a better understanding of the concept and be of great benefit to all stakeholders particularly investors, policy makers and the legislators.

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MOHAMMED ALIYU

SSA PPP
PA CHIEF SERVANT

List of Acronyms

PPP	- Public Private Partnership
PFI	- Private Finance Initiative
SEEDS	- State Economic Empowerment Development Strategies
MDG	- Millenium Development Goals
ISP	- Internet Service Provider
TV	- Television
BPE	- Bureau for Public Enterprises
NPA	- Nigerian Ports Authority
DFID	- Department for International Development
UNIDO	- United Nations Industrial Development Organization
WB	- World Bank
MOU	- Memorandum of Understanding
LGA	- Local Government Area
CS	- Chief Servant
DG	- Director General
ICT	- Information Communication Technology
PA	- Personal Assistant to the Governor
SSA	- Senior Special Assistant to the Governor
SA	- Special Assistant to the Governor
SME	- Small and Medium Enterprises
MF	- Micro-finance
TIC	- Technology Incubation Centre
SSG	- Secretary to the State Government
OPS	- Organized Private Sector
NCCIMA	- Niger Chambers of Commerce, Industry, Mines and Agriculture.
NASSI	- Nigeria Association of Small Scale Industrialists
NAWE	- National Association of Women Enterprises
MDA	- Ministries and Extra-department Agencies

VISION

To transform Niger State into one of the top three State economies in Nigeria by the year 2020 by being a model and leader in agro-based industrialization where there is employment and wealth creation opportunities for all in an atmosphere of peace.

MISSION

To empower Nigerlites by providing a conducive environment for living, through wealth and employment creation opportunities in collaboration with development and public private partners.

VISION STATEMENT

To make Niger State an economically competitive State through the popularization and usage of PPP Concept.

MISSION STATEMENT

To create economic friendly business environment, promote the economic potentials of the State and establish effective linkages between stakeholders for industrial development through value addition strategy of PPP.

POLICY STATEMENT

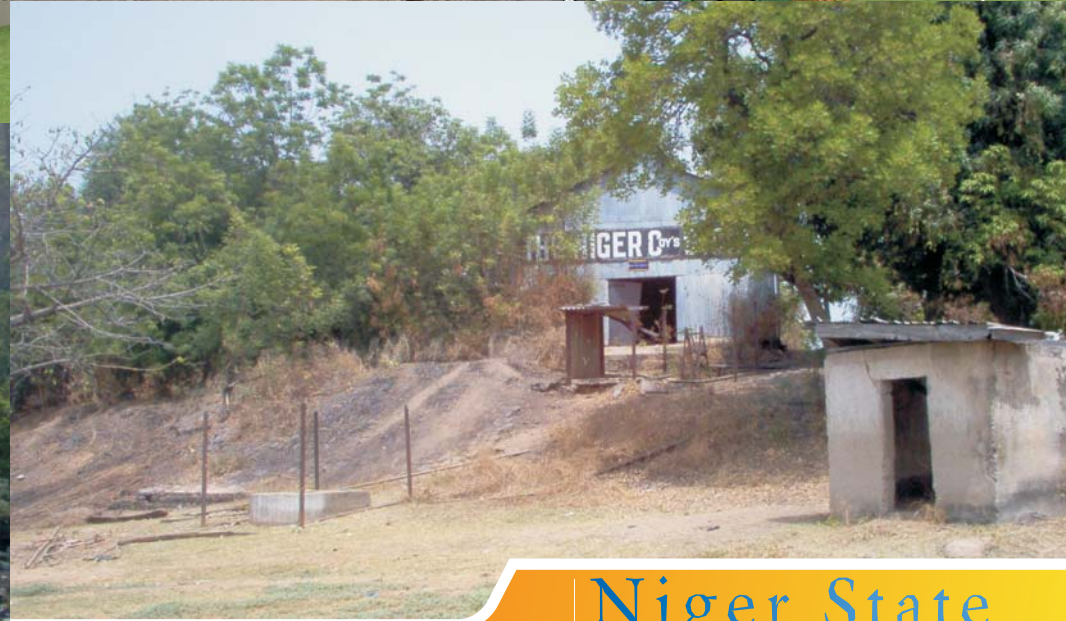
Niger State shall pursue with vigour accelerated infrastructure development and effective and efficient service delivery using the PPP Unit as a tool to enhance PPP in the State to attain economic, industrial, social and technological competitiveness which will improve the quality of life of its citizens.

CORE VALUE

- Responsibility and Accountability
- Flexibility and Responsiveness
- Openness and Honesty
- Efficiency and Effectiveness
- Fairness and Equity

Niger State

Development Focus



Niger State

Development Focus



INTRODUCTION

Governments world wide have sought to increase the involvement of the private sector in the delivery of Public Services. These initiatives have taken many forms such as the outright privatization of previously state-owned industries, contracting out of services and the use of private finance in the provision of social infrastructures and services. It is generally recognized that a Public Private Partnerships programme offers a long-term, sustainable approach to improving social infrastructure, enhancing the value of Public assets and making better use of tax payer's money. PPP have developed in part due to financial shortages in the Public Sector. PPP have demonstrated the ability to harness additional financial resources and operating efficiencies inherent to the Private Sector.

CONCEPT OF PPP

The concept of PPP has existed for centuries in the USA and Europe but has become more prominent in recent decades in local economic development. PPP is the idea of bringing in private finance to finance public sector infrastructure originated with the early occurrences of PPP. In a broad terms, it encompass a very wide diversity of partnerships and the circumstances in which they arise as agreed, cooperative ventures that involve at least one public and one private sector institution as partners. PPP is further referred to a contractual arrangement between a public sector agency and a for-profit private sector concern, whereby resources and risks are shared for the purpose of delivery of a public service or development of public infrastructure. PPP arrangements are growing in use and acceptance as an alternative and effective method to mobilize additional financial resources and benefits

from private sector efficiencies. PPP is not the only method to deliver project financing and realization. It does not provide a miracle solution nor a quick fix and should only be used where appropriate and where it is able to deliver clear advantages and benefits. A multitude of PPP structures exist and must be selected according to project type, needs and sector because there is no single perfect model. Each type of PPP has inherent strengths and weaknesses which need to be recognized and integrated into project design. Each partner to a PPP has responsibilities; The Public Sector must transform it's role from a service provider to Manager/Monitor of private contractors guaranteeing and enhancing public benefit from PPP's will depend to a large degree on effective management and monitoring systems. PPPs have demonstrated the ability to harness additional financial resources and operating efficiencies inherent to the private sector. The large financial short-fall in available public funds and the ability of international institutions to cover costs. This requires not only the identification of additional funding sources but also attention to the more effective use of public funds and to increasing their impact.

SPECIAL FEATURES OF PPP

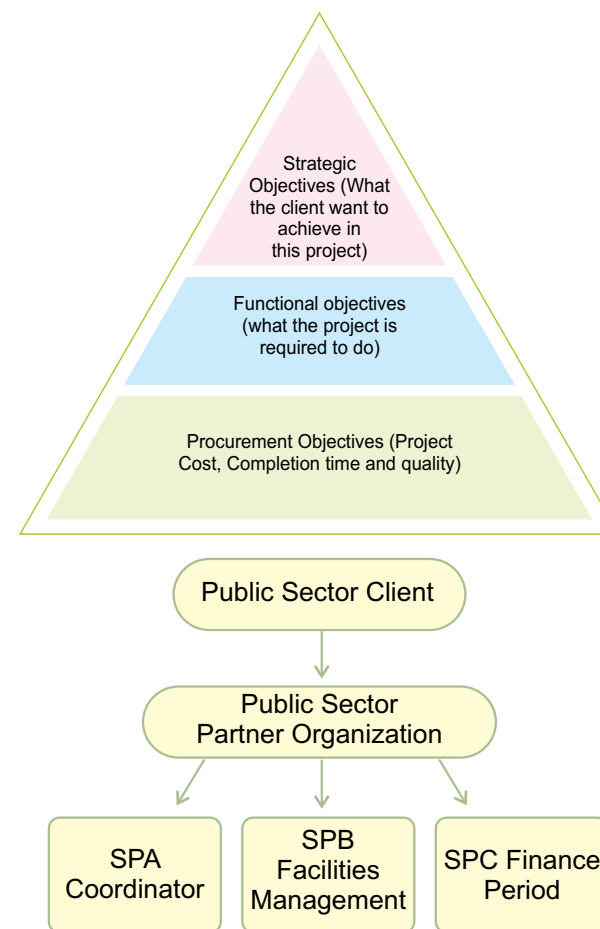
- i. Partnership involves two or more actors at least one of which is public and another from the private business sector.
- ii. Each participants is a principal, capable of bargaining on its own behalf rather than having to refer back to other sources of authority. Hence, the public sector has to set-up a special agency/unit capable of entering into partnership before collaboration becomes possible.

- iii. Establishment of an enduring and stable relationship among partners. The parameters are negotiated among partners from the onset.
- iv. Each of the participants bring something (resources material or immaterial) to the partnership to become genuine relationship.
- v. There is some shared responsibilities activities and outcomes to implies partnership.

PPP APPLICATION

PPP application can be achieve in wide spectrum of activities especially in the areas of services, Infrastructure, Agriculture, Environment and Sanitation etc.

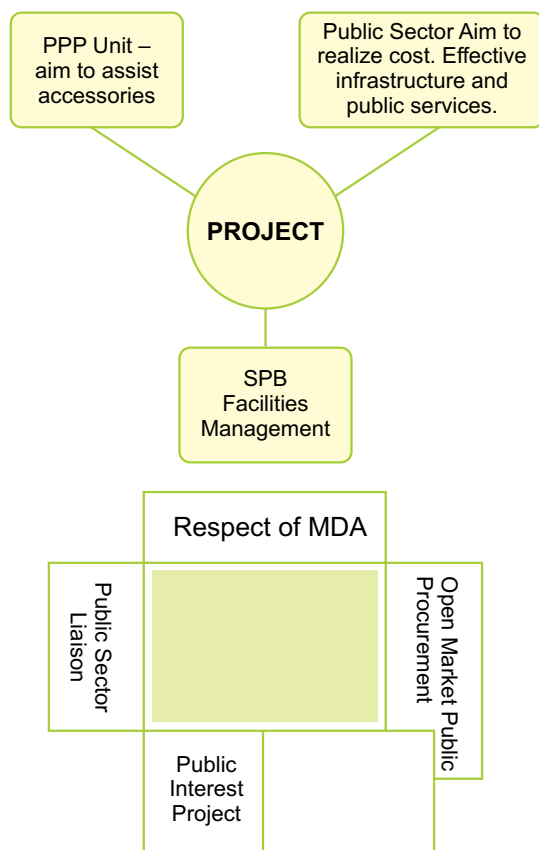
- i. SERVICES Tourism and hospitality industry
- ii. INFRASTRUCTURE Transportation and Housing, Plants etc.
- iii. AGRICULTURE Specialized Farming.
- iv. ENVIRONMENT Conservation, Sanitation, Waste Management etc.
- v. WATER Dams, Distribution, Marketing
- vi. EDUCATION - School Building, School Management
- vii. HEALTH Hospital, Clinic Building and Management



PPP SYNERGY AND BENEFITS

PPP is a generalized terminology where synergy can be establish beyond public and private sectors. PPP synergy also exist between the public and non-governmental organization (NGO). It could also be between the private sector and community based organization (CBO) and it could be between NGO and CBO. The main features of PPP is seen to be manifested in all these synergy.

PPP SYNERGY



BENEFITS OF PPP SYNERGY

- i. Enhance government's capacity to develop integrated solutions to infrastructure provision, decline and decay.
- ii. Facilitate creative, innovative, cost reducing and faster approaches to project implementation.
- iii. Transfer or allocate certain risks which are inherent to project partners on agreed sharing formula.
- iv. Enhance public management, improved quality service and generation of additional revenues.
- v. Facilitate access to skills, experience and technology while enhancing transfer and acquisition of technical know-how.

STRATEGIC PUBLIC SECTOR INTEREST IN PPP SYNERGY

- i. Application of the Private Sector Financial Prudence, time consciousness, technical expertise to public sector projects.
- ii. Heavy investment in infrastructure to enhance economic growth and development by the private sector particularly in the utilities.
- iii. Greater efficiency and effectiveness in the use of resources.
- iv. Generating commercial value from public sector assets.

PPP GUIDING PRINCIPLES

- i. Protecting the Public's interest
- ii. Ensuring open market access and competition
- iii. Ensuring full compatibility between PPP arrangements and state laws.
- iv. Defining the right level of financing contribution.
- v. Selection of the most suitable PPP type.

- vi. Identification of success and constraint factors
- vii. Timing early stage negotiation among partners very important in PPP arrangement.
- viii. Recognition of government financing objectives and the best use of the finance.

PPP SUCCESS FACTORS

The success factors of PPP to a large extent depend on five critical success factors.

- i. PPP structures, suitability and success factors
- ii. Legal and regulatory framework.
- iii. Financial and economic implications of PPP.
- iv. Integrating project financing and PPP objectives.
- v. Conception, planning and implementation strategies

PPP TYPES AND MODELS

There are many forms, types and models of PPP and continuously being develop, modify or improve upon to suit specific project. The main defining features are the degree of private sector involvement and control in the management and financing of a particular project. There can be no one generic or best model of PPP structure because to a large extent it depends on the agreement of the partners and type of project.

The types and models of PPP include:

- i. Build Operate Transfer (BOT)
- ii. Build Operate Train Transfer (BOTT)
- iii. Build Own Operate Transfer (BOOT)
- iv. Lease Develop Operate (LDO)
- v. Design Build Operate (DBO)
- vi. Design Build Maintain (DBM)

- vii. Build Transfer Operate (BTO)
- viii. Buy Build Operate (BBO)
- ix. Design Build Finance Operate (DBFO)
- x. Build Own Operate (BOO)
- xi. Concession Model (CM)
- xii. Turn Key (TK)
- xiii. Contract Services (CS)
- xiv. Landlord Tenancy (LLT)
- xv. Joint Venture
- xvi. Partnership Investment (PI)
- xvii. Policy Partnership (PP)
- xviii. Partnership Companies (PC)
- xix. Sales of Business by Flotation (SB)

PPP STAKEHOLDERS

The constitution of PPP stakeholders depend on the type of Project and PPP model adopted. The PPP stakeholders can include:

- i. Public Sector (Ministries/Government Agencies)
- ii. Private Sector (bidders, procuring)
- iii. Non-governmental Organization
- iv. Community base organization
- v. Consultants (Advisors)
- vi. Financiers (Fund)
- vii. Civil Society Organization
- viii. General Public (individual key player community head or member).

PPP FINANCIAL ISSUES

The financial issues in PPP can only best be discuss according to the project specification but in any case Private Financial Initiative (PFI) is the best approach from holistic perspective.

PFI is a type of PPP where project financing rests mainly with the private sector PFI could be describe as a strategy through which government contracts to purchase quality public sector services on a long term basis from the private sector include maintaining and possibly constructing the necessary infrastructure. This is fundamentally about the delivery of a service rather than the procurement of construction assets. Many government all over the world are turning to private finance initiative as an alternative means of funding some of their service delivery needs.

COMPONENTS OF PRIVATE FINANCIAL INITIATIVE (PFI)

Some aspect of the PFI components are of low, medium or very high risk; The recognition of the various components and identification of inherent risk is a guide to successful PFI.

- i. The land acquisition for project
- ii. The design aspect of building or facilities
- iii. The construction aspect
- iv. The commissioning of projects or facilities
- v. The operations/facilities management aspect.

PFI RISK IDENTIFICATION AND MANAGEMENT

Risks are directly translated into financial implications thus risk should be transferred to the capable partner who can best manage it in the most cost effective manner. Risk should not be transferred for the sake of doing so.

Risk is the probability that a particular adverse event may occur during a stated period of time. Risk is associated with but different from uncertainty.

THE ELEMENTS OF RISK

- i. Chance of occurrence
- ii. Unfavourable or harmful impact
- iii. Duration of exposure

Risk management is a systematic approach to dealing with risk which should include processes to deal with risk identification, classification and allocation, i.e Risk Analysis, Risk Response, Risk Monitoring and Control including Risk Recovery and Risk Outcome Recording and evaluation.

Risk management also involves the identification mitigation, evaluation and control. The identification of risks should be followed by a search for solutions that can ameliorate or eliminate these risks.

RISK IDENTIFICATION

- i. Through the use of personal and corporate experience
- ii. Through safety reviews and site visits
- iii. Through initiative insights
- iv. Through brainstorming
- v. Through the use of organizational charts and flow charts.
- vi. Through Research, Interview and Surveys
- vii. Through Analysis of Assumptions
- viii. Through Consultation of Experts

RISK EVALUATION

- i. The probability (chance) by which they can happen
- ii. Their ultimate impact on the project, if they do materialize

RISK ASSESSMENT

- i. Assess every risk as it is and model the price via probability.
- ii. Assess only the main risks
- iii. Bench marking
- iv. Adjudication in risk evaluation
- v. Reactive risk assessment
- vi. Proactive risk assessment
- vii. Sensitivity analysis in risk assessment

RISK MITIGATION STRATEGIES

- i. Risk elimination
- ii. Risk reduction
- iii. Risk transference
- iv. Risk retention

Risk mitigation tools include Guarantees, Letter of Credit (LOC), Bid Bonds, Performance Bonds, Surety Bonds, Insurance, Risk Premium and Risk Adjusted Discount Rate.

LEGAL ISSUES

PPP are defined and governed by a complex interaction of National, State and Local Government Legislation and Regulation and Project Contractual documents. The accession process and the fund providers conditionalities are

also critical to the legal environment of PPP. Cooperation with the Private Sector is a welcomed gesture but the Public Sector must fulfill its obligation of safe guarding the Public interest and judicious application of funds; This implies contractual and implementation conditionalities.

The legal situation of PPP in Nigeria and Niger State is yet to evolve therefore full legal due diligence and careful contract design are crucial for all parties. An effective and sustainable institutional structure is essential for promoting and fostering successful PPPs. The development of PPP in Niger State requires the integration of a complex legal hierarchy involving National, State, LGAs and Contractual Issues. Successful PPPs depend on the effectiveness of the National, State and LGA Legislature and regulatory structures.

PPP CONTRACTUAL AGREEMENTS

There are provisions that appear in virtually all PPP contracts. The foregoing list is not exhaustive. The number and subject matter of such provision varies from project to project, and is informed by the ingenuity of both parties' legal advisors, local custom and practice, and legislative requirements. It is, however, illustrative of the matters that government must be aware of when embarking upon any PPP. PPP contractual agreements include amongst others the following:

- Interpretation: Sets forth the definitions of important terms and providing guidance on the interpretation of the contract's provisions;
- Description of the term of the Project: Defines the length of the contract and whether it may be extended;
- The objective of the Contract: Describes the intent of the undertaking;
- The requirement for performance bonds: Provides

security for government if the construction and/or the service delivery falls below standards;

- Insurance Requirements: Provides security for the insurable matters within the ambit of the project;
- Delay Provision: Describes what is and is not an excuse for a delay in construction or operations and describes the remedies and penalties for such delay;
- Force Majeure: Describes what constitutes a force majeure event and what the consequences are of its occurrence;
- Government Action: Describes what actions by government that affect the contract may give rise to a change in the terms and conditions of the contract, and how these are effected;
- Government Warranties: Describes what warranties government is making in terms of the project;
- Private Sector Warranties: Describes the warranties that the Private Sector is making in terms of the project;
- Change in the Law: Similar to Governmental action describes what the consequences are if the law is changed;
- Variations: Sets forth the procedures to be followed when either part to the PPP contract wishes to change any material portion of the contract;
- Termination: Describes the conditions under which either party may terminate the contract, the processes to be undertaken in that regard, and the consequences to each party of a termination;
- Indemnification: Describes how and under which circumstances either party may be called upon to indemnify the other because of a given circumstance;
- Intellectual Property: Describes the rights of each party to any intellectual property brought to the project or created

during the project, including the steps to be taken to protect the intellectual property of third parties, such as IT Software Manufacturers.

- Claims: Sets forth the procedures to be followed when either party has a claim against the other;
- Financial Security: Defines the action of either party that may give rise to a breach of any financing agreement by which project financing was obtained, and the remedies for such breach;
- Dispute Resolution: Describes the steps to be taken by either part to resolve any dispute that may rise as to the interpretation of the PPP contract;
- Step-in Rights: Sets forth the circumstances that may permit either the government or any financial institution to “step in” to the contract to protect its rights under the PPP contract;
- Changes in the Composition of the Private Sector Service Provider: Describes the consequences, especially where the private sector service provider is a Special Purpose Vehicle (SPV) of a change in the ownership or key personnel thereof;
- Partnership Management: Sets forth the mechanisms whereby the parties to the PPP contract will interact with each other going forward.
- Compliance with all Laws: Requires each party to comply with all laws pertaining to the project, including obtaining environmental, zoning, planning and other permits;
- Personnel: If the PPP contract involves taking over government employees, describes the manner in which those employees are employed by the private sector service provider, including any restrictions on terminations or redundancies for operational reasons; and

- Conditions Precedent: Describes any conditions precedent to be fulfilled by either party before the contract takes effect.

Contracts should define the parameters of the PPP relationship and limit the activities of all parties. It should provide sufficient flexibility and control to ensure objectives of all parties are met and that differences can be referred to the benefit of the project. Procurement conditionalities of fund providers often represent the main cause for project collapse. It is therefore important to keep things simple which is often more effective than being over prescriptive. The procurement options is expected to change with accession.

The PPP unit will directly influence the design of contractual documents despite the fact that it is not a party to individual project contracts.

PPP GLOBAL OUTLOOK

Private ownership enterprises have a long history and government ownership can be direct or indirect whereby the government directly either owns shares in the corporation or state holding company acquires shares in the Company. PPP can occur in several forms, shapes and direction but the principal objective and the silent under-lining factors must be sustain.

1. GERMANY

Volks Wagen	-	Federal Government	-	20%
		- State of Lower Saxony	-	<u>20%</u>
		- Private Shareholders	-	<u>60%</u>
				100%

2. NETHERLANDS

- The tunnel under river Noord.
- LG of Nijmegen and ING Real Estate development for the completion of the Marienburg-project and the disposal of common real estate.

3. FRANCE

- Compagnie Generate des Eaux and the lyonnaise des Eaux for Water Infrastructure.
1854 = 31%
1980 = 60%
1991 = 75%

4. U.K

- London underground and National Air Traffic Services (value = £20 billion)
- Channel Tunnel Rail Link Project (£4 billion)
- Military helicopter training, hospitals, schools and water treatment services (£8 Billion).

5. U.S.A

- Dade County Florida and Private housing companies The houses at market rate while Dade County retain social responsibilities of the Public Sector.
- Wheelaborator Environmental System Inc and Treated Water Outsourcing.

- Nako and U.S Filter Joint Venture for Waste Water Treatment.
6. CANADA
- The high way 104 Western Alignment linking Truto to Amhersth.
 - Construction of 39 Schools through PPP.
 - Adult Correctional/Forensic Institution.
7. CHINA used BOT for:
- Shanghai Da Chang Water Project
 - Changsha Power Project
 - Chengdu Water Project
 - Laibin B Power Plant Projects.
8. HONGKONG
- Tate's Cairn Tunnel the 4km Four Lane Automobile twin tube tunnel connecting Kowloon with the new towns.
9. SOUTHAFRICA used BOTT for:
- Water system in South Africa by the National and provincial treasury.
10. NIGERIA used Concessionary and Landlord Models for:
- All the Nigeria Western Port e.g A.P Moller and NPA, Dangote and NPA etc.
 - Real Estate Development especially Abuja Security.

- 11. POLAND - Waste Water Treatment Plant.
- 12. PORTUGAL - The Vasco De Gama Bridge.

LESSONS FOR NIGER STATE

To avoid Ferrari Syndrome A State in which over ambitions designs are financed and implemented.

Public protest can severely disrupt project implementation; hence projects not ascended by the majority of the Public is called PPP Public Protest Project. Constructive public participation should be encouraged to optimize design minimize protest and enhanced public oversight.

A serious campaign to prevent the construction of a waste incinerator in the Centre of Hull. Hull city council and East Riding of Yorkshire Council signed a 25 years contract allowing the waste Recycling Group (WRG) to burn 165,000 tones of rubbish a year in the new incinerator. This was met with incinerator protesters march where hundreds of protesters who are concerned about the alleged health risks associated with incinerators marched to the City Council buildings to object to the plan.

In Nigeria an example of PPP guideline is that of Blue Chip (Dangote, Otedola, Transcorp and others) and the (NNPC) Federal Government which is largely due to lack of enough sensitization and awareness and public distrust as regards the openness and transparency of the transaction which gives room for doubt.

WHY PPP IN NIGER STATE

Public Private Partnership (PPP) is the strategic alternative for most Public Sector Institutions in view of dwindling resources which is also applicable to Niger State. The peculiarities of Niger State to adopt PPP stemmed from among others:

- i. Infrastructural decay and singing infrastructure demand
- ii. Limited financial resources and new financing resources and mechanisms opportunities.
- iii. The efficiency, effectiveness and capacity to deliver on demands of the Private Sector.
- iv. Opportunities to facilitate technology transfer and acquisition into the State.
- v. Re-engineering and re-positioning of the Niger State Civil Service by acquiring more experience of the Private Partners.
- vi. To buy into the prudency culture of the Private Partners for the benefit of the State.
- vii. To fast-track infrastructural and socio-economic development.
- viii. To ensure transparency and accountability to the electorate.
- ix. Quicker provision of dividends of democracy.
- x. To ensure equitable and dispersal development in Niger State.

Part One

INTRODUCTION

1.1 GOAL

The Goal is to fast-track infrastructure development and service delivery to the people of Niger State through Public Finance Initiative (PFI) Model of PPP.

1.2 SCOPE

The Scope of the PPP Unit under this policy is to facilitate collaboration and cooperation with stakeholders to ensure that PPP strategies are adopted in the following areas:

S/N	SCOPE	AREAS	Short-term (Target 2 months)	Medium – term (Target 4 months)	Long-term (Target 6 months)
1.	Agriculture Education Extension Services, Agro-Micro Finance & Land preparation.	Fertilizer production/ procurement, conservation, high breed plantation, specialized farming , rice initiative, Badeggi Rice Mill , Cassava Initiative & Ethanol Project.	Sensitization and Specific Project identification	Promotion and Strategic Partners Identification	Implementation
2.	Water	Bi-water, Ruwantsa, Urban Water, Semi Urban, Rural Water, Dams, Water Management, Water Marketing.	Sensitization and Specific Project identification	Promotion and Strategic Partners Identification	Implementation
3.	Environmental Issues	Waste stratification and collection, Waste to wealth creation, waste disposal management, environmental sanitation.	Sensitization and Specific Project identification	Promotion and Strategic Partners Identification	Implementation
4.	Housing and Urban Planning	5,000 Housing Units, Road Network, House & streets Numbering/Management, Sites and services /Land preparation and acquisition in different parts of the State.	Sensitization and Specific Project identification	Promotion and Strategic Partners Identification	Implementation

5.	Transportation	Road dualization, airports, fleet, buses, road rehabilitation and maintenance of road mgt.	Sensitization and Specific Project identification	Promotion and Strategic Partners Identification	Implementation
6.	Tourism and Hospitality	Tourist village, Medical tourism, site development, Zuma Hotel, Minna 5 Star Hotel, Gurara International Tourism Centre, Annual Tourism Events etc.	Sensitization and Specific Project identification	Promotion and Strategic Partners Identification	Implementation
7.	Health	Hospital and clinic management, NHIS, Hospital and Clinic Building.	Sensitization and Specific Project identification	Promotion and Strategic Partners Identification	Implementation
8.	Education	Schools management, Higher Schools Hostel, Cafeteria, Bookshop Building and mgt etc	Sensitization and Specific Project identification	Promotion and Strategic Partners Identification	Implementation
9.	Information Communication Technology	Niger State Website, ISP, Radio, T.V, News Paper, Computer Training.	Sensitization and Specific Project identification	Promotion and Strategic Partners Identification	Implementation
10.	Industrial Sector	Industrial Clusters Development, Industrial Estates, Industrial Layout, Minna Air Cargo Port, Baro Port, Babana Dry Port, Suleja Industrial Estate.	Sensitization and Specific Project identification	Promotion and Strategic Partners Identification	Implementation
11.	Commercial Sector	Modern Markets, Shopping Complex in the three Senatorial Zones, Suleja International Market, Mokwa Cattle Market.	Sensitization and Specific Project identification	Promotion and Strategic Partners Identification	Implementation
12.	Energy	Industrial Power Project Solar Energy Factory, Zungeru Hydro Power, Gurara Hydropower			

Part Two

POLICY OBJECTIVES AND IMPLEMENTATION

2.1 OBJECTIVE ONE

To enhance government capacity to develop integrated solutions to infrastructure problems.

2.1.2 STRATEGIES

2.1.2.1 Establish the PPP Unit for the implementation of the policy in the Governor office.

2.1.2.2 Establishment of PPP Unit in each of the MDA to be headed by a Deputy Director.

2.1.2.3 Establish PPP Committees at the Ministry level for sensitization and Project implementation with the Commissioner as Chairman.

2.1.2.4 Developing guidelines for the implementation of PPP Projects

2.2 OBJECTIVE TWO

To collaborate with major stakeholders for PFI and PPP.

2.2.1 STRATEGIES

2.2.1.1 Identification of major stakeholders (Private Sector Operators, Financial Institutions, Community Based Organizations, NGOs, Donor Agencies)

2.2.1.2 Sensitization of stakeholders to understand State Government position and accept their responsibilities through Bulletin, Seminars, Fliers, Media, IP3 programs

2.2.1.3 Entering into suitable understanding (MOU) and (MOA) with the relevant stakeholders.

2.3 OBJECTIVE THREE

To facilitate creative and innovative approaches to service delivery and socio-economic industrial infrastructural development.

2.3.1 STRATEGIES

2.3.1.1 Quality service by any body who accept to be in the employment of government either through election or appointment must see/regard himself as serving the people.

2.3.1.2 Allow bidders to compete on the basis of their ability for project through advertisement or due diligence by the MDA due process.

2.3.1.3 Technical Assessment of Project delivery strategies

2.3.1.4 Conducting screening process to determine ability of the project and provide value for money, if the process is negotiated any aggrieved can therefore interject the process up to the level of Award.

2.3.1.5 Ensuring close monitoring and evaluation of project.

2.4 OBJECTIVE FOUR

To reduce the cost and duration of project implementation.

2.4.1 STRATEGIES

2.4.1.1 Establish synergies and networking among stakeholders by proper understanding of the project by the negotiators involved for a symbiotic relationship.

2.4.1.2 Using economic of scale to achieve reduction in life cycle costs by appropriate prioritization of resources and timing.

2.4.1.3 Discourage design changes during project implementation to avoid unnecessary project delay, cost and time variation.

2.4.1.4 Incorporate reward for the Private Partner on-time project completion through more patronage, award of plaque and publicity of the private partner.

2.4.1.5 Design and construction to occur concurrently rather than sequentially to achieve timely completion of the project.

2.5 OBJECTIVE FIVE

To share the project risks among the partners.

2.5.1 STRATEGIES

2.5.1.1 Identification and sharing of risk according to ability of the partners.

2.5.1.2 As a general rule of PFI/PPP design, construction, operational risks are transferred to the private partners

2.5.1.3 Financing and performance risks to be shared to the Private partners in view of technical expertise and efficiency.

2.5.1.4 Residual risks are to be retained by Public partner for proper actualization of the project

2.6 OBJECTIVE SIX

To assess skills, experience and technology of the private partners periodically on the project.

2.6.1 STRATEGIES

2.6.1.1 Using PPP Project to gain new skills, technology and know-how for public partners and value re-orientation.

2.6.1.2 Ensure Private Partner expert is on the team

during technical project analysis but excluded during the final decision making.

2.6.1.3 Ensure technology transfer to local project participants.

2.7 OBJECTIVE SEVEN

To source private partners/investors for PPP Projects.

2.7.1 STRATEGIES

2.7.1.1 Publicizing available and viable project of PPP using relevant media.

2.7.1.2 Identifying and evaluating of PPP Projects and investors according to set of standards and criteria.

2.7.1.3 Encouraging private sector operators to form consortium to participate at PPP Projects in the State with appropriate incentives.

2.8 OBJECTIVE EIGHT

To ensure efficient and effective performance of PPP Project.

2.8.1 STRATEGIES

2.8.1.1 Providing sufficient information and amenities to meet the needs of the private partners on the Project.

2.8.1.2 Providing enabling environment for project execution

2.8.1.3 Providing allowance for relevant linkages with other service providers that will enhance efficient and effective productivity.

2.8.1.4 Promoting professionalism directly or indirectly.

2.8.1.5 Undertaking quantitative and qualitative performance evaluation of the projects.

2.9 OBJECTIVE NINE

To fund the implementation of PPP projects.

2.9.1 STRATEGIES

2.9.1.1 Sourcing of funds from Government sub-ventions and grants

2.9.1.2 Developing innovative financing mechanisms

2.9.1.3 Sourcing funds from Public and Private Venture Capital.

2.9.1.4 Sourcing of funds from International donor agencies.

2.9.1.5 Sourcing of funds from bilateral and multi-lateral organizations/agreements.

2.9.1.6 Sourcing of funds from consultancy and other services

2.9.1.7 Sourcing of funds from Banks, Capital Market and Financial Institutions.

2.10 OBJECTIVE TEN

To ensure compliance with Policy and Regulation Framework.

2.10.1 STRATEGIES

2.10.1.1 Administering MOU/MOA

2.10.1.2 Liaison with BPE for expertise advice

2.10.1.3 Collaborating with Ministry of Justice and other Legal Regulatory Enforcement Agencies.

2.10.1.4 Instituting Litigation where necessary.

OPERATIONAL GUIDELINES

3.1 FUNCTIONS AND ORGANIZATIONAL STRUCTURE

The PPP Unit shall coordinate the PPP Programme in Niger State while the actual collaboration, corporation and partnership shall take place at the Ministries, Extra-ministerial departments and agencies. The functions of the PPP Unit are as stated below:

3.2 FUNCTIONS OF PPP UNIT

- 3.2.1 - Policy formulation and coordination
- 3.2.2 - Supervision, monitoring and evaluation
- 3.2.3 - Prioritization of projects, target setting, development of benchmarks and impact assessment.
- 3.2.4 - Sourcing of partners from Donor Agencies, Foundations, Venture Capital, Banks, Bilateral and Multi-lateral sources.
- 3.2.5 - National and International Liaison with other States and LGAs, National Stakeholders e.g BPE, NPA etc and International bodies e.g World Bank, UNIDO, USAID, DFID etc.
- 3.2.6 - Preparation of PPP development plans.
- 3.2.7 - Establishment of PPP Committees at the Ministries, Extra-ministerial departments and agencies.
- 3.2.8 - Drafting of MOUs and agreement in-conjunction with State Ministry of Justice for relevant partners.
- 3.2.9 - Handle all arbitration and adjudication in conjunction with Ministry of Justice

- 3.2.10 Organize investors forum periodically and conduct project proposal assessment.

- 3.2.11 Advocacies

3.3 FUNCTIONS OF PPP COMMITTEE

- 3.3.1 - Sensitization of Ministries, Extra-ministerial department and agencies.
- 3.3.2 - Identification of Projects for PPP
- 3.3.3 - Prioritization of PPP Projects
- 3.3.4 - Evaluation of PPP Projects in conjunction with PPP Unit.
- 3.3.5 - Joint Selection of PPP Project with PPP Unit
- 3.3.6 - Supervisions, monitoring and evaluation of PPP Projects
- 3.3.7 - Establishment of SERVICOM Desk Officer in all Ministries, Extra-ministerial department and agencies to enhance service to delivery.

3.4 ORGANIZATIONAL STRUCTURE

The organization structure for PPP Unit and is as in Appendix I. The PPP Committee is chaired by the Chief Servant, Deputy Chief Servant as Deputy Chairman, while the Secretary to the State Government is the Vice Chairman. Other members include:

PA/SSA (PPP)	-	Member
Commissioner of Commerce	-	Member
Commissioner of Finance	-	Member
Commissioner of Justice	-	Member
Commissioner of Works	-	Member
SSA Programme	-	Member
SA Due Process	-	Member

TIC Manager/PPP Specialist	-	Member
D.G SME/MF	-	Member
President NCCIMA	-	Member
Representative of ESACON	-	Member
DG PPP	-	Secretary

3.5 PPP UNIT SECRETARIAT

The PPP Unit Secretariat is to be headed by Director General and supported by three Directors of:

- i. Administration and Finance
- ii. Planning and Liaison
- iii. Operations

3.6 PPP SECTORIAL COMMITTEES.

A. Commerce and Hospitality Committee

- i. Hon. Commissioner Commerce - Chairman
- ii. Representative of PPP Unit - Member
- iii. Vice President Tourism NCCIMA - Member
- iv. President of Hotel Association - Member
- v. The President of Market Associations - Member
- vi. Director Commerce - Member
- vii. General Manager Tourism Corporation - Secretary

B. Social Service Committee

- i. Hon. Commissioner of Education - Chairman
- ii. Hon. Commissioner of Health - Member
- iii. Hon. Commissioner of Youth & Sports - Member
- iv. Representative of PPP Unit - Member
- v. SSA on Water Management - Member
- vi. President of Private Schools Association - Member
- vii. PTA Niger State Chapter President - Member
- viii. President Pure Water Producers Niger State - Member
- ix. Director General Youth Commission - Secretary

C. Infrastructure Development Committee

- i. Hon. Commissioner of Works & Infrast. - Chairman
- ii. Hon. Commissioner of Transport - Member
- iii. Hon. Commissioner Land & Environment. - Member
- iv. Representative of PPP Unit - Member
- v. President NURTW Niger State Chapter - Member
- vi. General Manager Niger State Urban Dev. - Member
- vii. General Manager Housing Corporation - Secretary

3.7 PPP MINISTRY COMMITTEES

The PPP Ministry Committees is to be headed by the Hon. Commissioner as the Chairman.

- Permanent Secretary as the Vice Chairman
- All the Directors of the Ministry as Member
- All Heads of the Agencies under the Ministry as Member
- Director Planning, Research and Statistic Secretary

3.8 PPP COMMITTEE OF ORGANIZED PRIVATE SECTORS (OPS)

The PPP Committee of the Organized Private Sectors (OPS) shall be headed by the President of NCCIMA as Chairman.

- The President of NASSI as Vice Chairman
- The President Niger State America Chambers - Member
- The President of Niger State NAWA - Member
- The Vice Presidents of NCCIMA - Member
- The Vice President of NASSI - Member
- Representative of ESACON - Member
- Financial Institutions Representative:
 - Zenith Bank - Member
 - UBA - Member
 - First Bank - Member
- The NCCIMA Secretariat - Secretary

3.9 LEGAL INSTRUMENT

All partnerships, collaborations and cooperation between Niger State Government (Ministries, Agencies, Parastatals etc) and any stakeholder or interested party shall be backed with legal instruments in form of (i) Legislative act where required/necessary (ii) Memorandum of Understandings (MOUs) (iii) Memorandum of Agreements (MOAs).

The State Ministry of Justice must be involved from the early stages of negotiation through to the final agreement for legal implications interpretation and advice.

The Legislative arm of government shall be brief periodically by the PPP Unit to be abreast with the philosophies and actions of the Executive Arm of Government.

