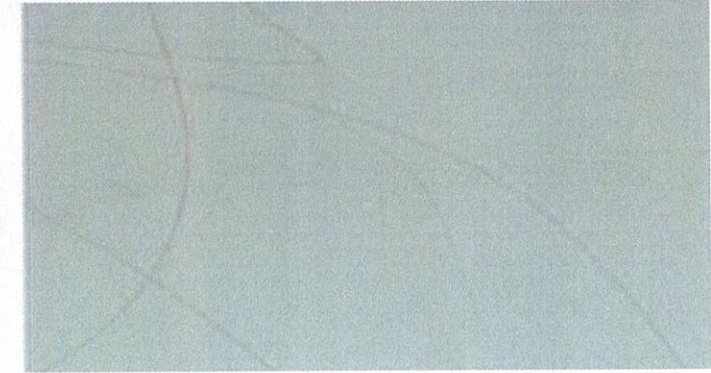
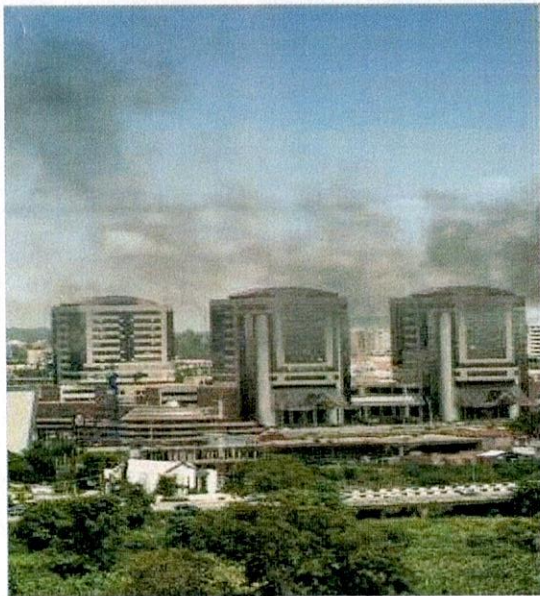


16 July, 2013

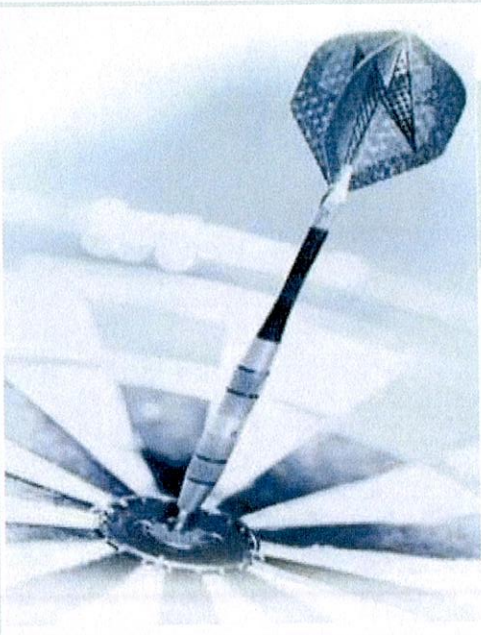
National Integrated Infrastructure Master Plan

Presentation of the Draft Final NIIMP

National Steering Committee



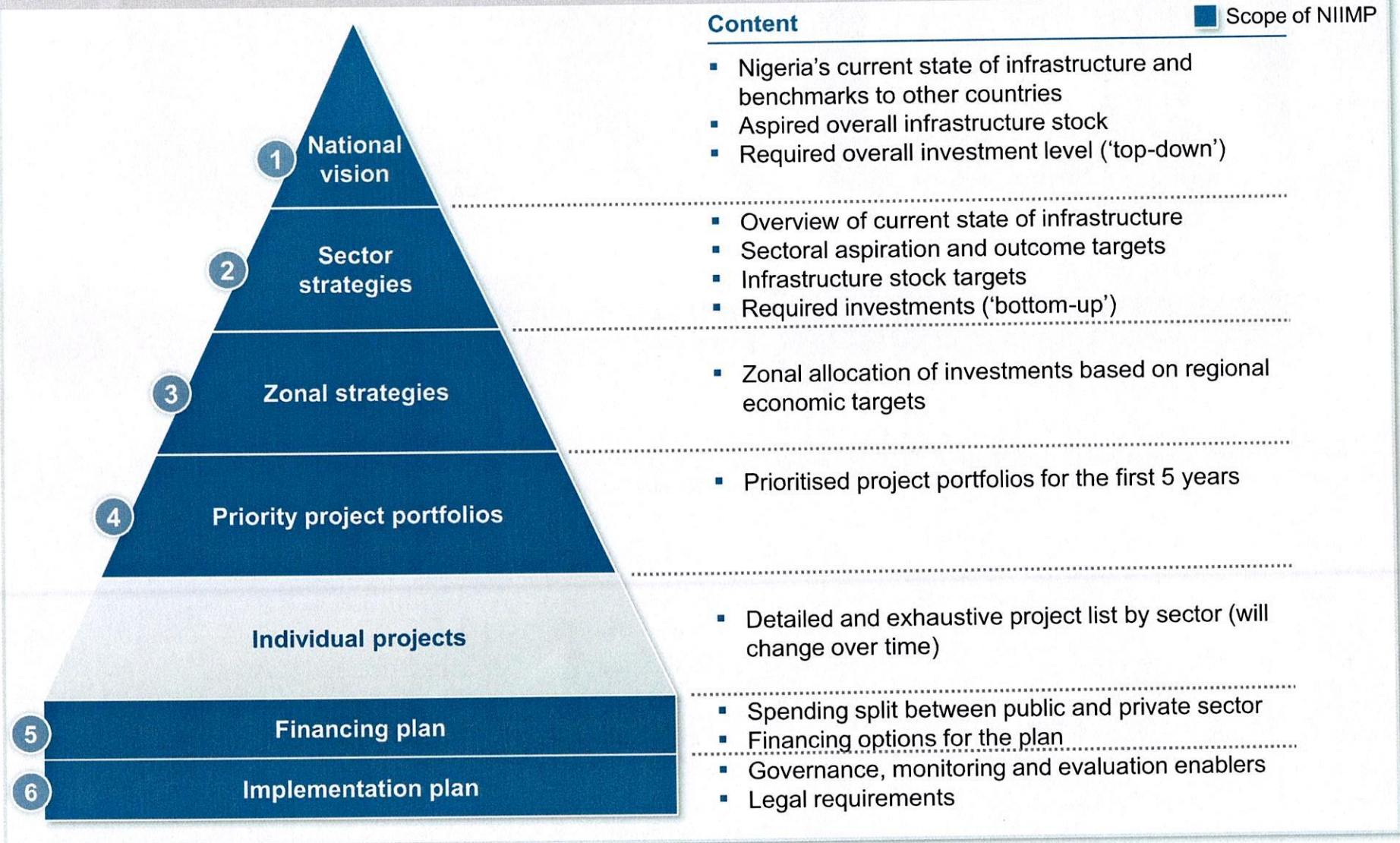
Objective of today's discussion



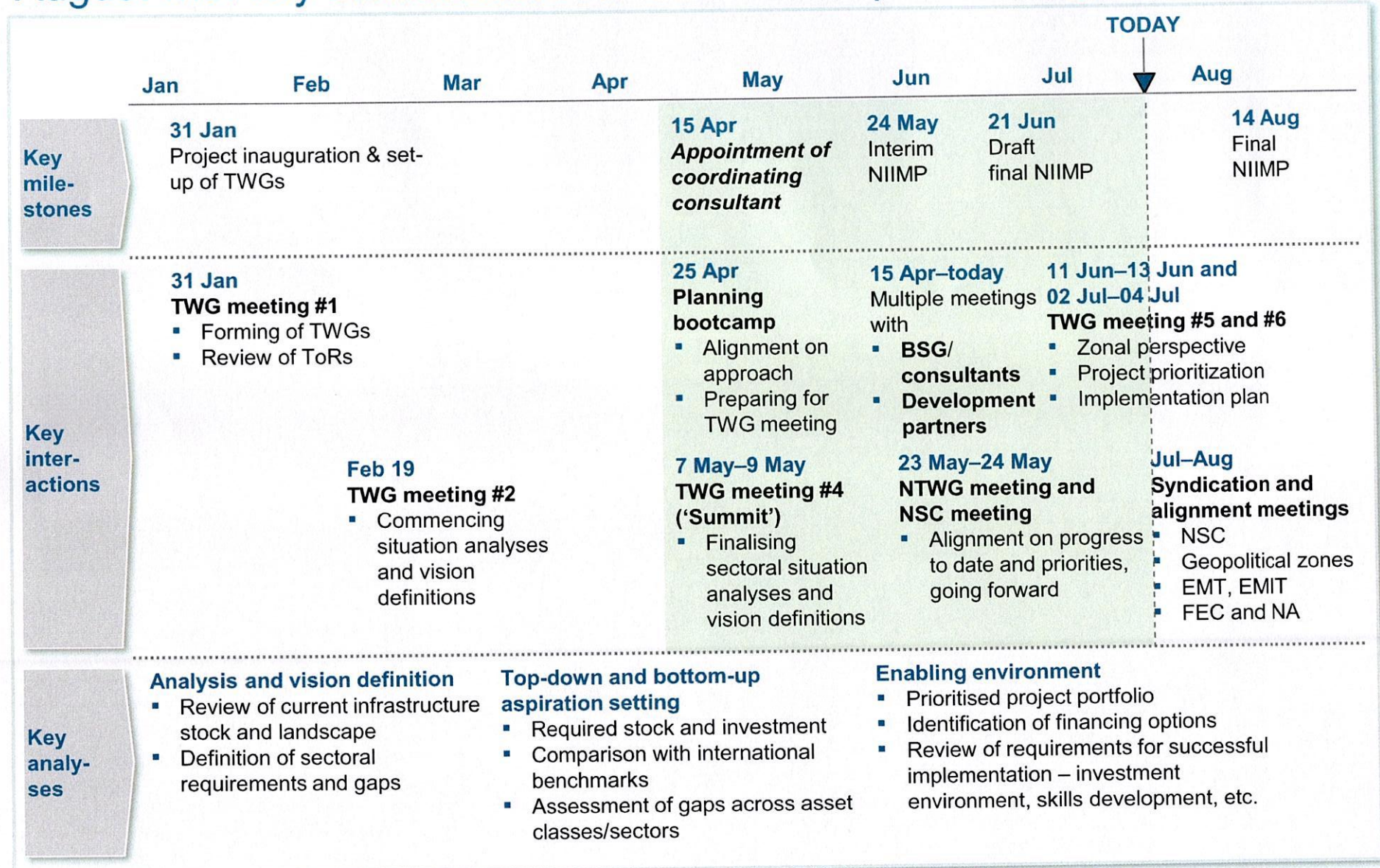
- **Provide an update on the NIIMP development process to date**
- Discuss key findings and discuss strategic considerations for NIIMP
- Align on next steps

The NIIMP provides a capital allocation framework for infrastructure investments and outlines required enablers for implementation

Structure of NIIMP




The NIIMP will be finalized by mid-July, and syndicated during July-August with key stakeholders for additional input and alignment



SOURCE: NIIMP development team

Objective of today's discussion



- Provide an update on the NIIMP development process to date
- **Discuss key findings and discuss strategic considerations for NIIMP**
- Align on next steps

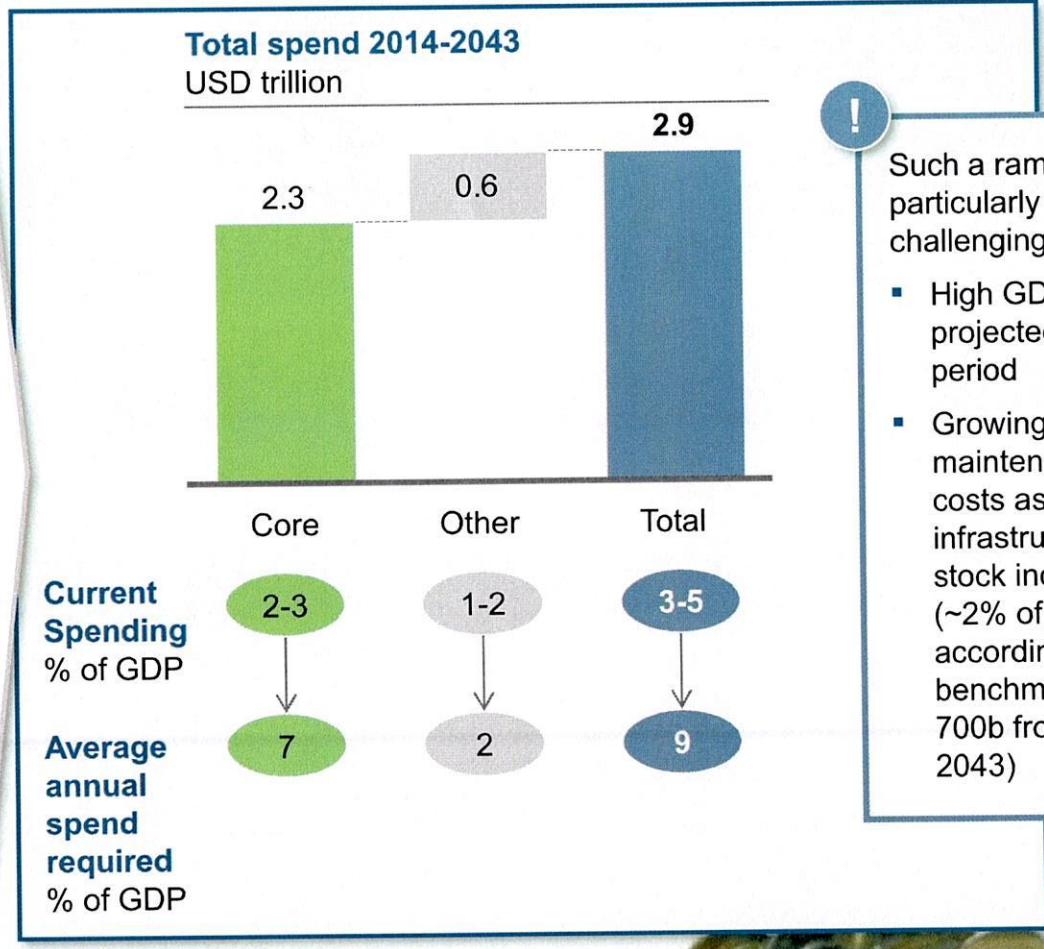
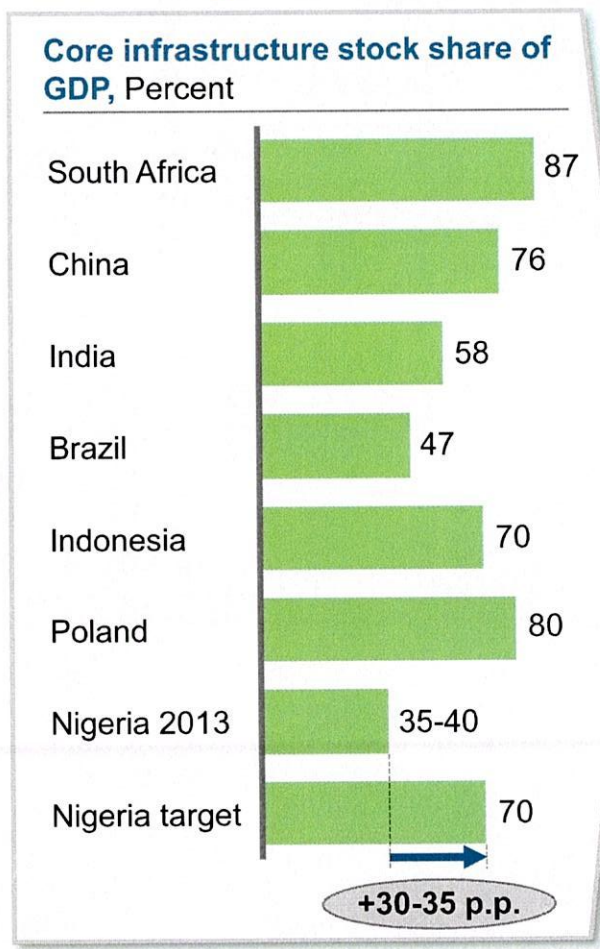
Key questions addressed in NIIMP

Discussed in previous NSC meeting

What?	① What is the level of required investments to develop infrastructure in line with Nigeria's economic development targets and how will the investments need to ramp up over time to reach the target level?
	② What are the investments required by each asset class?
	③ How should the investments be allocated across the regions?
	④ What are the priority project portfolios and quick wins?
How?	⑤ How will the NIIMP be financed?
	⑥ How do we drive implementation of NIIMP?

1 Recap: Most countries globally have a core infrastructure stock value of ~70% of GDP; Nigeria will need to invest \$2.9 trillion over the next 30 years to reach this benchmark

■ Core



! Such a ramp-up is particularly challenging given

- High GDP growth projected for the period
- Growing maintenance costs as infrastructure stock increases (~2% of GDP according to benchmarks, or 700b from 2014 to 2043)

NOTE: Core includes Transport, Energy, ICT and Water. Other includes Agriculture, Mining, Social Infrastructure, Housing, Security and Vital registration

SOURCE: ITF; GWI; IHS Global Insight; McKinsey Global Institute analysis; Team analysis



1 To fast track investments, an accelerated growth model is preferred. This would require annual investments to grow from ~\$10b to \$25b in 2014-18

Preferred option
Percentage of GDP

Options considered

1 Linear growth

Over next 5 years requires USD ~19 billion per annum

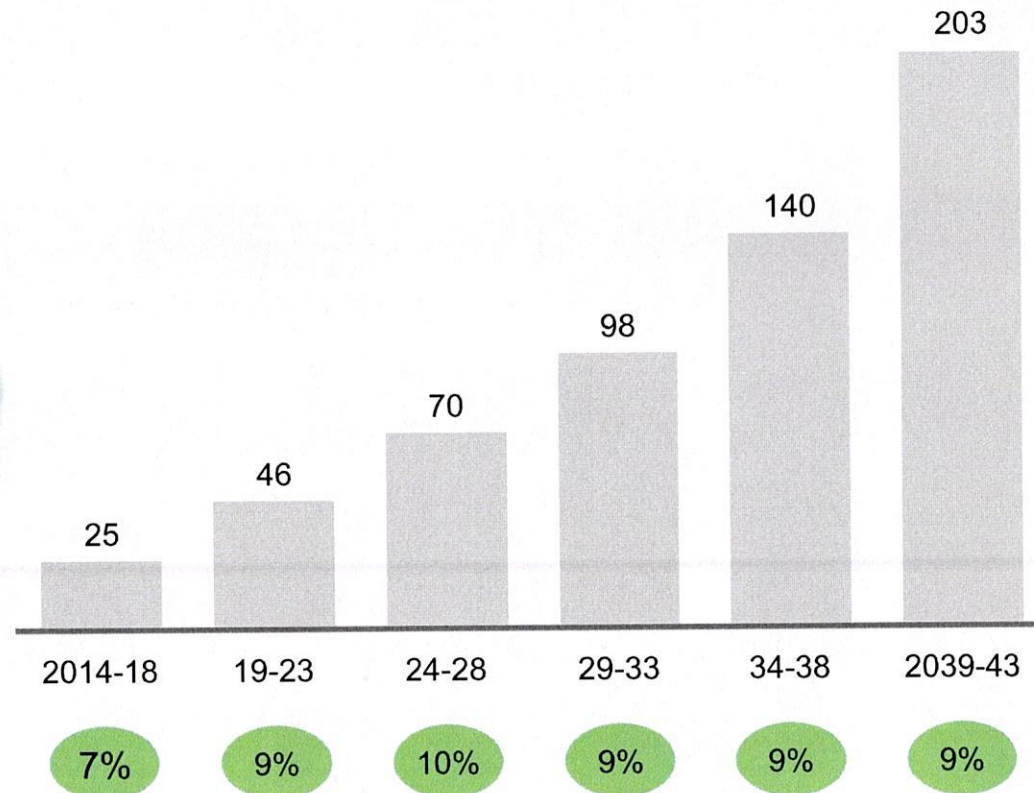
- + Focus on capability building for longer term sustainable growth
- + Job creation opportunities
- Risk of declining public perception if quick visible changes not demonstrated
- Time to develop required skill base

2 Accelerated growth

Over next 5 years requires USD ~25 billion per annum

- + Faster time to impact in terms of economic and social development
- + Momentum building
- Very high need of financing in the coming 5-10 years
- Large local capability challenge

Investments required, USD billion



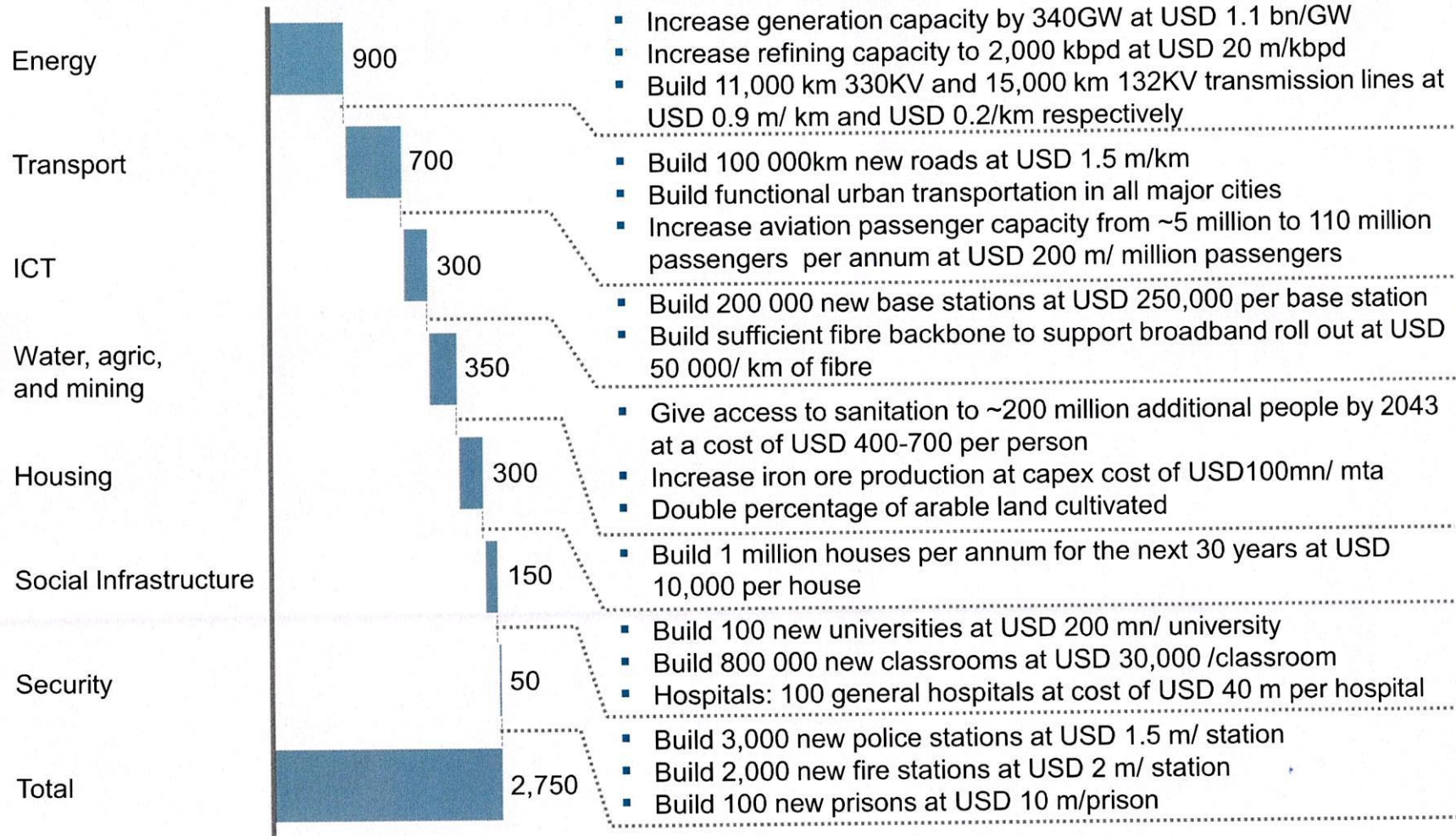
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2 We triangulated top-down and bottom-up estimates to achieve the required investment level by asset class

Infrastructure spend per sector, 2014-43

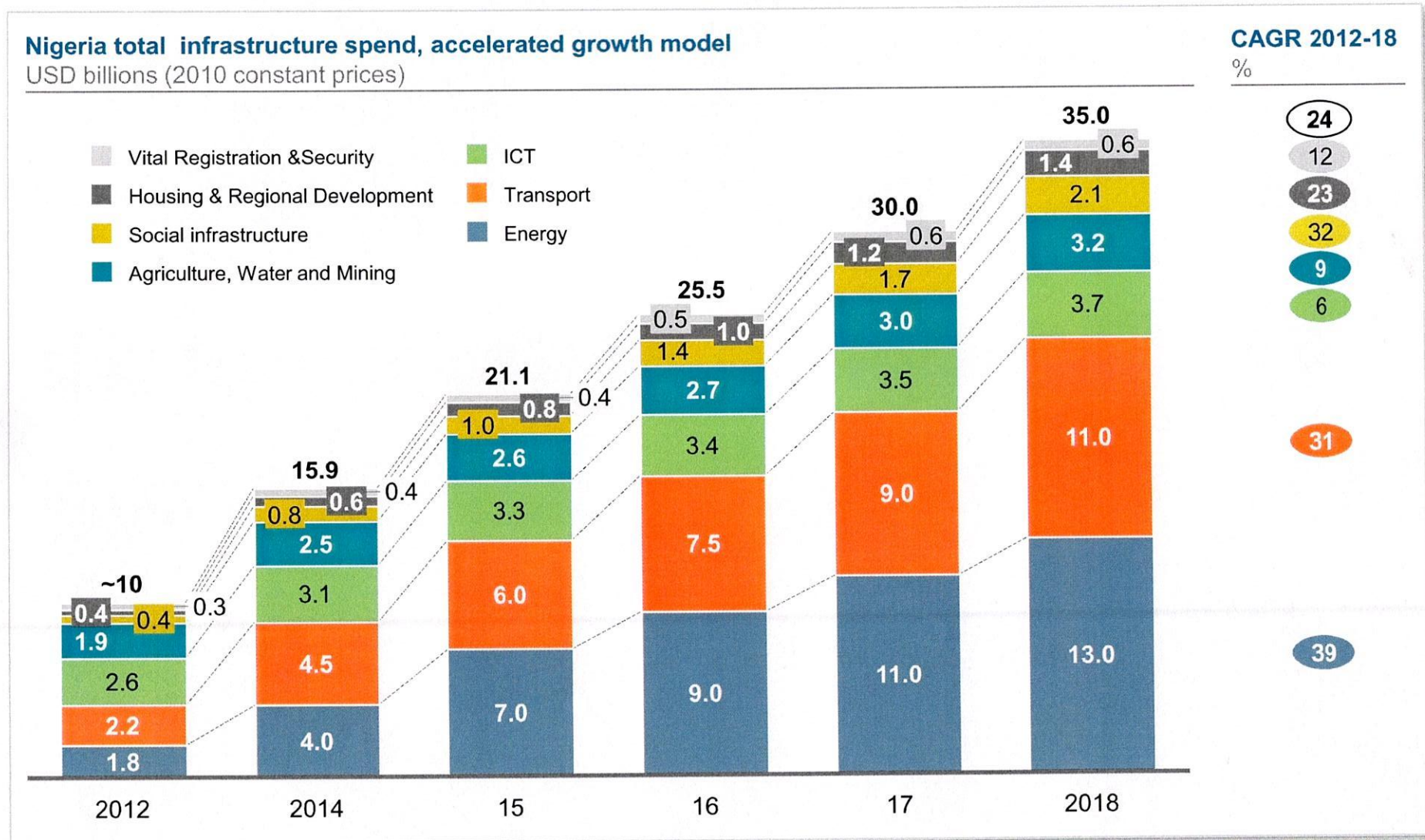
USD billion



SOURCE: MGI, TWGs, International benchmarks comparisons

To many quantity based assumptions

2 In short term, transport and energy should be prioritised as asset classes with the largest immediate economic benefit



SOURCE: NBS; NIP; MGI; AfDB; TWG; International benchmarks comparisons; team analysis

Key questions addressed in NIIMP

What?




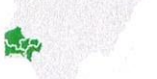


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How?

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- 6 How do we drive implementation of NIIMP?

3 Multiple factors considered for the 6 geopolitical zones


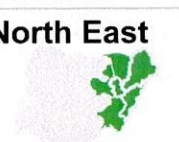
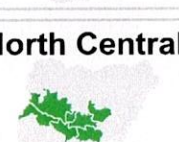

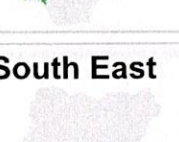
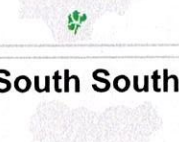
X% Share of total

Region	States	GDP (USD bn)	Population (millions)	Area ('000 km ²)	Primary resources
 North West	Jigawa, Katsina, Kaduna, Kano, Kebbi, Sokoto, Zamfara	44	35.9	212	<ul style="list-style-type: none"> Solar and wind potential Land for agricultural cultivation Solid minerals (iron ore, gold)
 North East	Adamawa, Bauchi, Borno, Gombe, Taraba, Yobe	22	19.0	280	<ul style="list-style-type: none"> Space for agricultural cultivation Surface water resources Natural sights (Mambila plateau, game reserves, wet lands) Solid mineral (lime stone, barriite, coal) Solar potential
 North Central	Benue, Kogi, Kwara, Nasarawa, Niger, Plateau, FCT	30	21.1	219	<ul style="list-style-type: none"> Surface water resources Large solid minerals reserves (iron ore, coal, etc.) Fertile land Skilled manpower Inland waterways
 South West	Ekiti, Lagos, Ogun, Ondo, Osun, Oyo	90	27.7	77	<ul style="list-style-type: none"> Skilled manpower Solid minerals (gold, glass sand, granite) Commercial and industrial density Inland waterways
 South East	Abia, Anambra, Ebonyi, Enugu, Imo	47	16.4	30	<ul style="list-style-type: none"> Oil and Gas reserves Solid minerals reserves (coal) High urbanisation and population density High intensity of commercial activities
 South South	Edo, Delta, Rivers, Bayelsa, Akwa Ibom, Cross River	75	21.0	85	<ul style="list-style-type: none"> Oil and Gas reserves Surface water resources and inland water ways Fertile land and favourable climate for agriculture, Forest resources Sea ports High intensity of commercial activities

SOURCE: States infrastructure & Regional Development TWG, Governors Forum, Team analysis

3 ... which drive the economic priorities

✓ High priority
 ✓ Medium priority
 ✓ Low priority

Zone	Potential economic priorities							
	Agric.	Oil and gas	Power gener.	Solid miner.	Manuf.	Tourism	Tech	Com-merce
North West 	✓	✓	✓	✓	✓	✓	✓	✓
North East 	✓	✓	✓	✓	✓	✓	✓	✓
North Central 	✓	✓	✓	✓	✓	✓	✓	✓
South West 	✓	✓	✓	✓	✓	✓	✓	✓
South East 	✓	✓	✓	✓	✓	✓	✓	✓
South South 	✓	✓	✓	✓	✓	✓	✓	✓

Needs Announcement

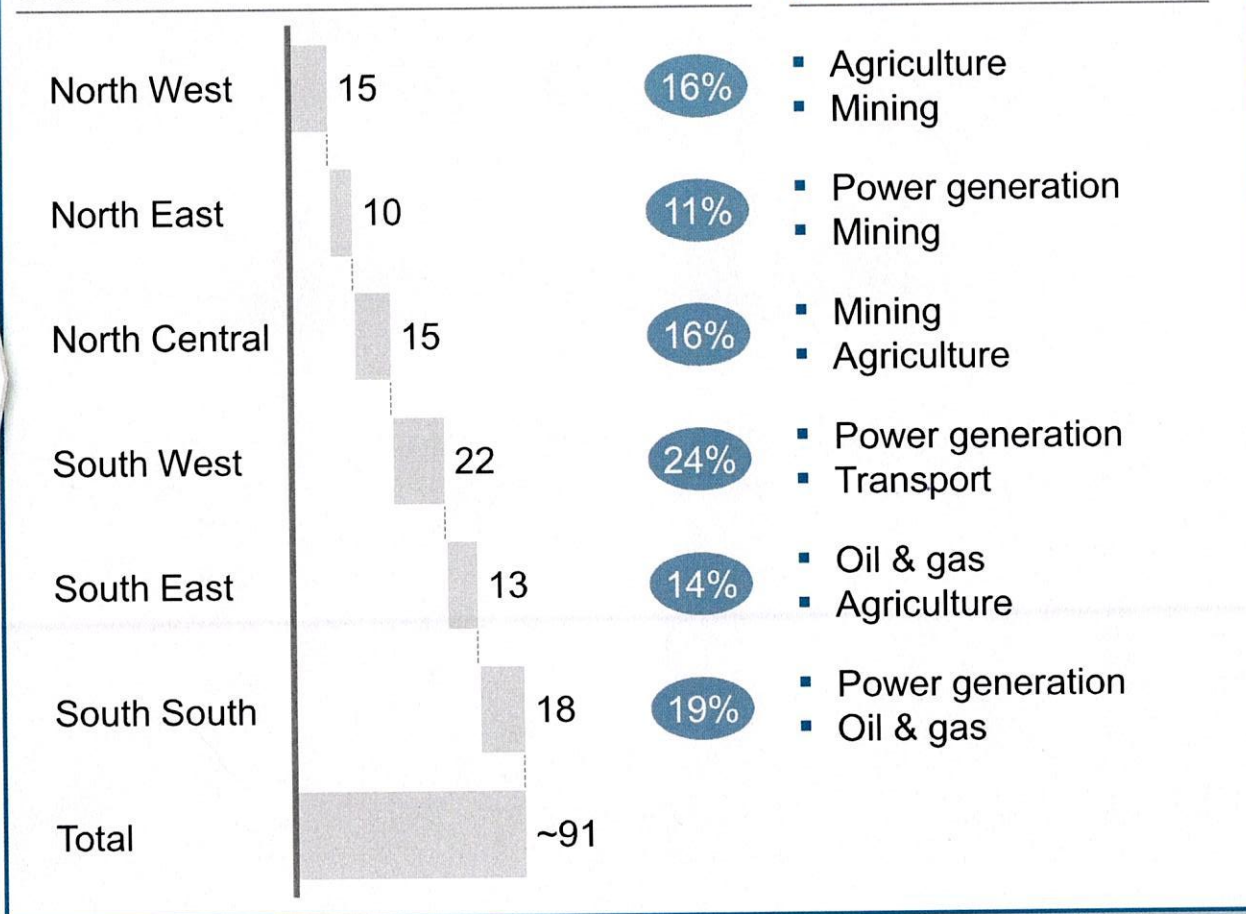
- !
- Overview only shows clear priority areas – investments into other sectors will of course still be needed and viable
 - Agriculture is the only sector that is highly emphasized across all zones
 - Zonal focus areas follow natural endowments
 - Oil and gas industry clustered in the South
 - Solid minerals industry particularly emphasised in the North

3 Regional investment needs were determined based on current socio-economic indicators and development priorities

Factors considered

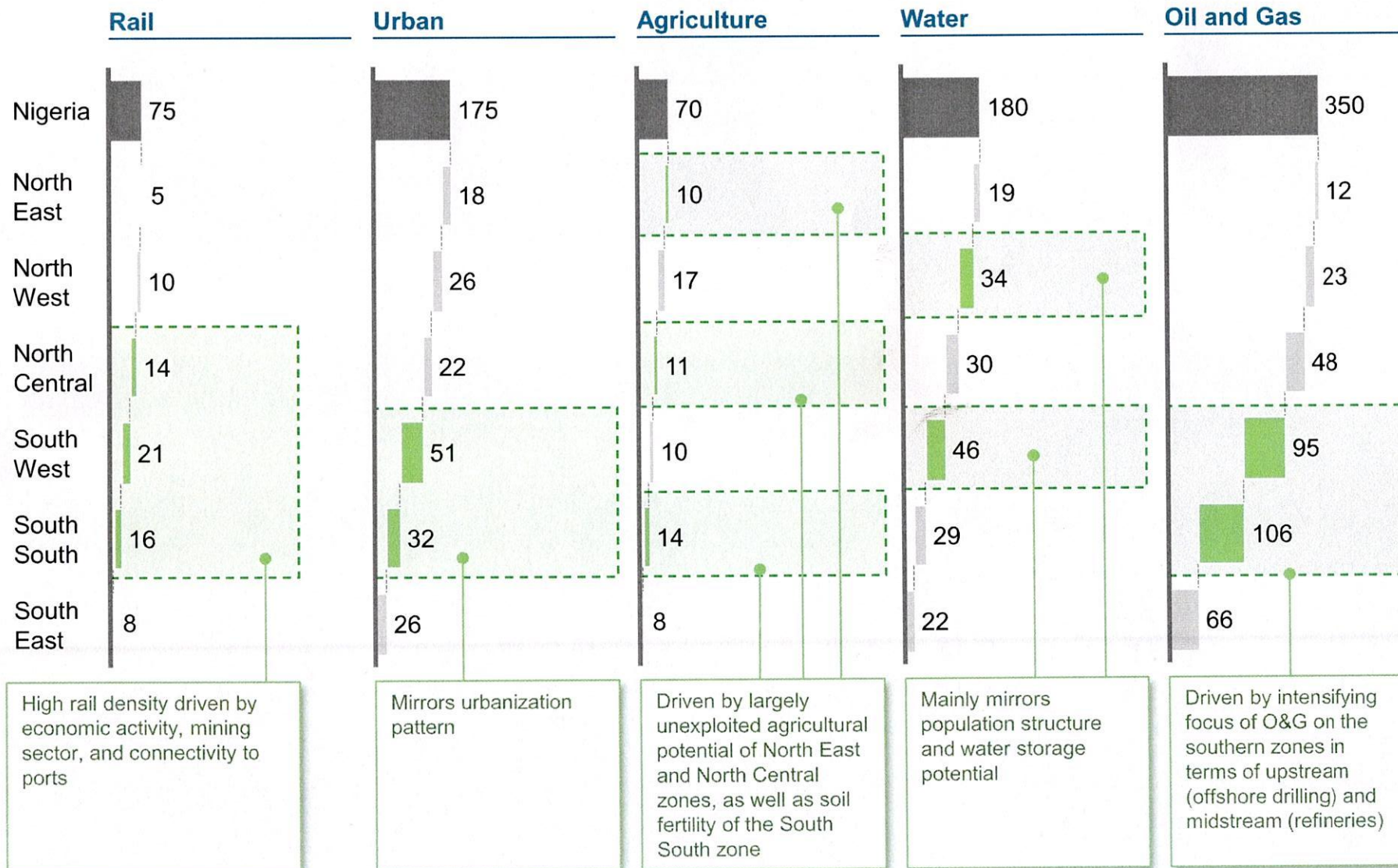
- Regional comparative advantages and economic focus
- Population split and minimum requirements
- Size of the economy by region
- Quick win opportunities by asset class

Average annual spend per region 2014-43 USD billion



3 Allocation was done on a subsector level

EXAMPLES



SOURCE: States Infrastructure & Regional Development TWG; Governors' Forum; NIIMP Development Team

Key questions addressed in NIIMP

What?

- 1 What is the level of required investments to develop infrastructure in line with Nigeria's economic development targets and how will the investments need to ramp up over time to reach the target level?
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- 4 **What are the priority project portfolios and quick wins?**

How?

- 5 How will the NIIMP be financed?
- 6 How do we drive implementation of NIIMP?

4 We reviewed the “quick win” priorities that should be in focus for the next 5 years

- Based on overall aspirations and stock targets, short term priorities were developed
- These short term priorities (or quick wins) will be used to guide project selection for the first five years
- Based on the priorities the TWGs have highlighted priority projects already developed by the MDAs to be incorporated in the NIIMP

Identified quick win priorities (examples, not exhaustive)

Transport

- Rehabilitate existing cross-national highways for efficient movement of people and goods
- Upgrade and expand existing airports to reach safe, secure and comfortable aviation sector

AWM

- Ensure sustainable access to sufficient water resources for diverse uses by rural and urban population
- Create staple crop processing zones in all geo zones

Security

- Increase number of available police and fire stations, from today's low level

Energy

- Increase power generation at a rate of 5 GW p.a. (focus on gas and hydro)
- Accordingly increase transmission network stability and available capacity
- Finalise initial privatisation round of PHCN¹ generation and distribution companies

Housing

- Increase number of available housing units by constructing ~850,000 new units until 2018
- Push for mortgage market development (ongoing)
- Modernize and computerize the various existing land registry systems

ICT

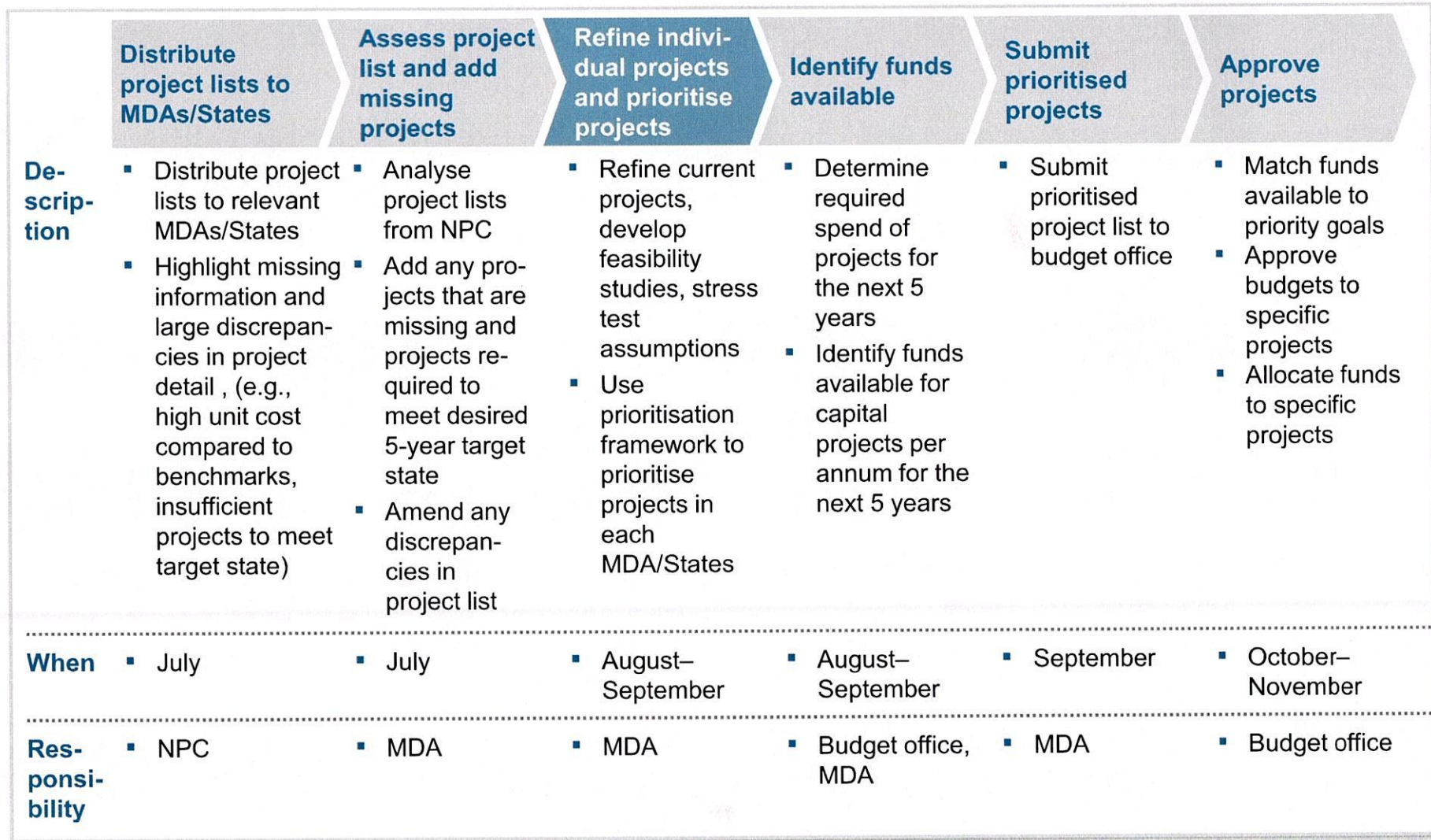
- Enhance and expand mobile network to ensure ubiquitous and continuous coverage
- Expand fibre optic network to distribute the existing broadband capacity

Social

- Construct new and upgrade / rehabilitate existing infrastructure facilities for primary, secondary, and tertiary education
- Establish health centres in underserved regions to ensure a broader base in health infrastructure and to guarantee high quality, yet affordable health care services for all



4 Project lists need to be refined by MDAs to ensure they form part of the 2014 budget



SOURCE: NIIMP development team

4 Prioritization framework would need to be applied by MDAs and states to identify projects for 2014

Questions

Strategic fit

- 1 How does this investment contribute to the national 2043 targets?
- 2 Is this project in line with regional development objectives?
- 3 Is this the best project to achieve the defined objectives?

Economic impact

- 4 What is the GDP contribution of this investment?
- 5 How does this investment enable the deployment and/or effectiveness of other infrastructure projects?

Financial health

- 6 Does this investment have a financially positive business case?
- 7 Is the investment level in line with relevant benchmarks?
- 8 Are there alternative ways to finance the project?

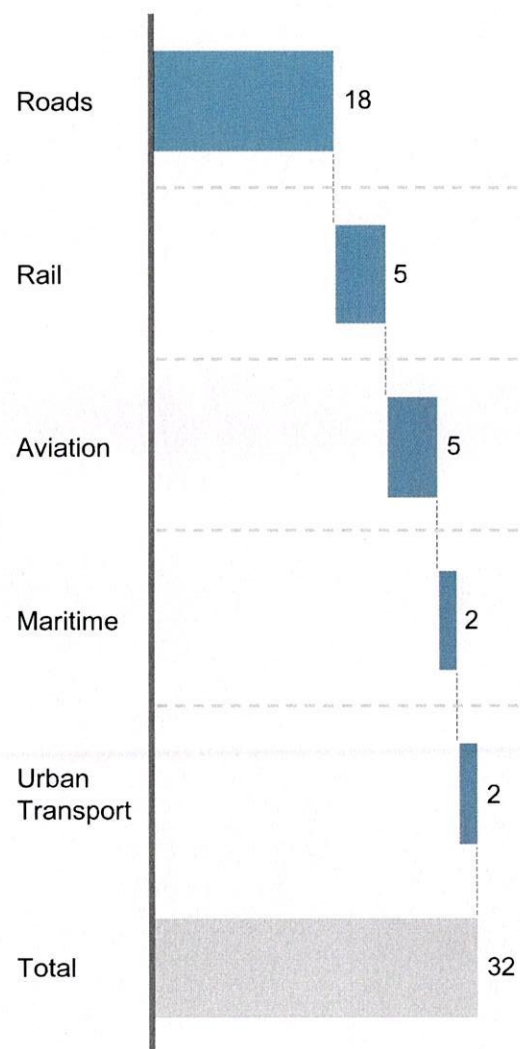
Social welfare

- 9 Is there a fundamental need for this investment?
- 10 Are there clear social benefits to this investment?

4 For example, in Transport, the priority projects are already largely aligned with the NIIMP

Infrastructure spend per sector, 2014-18

USD billion



Priority Portfolios

- Refurbish and expand cross-national highways for efficient movement of people and goods
- Refurbish and expand regional roads; increase linkages to other modes of transportation
- Rehabilitate old narrow gauge lines to enable cost effective rail transportaton
- Build new standard gauge railway lines to scale up the railway network for even economic development
- Build facilities/structures to increase efficiency and safety and security of rail operations
- Upgrade and expand existing airports for safe, secure, and comfortable aviation sector
- Establish facilities of international standard
- Provide infrastructure to ensure operational saftey of Nigeria's air transport sector
- Attain substantially increased share of inland waterways transportation
- Upgrade and expand sea ports to attain enhanced performance and establish Nigeria as the regional sea port hub
- Deploy adequate means of urban road transport across all major cities of Nigeria
- Develop, operate and maintain Urban Traffic Control (UTC) systems
- Set base for urban rail transport

TWG identified projects

- Identified 62 projects
- Lagos-Kano railway an others
- PH-Maiduguri & Zaira-Kaura railways
- Signaling and telecoms facilities to Lagos - Kano
- Renovation 11 airports
- Upgrade 8 further APs
- Stations, radars, etc.
- Security and Safety Plan, accident investigations etc.
- Inland waterway construction (12 projects)
- Sea port construction
- Bus lanes, terminals, etc.
- Traffic lights etc.
- Rail Mass Transit in urban areas of >1m

TWG estimated costs

- 12.0b
- 706m
- 6.9 bn
- 343m
- 2.7b
- 139m
- 485m
- 1.7b
- 2.6b
- 4.4b
- 50m
- 2.5b

SOURCE: Transport TWG, NIIMP Development Team

Key questions addressed in NIIMP

What?

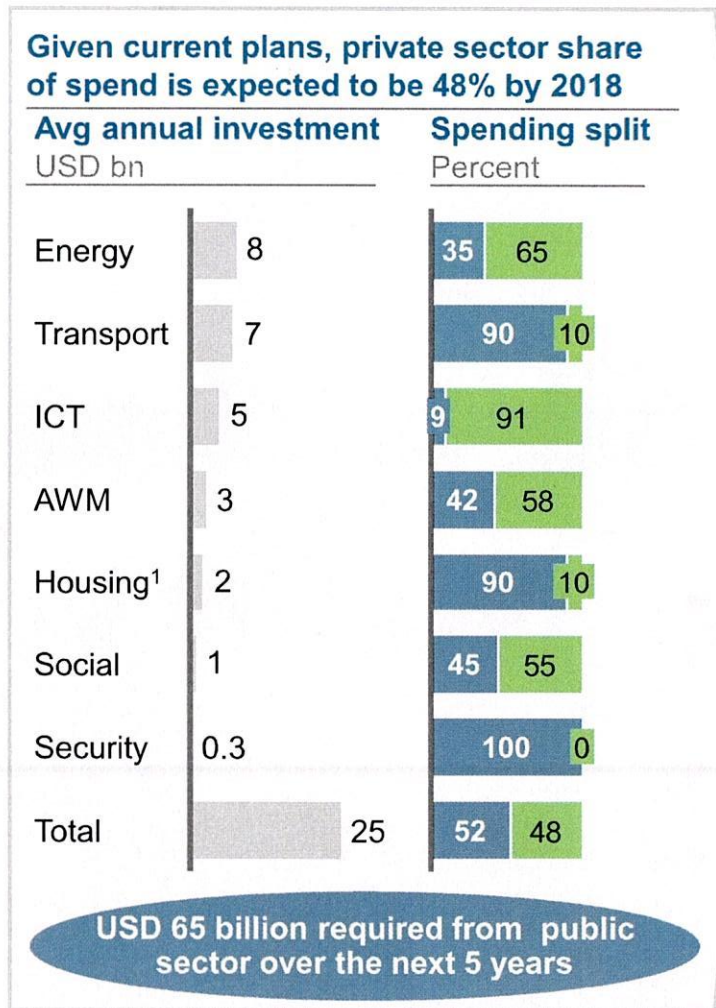
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How?

- 5 **How will the NIIMP be financed?**
- 6 How do we drive implementation of NIIMP?

5 Private sector to cover 48% of required spend over the next 5 years; remainder (USD 65bn) will need to be financed from other sources

■ Public spend ■ Private spend



Four ways to finance the needed USD 65 billion

Financing options	Financing available 2014 – 18 USD bn, 2010 constant prices
-------------------	---

Public current accounts

- **USD 36 bn**, assuming projections from the Nigeria Federal Budget Office MTF²

Public debt

- **USD 29 bn** by reaching debt levels of 25% of GDP over the 2014 – 18 time period

Other sources

- **USD ~8 bn** from the Sovereign Wealth Fund (SWF)³
- Potential of ~ **USD 5bn** currently from pension funds³

PPP

- Comparing to other developing markets, Nigeria could potentially raise **USD 10 - 20bn** from PPPs

- Total financing available of up to USD 88-98 bn for the next five years
- Priority should be given to non-debt options (particularly current accounts, SWF and PPPs) so as to sustain current low public debt structure

1 Refers to low-income social housing; 2 Medium Term Fiscal Framework; 3 Preliminary values based on current amount available (not including projection to 2018)

Key questions addressed in NIIMP

aggarwala@npc.gov.ng
by 19 July

- | | |
|--------------|---|
| What? | <ul style="list-style-type: none">① What is the level of required investments to develop infrastructure in line with Nigeria's economic development targets and how will the investments need to ramp up over time to reach the target level?② What are the investments required by each asset class?③ How should the investments be allocated across the regions?④ What are the priority project portfolios and quick wins? |
| How? | <ul style="list-style-type: none">⑤ How will the NIIMP be financed?⑥ How do we drive implementation of NIIMP? |

Implementation of NIIMP requires both short-and medium-term actions

Short term

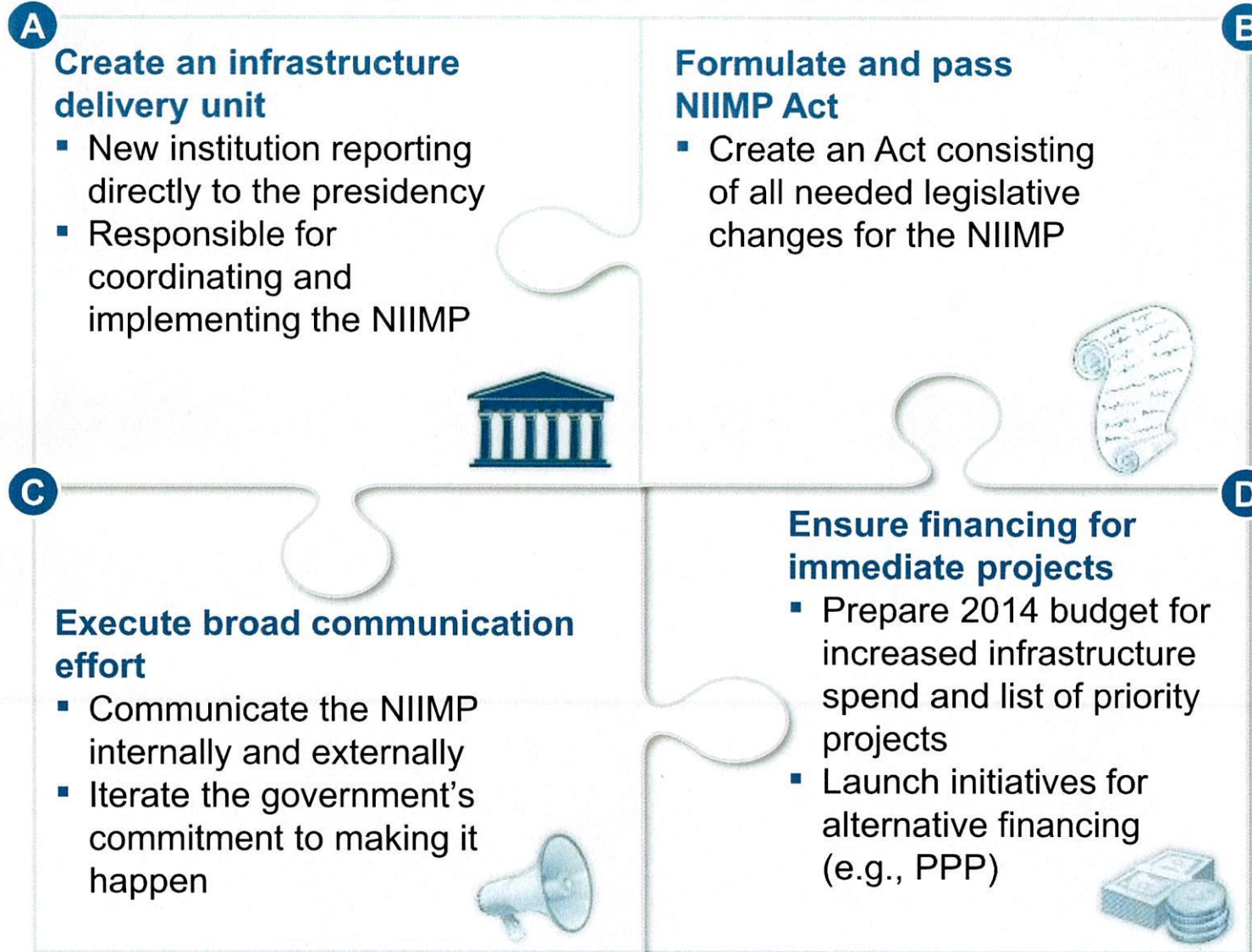
- Create infrastructure ^{Plan} delivery unit
- Formulate and pass NIIMP Act
- Execute broad communication effort
- Ensure financing for immediate projects

Medium term

- Optimise public infrastructure governance model
 - Restructure infrastructure project process end-to-end (E2E)
 - Develop adequate M&E system (including IT support systems)
- Promote alignment/support of private sector
 - Reinforce PPP framework
 - Create a structured public-private dialogue forum
 - Adjust sector regulation
 - Improve business/investment environment significantly
- Bridge capability gap by developing large-scale training programmes and revising education system

4 key initiatives should be launched in the next few months to accelerate implementation of the NIIMP

DETAILS FOLLOW

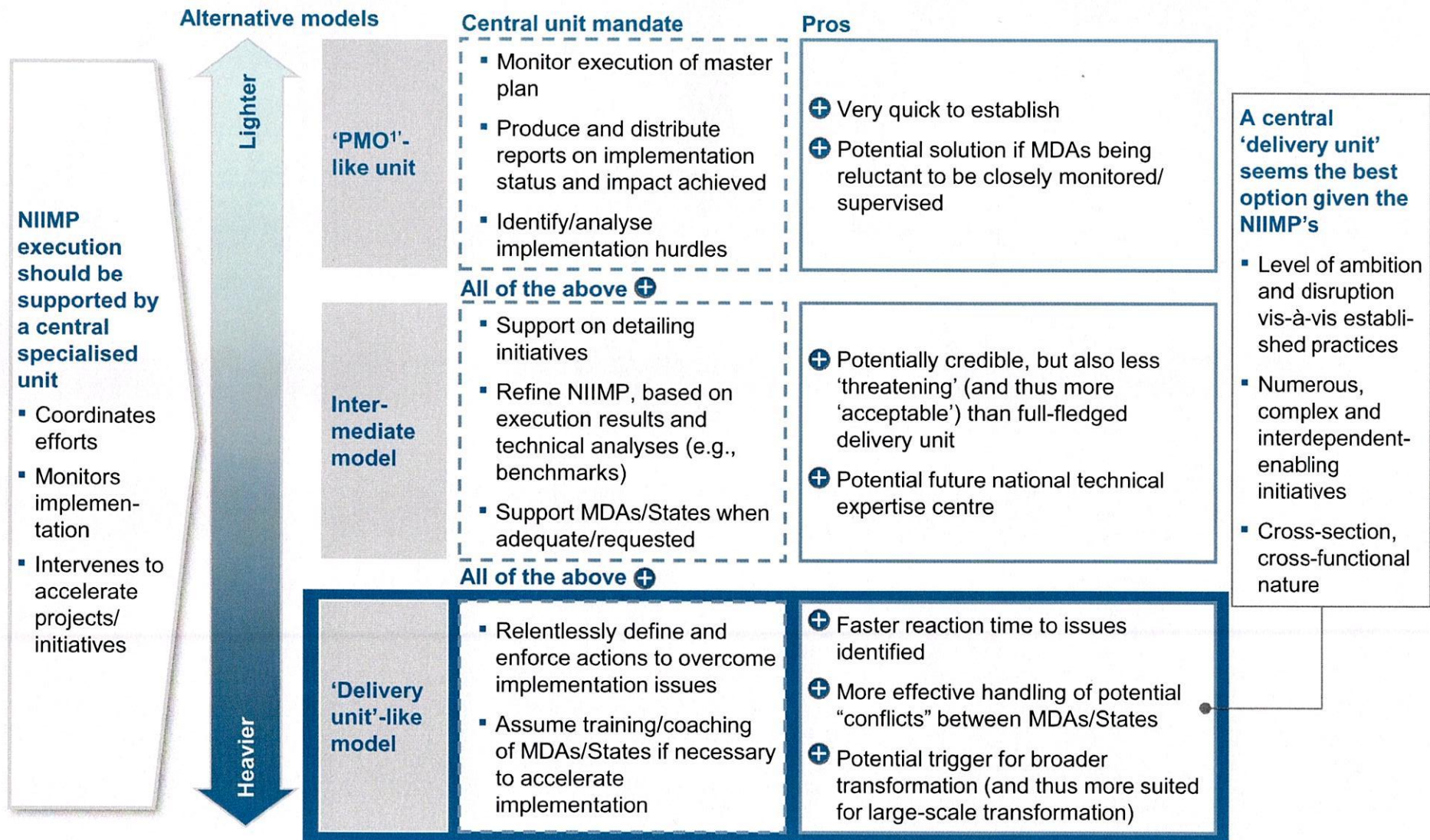


SOURCE: NIIMP development team



A Different support models exist – Nigeria should opt for a delivery unit given ambition levels and need to accelerate

■ Preferred model



1 Program Management Office
SOURCE: NIIMP development team



A Delivery units should follow a number of key success factors

Key success factors

1 Report to the highest level of authority

2 Strong leadership – typically led full time by renowned credible person with executive profile (e.g., former CEO of large corporation)

3 Staff comprised of small number of flexible, **young, dynamic technical savvy/experts** dedicated to the public cause

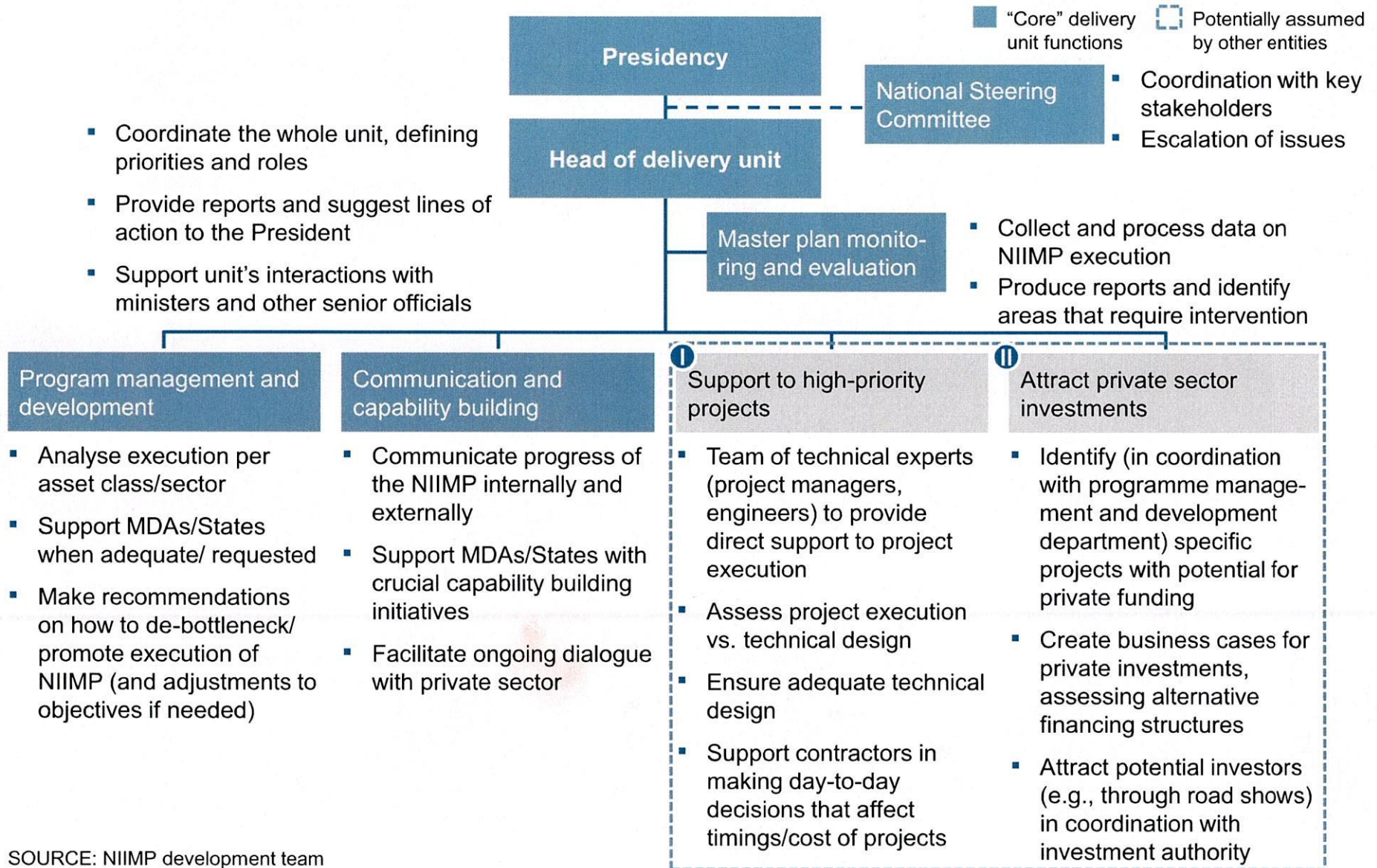
Rationale

- Prevent conflicts of interest
 - Ensure support to potentially controversial initiatives
-
- Ensure credibility and experience in execution
 - Help attract additional staff who wants to learn/work with renowned leader
-
- Small team ensures lower risk of unit getting stuck in internal work
 - Passionate people with self-drive are important to ensure implementation



A An infrastructure delivery unit should assume a number of important functions for the implementation of NIIMP

PRELIMINARY—
FOR DISCUSSION



SOURCE: NIIMP development team



A Irrespective of the model, a decision must be made regarding using existing bodies or creating a new dedicated one

	<u>Pros</u>	<u>Implications</u>
<p>Use existing institutions (cabinets, committees, agencies)</p>	<ul style="list-style-type: none"> ✓ Avoid inefficiency resulting from another body (in the context of an already bureaucratic public system) ✓ Complement role of existing units avoiding unnecessary conflicts among units 	<p>Need to split functions identified in the various bodies and create mechanism to promote coordination/ collaboration</p>
<p>vs.</p>	<ul style="list-style-type: none"> ✓ Greater focus on NIIMP’s management/implementation ✓ Clearly signals government commitment ✓ Absence of previous “vices” may create new impact-oriented culture, required for such a disruptive programme 	<p>Need to define reporting structure (ideally should report to the delivery unit, so as to ensure adequate executive support)</p>

1 A 3rd hybrid model remains where an existing unit (e.g., NPC) is significantly transformed so as to be largely dedicated to NIIMP implementation
SOURCE: NIIMP development team



B Infrastructure development in Nigeria is currently hindered by multiple legislative challenges

NON-EXHAUSTIVE

Challenges identified by the legal TWG

Legislation	Sector affected	Challenges
NNPC Act, Petroleum Act	Energy	<ul style="list-style-type: none"> Many and complex laws, making it challenging for investors Oil, gas and mining rights vested solely with the federal government with little room for states to support investments
Land Use Act	All	<ul style="list-style-type: none"> Act creates several bottlenecks which discourage capital inflow
Nigerian Mining Corporation Act	Mining	<ul style="list-style-type: none"> Prevents private sector involvement Corporation has sole responsibility to explore, prospect for, work, mine, acquire process and dispose of minerals
Nigerian Railway Corporation Act, Nigerian Ports Authority Act, National Inland Waterways Act	Transport	<ul style="list-style-type: none"> Prohibits construction or extension of some subsector infrastructure (e.g., rail) without permission of the minister Limits private sector participation in transportation subsectors
Federal Highway Act	Transport	<ul style="list-style-type: none"> Reduces private sector involvement Minister of Works is responsible to handle all construction and maintenance
ICRC Act	All	<ul style="list-style-type: none"> Emphasises concession contracts to the exclusion of other PPP options Lack of clarity on the Commission's role as facilitator and/or a regulator of PPPs No powers conferred to the Commission to summon parties to a PPP contract No provision for unsolicited bids or inherited legacy PPP projects

SOURCE: Legal TWG

(NPPN)



B Passing a specific infrastructure act is faster and potentially more effective than updating all individual laws

Potential scope of an NIIMP act

- Portfolio of legislative changes needed to enable the NIIMP
 - General laws that affect private sector contribution¹
 - Sector-specific laws and regulations
- Legal provision that future governments need to follow the guidelines of the NIIMP

Other country examples



- Portfolio of legal and regulatory changes in the 2000s in order to attract private sector investments



- The Brazilian regulatory framework has during the last couple of years changed, and the country has gone through a process of 'privatization' after decades of public control



- Privatization policy in 1980s facilitated and promoted private participation in infrastructure development by providing improved investments policies and incentives

¹ E.g., adoption of OECD Principles of Private Sector Participation in Infrastructure and OECD Principles of Corporate Governance
 SOURCE: NIIMP development team



PRELIMINARY –
FOR DISCUSSION

C The NIIMP should be communicated to 4 core groups after formal approval

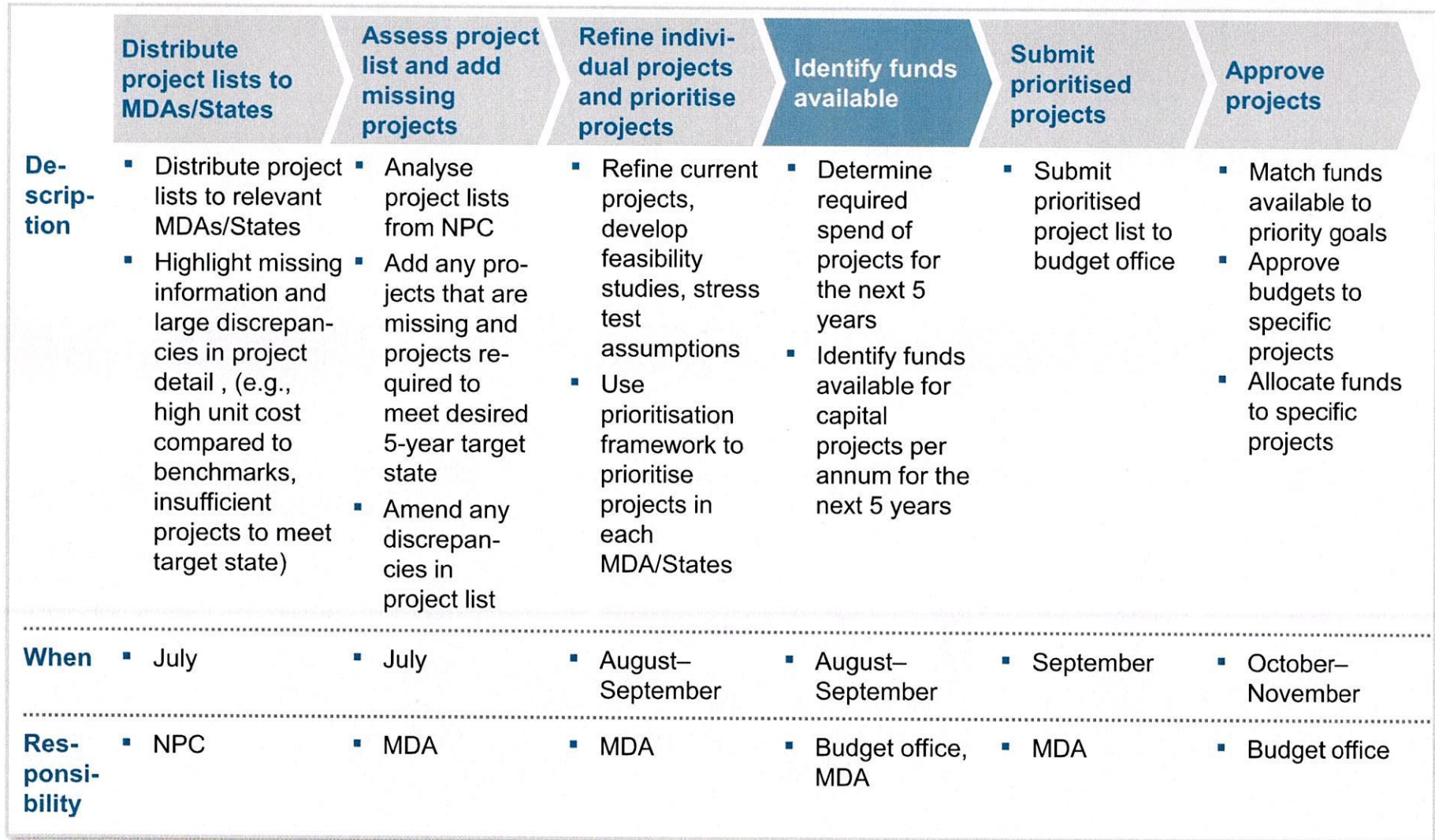
Target group	Purpose	Key content	Proposed channel
Public sector: MDAs and states	<ul style="list-style-type: none"> Inform on required investments and coordinate activities to execute/implement 	<ul style="list-style-type: none"> Investment targets Prioritized project portfolios Implementation activities 	<ul style="list-style-type: none"> Presentation for MDAs/states Circulation of final report Abridged version of report
Private sector/ potential investors	<ul style="list-style-type: none"> Generate investment interest Gather support and information for implementation 	<ul style="list-style-type: none"> Investment targets Suggested actions to enable private sector 	<ul style="list-style-type: none"> Presentation at appropriate investment conferences Abridged version of report
International Development Partners	<ul style="list-style-type: none"> Coordinate plan with donor activities and get their support for implementation 	<ul style="list-style-type: none"> Investment targets Potential collaboration needed (e.g., in terms of capacity building) 	<ul style="list-style-type: none"> Circulation of final report Workshop to develop collaboration model Abridged version of report
General public	<ul style="list-style-type: none"> Create awareness and public support for the plan 	<ul style="list-style-type: none"> Key takeaways of plan 	<ul style="list-style-type: none"> Press conference at public release in August Press release Incorporation of NIIMP in key public speeches by President and cabinet Online publication of the report

SOURCE: NIIMP development team



D Project lists need to be refined and submitted by September to ensure they form part of the 2014 budget

FOR DISCUSSION



SOURCE: NIIMP development team

Implementation of NIIMP requires both short-term and medium-term actions

Short term

- Create infrastructure delivery unit
- Formulate and pass NIIMP Act
- Execute broad communication effort
- Ensure financing for immediate projects

Medium term

- Optimize public infrastructure governance model
 - Restructure infrastructure project process end-to-end (E2E)
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- Promote alignment/support of private sector
 - Reinforce PPP framework
 - Create a structured public-private dialogue forum
 - Adjust sector regulation
 - Improve business/investment environment significantly
- Bridge capability gap by developing large-scale training programs and revising education system

Medium-term initiatives are aimed at addressing 2 structural concerns and aligning both the public and private sectors with NIIMP

Critical concerns for infrastructure development

Public sector investments

Private sector investments

How to ensure the right infrastructure projects?

How to promote effective/efficient project execution?

A

- Optimize **public infrastructure governance** model
 - Restructure infrastructure project process end-to-end (E2E)
 - Developing adequate M&E system (including IT support systems)

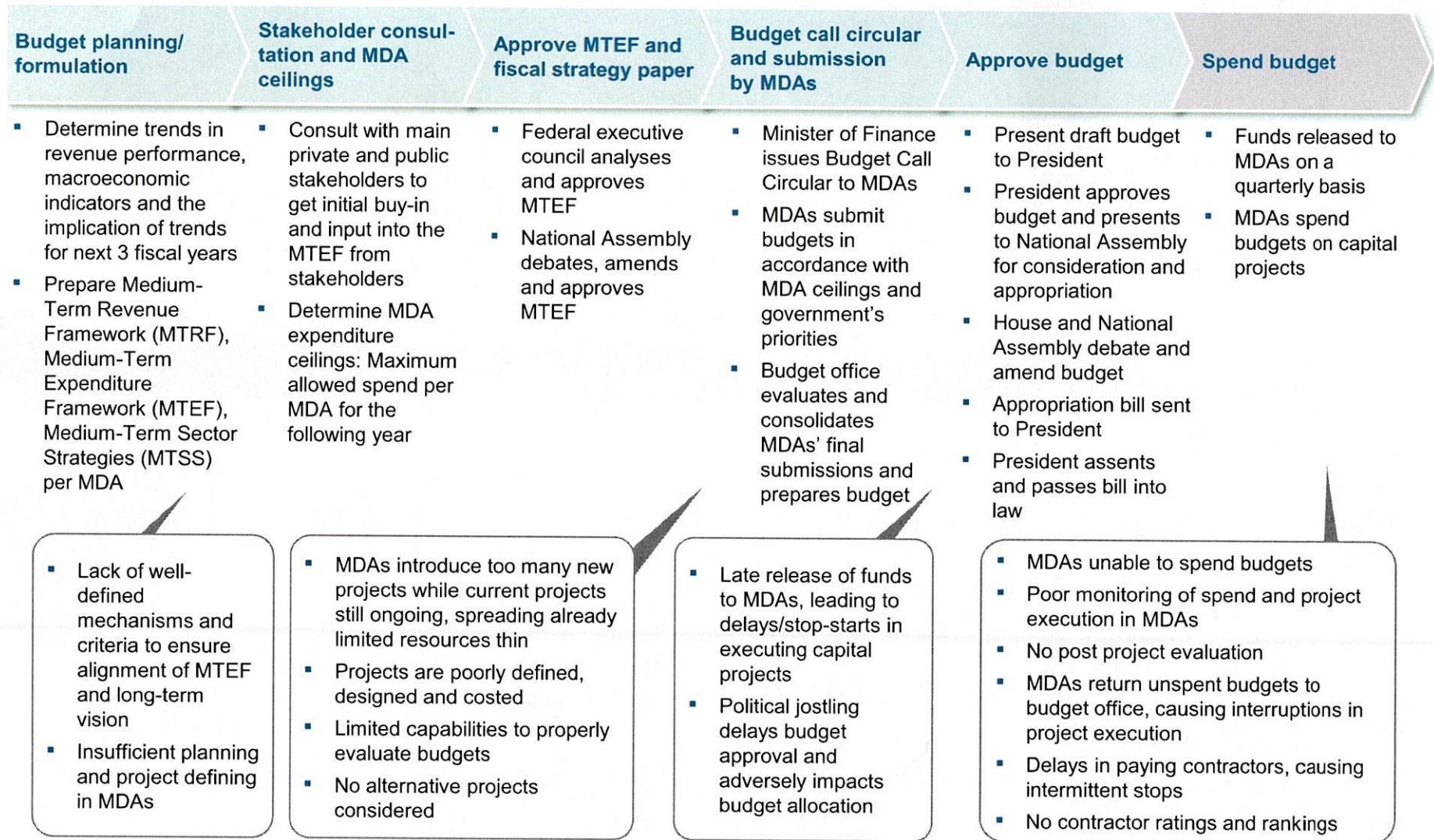
B

- Promote **alignment/support of private sector**
 - Reinforcing PPP framework
 - Adjusting sector regulation ✖
 - Improving business/investment environment significantly

C

- Bridge **capability gap** by developing large-scale training programs and revising education system

A Current public project selection process faces many challenges and its application frequently distorts original objectives










SOURCE: DME TWG; interviews

A Making feasibility studies mandatory could immediately contribute to improving quality of projects submitted

Implementation approach

- Conduct delivery lab in all of the MDAs
- Delivery lab will focus on
 - Developing feasibility studies
 - Refining cost estimates
 - Stress testing assumptions
- Use templates and tools developed by the office of the chief economic advisor to the President
- Communicate to project managers that projects without feasibility studies will not be considered for approval
- Conduct project review meeting at the end of the delivery lab to review, prioritise and approve all projects
- Project review committee to immediately decline any projects at the project review meeting that do not have a feasibility study

Key elements of feasibility study

- Needs assessment completed 
- Validated problem/opportunity (root cause established) 
- Most promising solution/s chosen for further development (feasibility established) 
- Economic valuation of options checked and revalidated
 - Capex estimates
 - Opex estimates
 - Benefit logic and value
- Business fit and project classification checked 
- Interdependencies identified 
- KPIs defined 

A The budget process should be restructured to ensure prompt release of funds

Adequate planning and proper project definition

Description

- Ensure projects are aligned with the MTEF and supports the long-term vision
- Ensure robust project feasibility studies and due diligence are done to validate project costs and benefits

Responsibility

- Budget office, MDAs, NPC, infrastructure delivery unit

Release funds on time and to specific projects

- Prioritise release of funds for ongoing critical projects over newly approved projects
- Release funds in line with project plan, milestones and deliverables to eliminate stop-start execution of capital projects
- Release funds on time and to specific projects

- Budget office

Monitor and evaluate all projects during execution phase

- Track projects through execution stage
- Agree project KPIs and success measurements
- Put in place post project evaluation mechanisms to track overall impact of the project

- NPC, MDA M&E Units, PTF

A monitoring and evaluation system should be used to support implementation

Key elements of a M&E framework

Description

KPIs

- Key performance indicators that measure progress towards targets
- KPIs have been defined by the TWGs for the overall sector development, specific project KPIs will need to be developed

Review calendar

- Calendar of when progress should be measured and evaluated
- Should be done on a weekly basis for projects, on a monthly basis for specific initiatives and on a quarterly basis for the overall NIIMP

Roles and responsibilities

- Roles and responsibilities that describe who measures what metrics and takes decisions on corrective actions
- A new delivery unit should have overall responsibility of tracking the development (in collaboration with MDAs/States) and report findings directly to the presidency

Example NIIMP KPIs (as defined by TWGs)

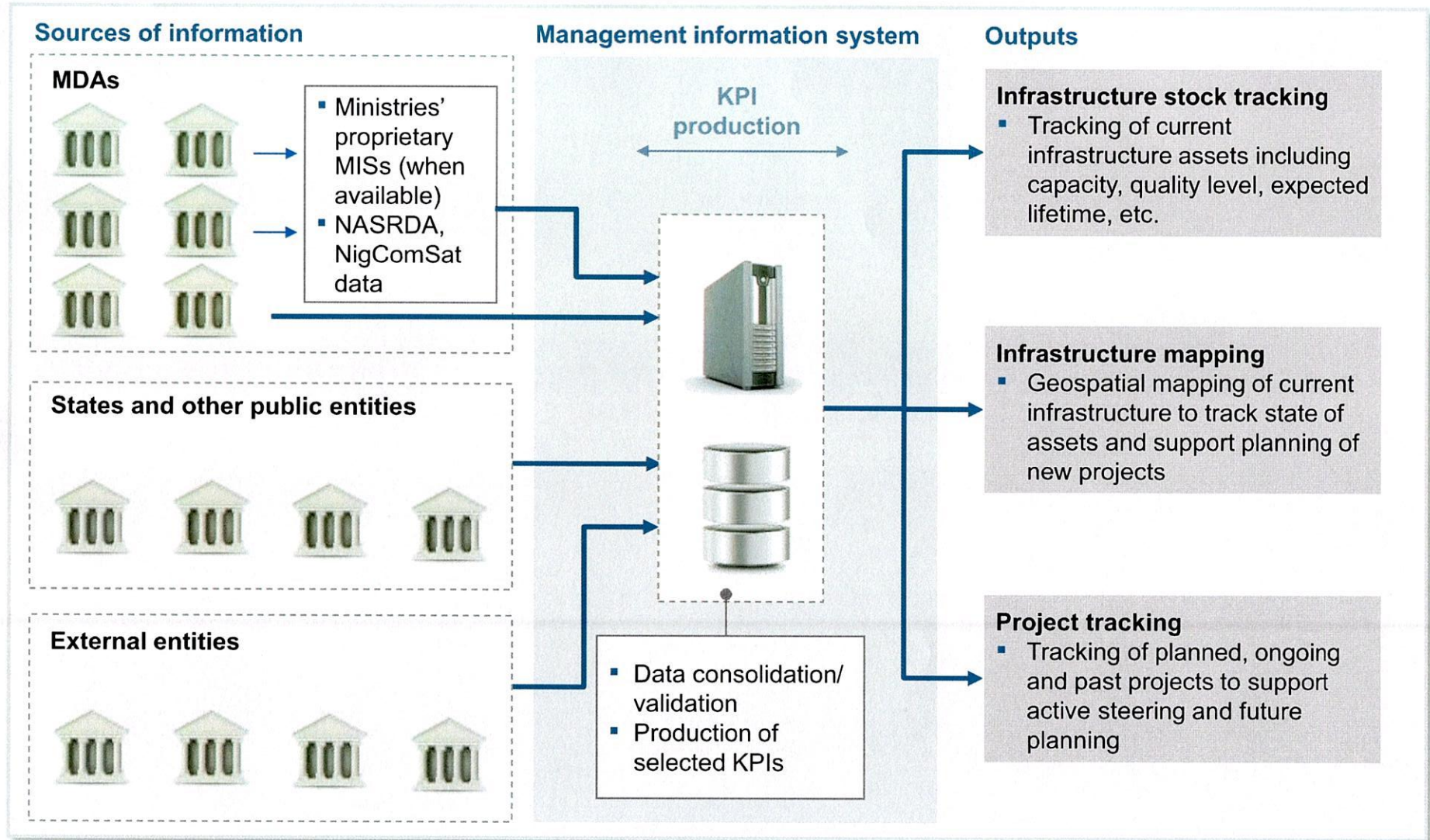
Power						
Name		Unit	Target			
			2,013	2,018	2,023	2,043
Generation Capacity		MW	9,920	30,000	56,000	350,000
Average Generation		MW	3,800	15,000	33,600	262,500

TWG – Transportation						
Desired outcome						
Subsector	Strategic goals	2,012	2,018	2,023	2,043	
Roads	Road density (km / 100km ²)	21	22	23	25	
	Km of roads in good condition	11,000	19,200	28,800	100,000	
	Avg. travel speed on federal roads (km/h)	60	76	85	100	
	Total km of road	200,000	205,000	210,000	225,000	
	thereof paved	68,980	72,000	80,000	140,000	
	Km of existing road rehabilitated	8,892	17,100	26,700	97,000	
	Percentage of roads with adequate signage	3	10	30	100	
Rail	Avg. operating speed (km/h)	30	60	100	130	
	Freight transported via rail ('000 t / yr.)	182	3,435	9,534	30,000	
	Passengers transported via rail (MM / yr.)	4	14	48	150	
	No. of private sector participants ('000)	6	10	15	25	
	Km of standard gauge constructed	310	699	699	699	
	Km of narrow gauge rehabilitated	755	3,505	3,505	3,505	
	No. of stations	73	150	260	500	
Aviation	No. of ports with rail	2	4	8	8	
	No. of airports with rail links system	-	11	17	25	
	Air freight tonnage (t / yr.)	184,502	297,142	724,121	3,500,000	
Ports and inland waterways	No. of aircraft movements per yr.	240,880	387,939	945,392	10,000,000	
	Annual turnout of aviation professionals	926	2,040	3,340	30,000	
	Inland waterways cargo traffic (MM t / yr.)	3	6	6	10	
	Turnaround time of vessel (days)	6	5	4	3	
	Km of navigable inland waterways	1,000	3,000	5,000	10,000	
	Number boats, ferries, barges, vessels	10,000	40,000	100,000	150,000	
	24h port operations (%)	40	75	100	100	
Ports and inland waterways	No. of patrol boats deployed	8	12	20	30	
	Km of roads rehabilitated and maintained w/	6	8	20	40	
	No. of private sector participants ('000)	7	10	15	30	

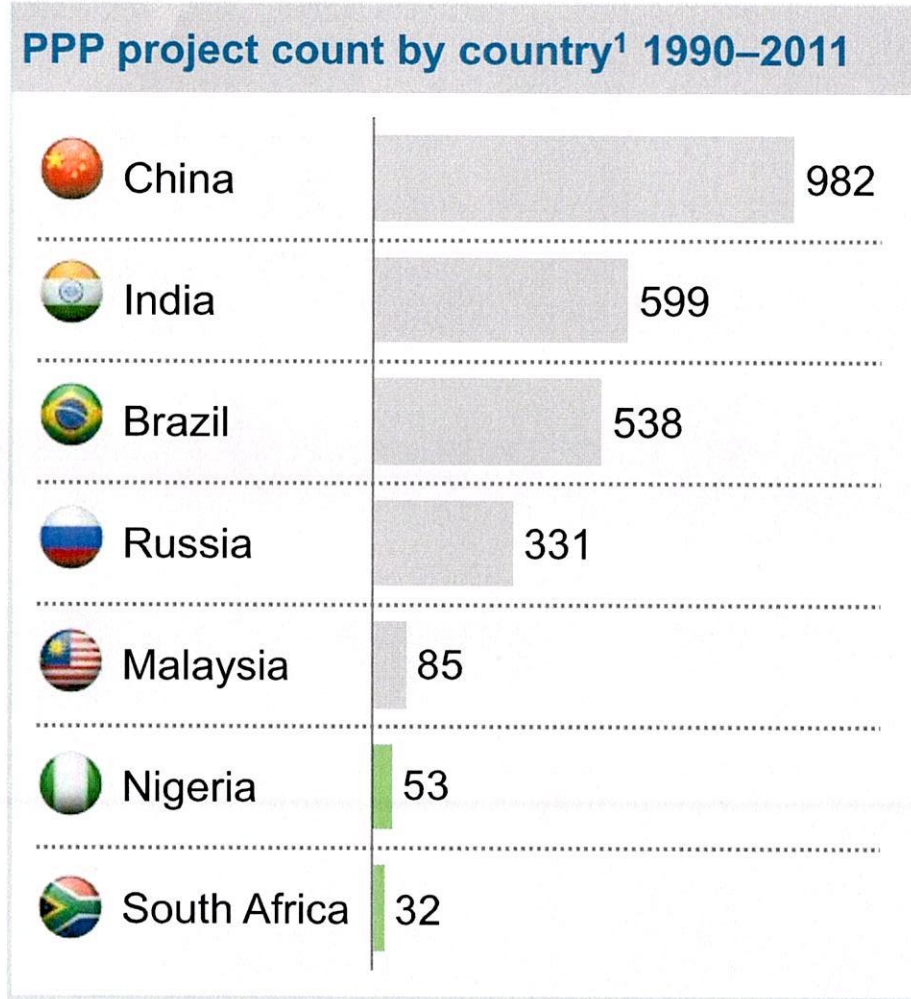
A A management information system (MIS) should be created to support the M&E framework

ILLUSTRATIVE

→ Flow of information



B There is a need to create mechanisms and incentives to promote alignment and coordination of private investments with NIIMP



“...lack of legal and regulatory framework has discouraged private operators from investing”

Business day

“...absence of a legal framework leads to uncertainties amongst private operators who fear that they may lose their investments...”

Business day

“...private sector involvement in the development of the road sector would not yield the desired result, until the institutional reform is implemented”

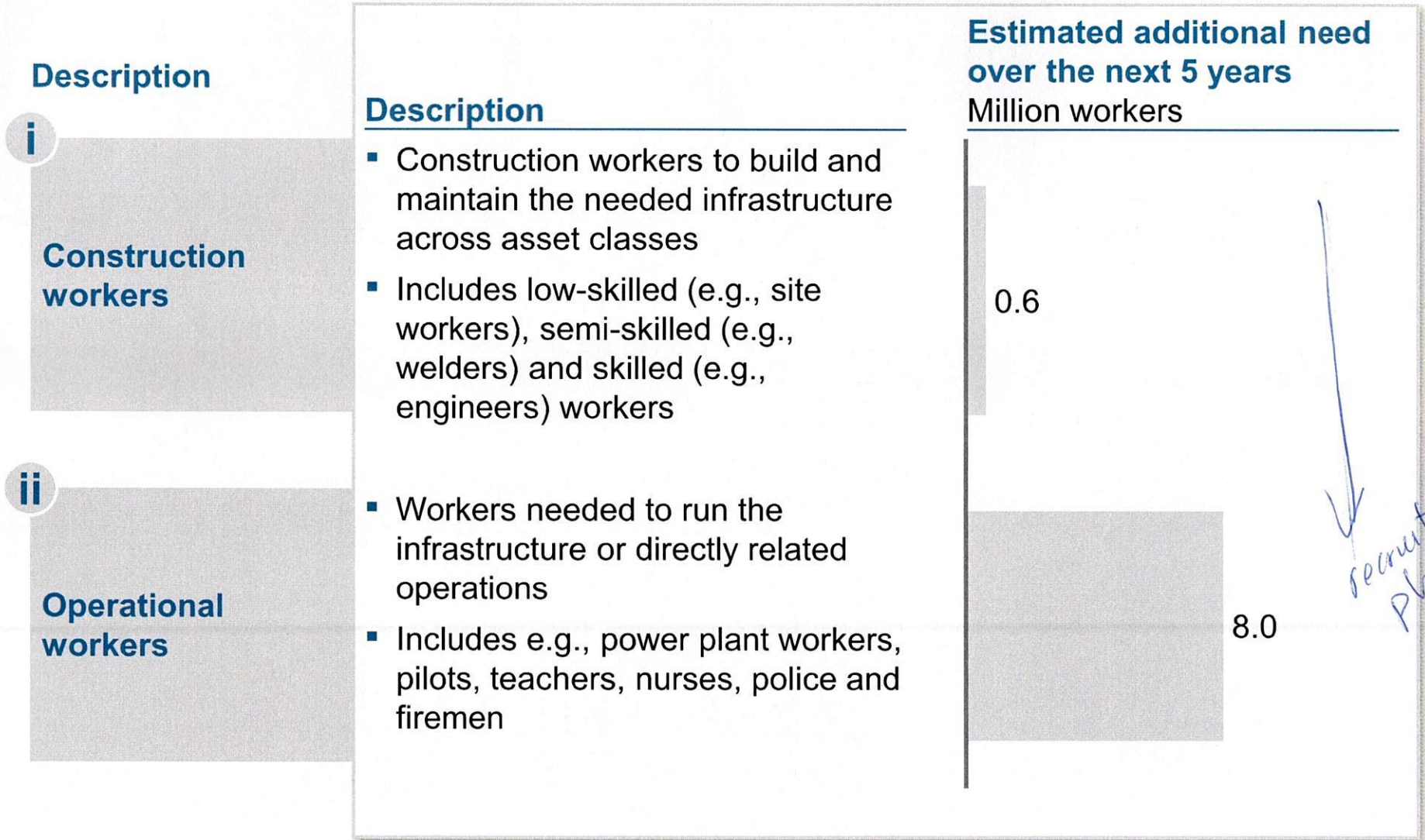
This day

¹ Based on World Bank definition: Private participation in infrastructure with government backing, consisting of management and lease contracts, concessions, greenfield projects or divestitures
SOURCE: World Bank; press searches

B To enable increased private sector spending, we need to address critical barriers

Barriers	Private sector expectations
Access to capital	<ul style="list-style-type: none"> Establish long term financing and refinancing mechanisms for viable projects especially in the early stages
Political/Cost risk	<ul style="list-style-type: none"> Assure macroeconomic stability, policy consistency and eliminate corruption Provide electricity to support growth and reduce cost of operations Provide critical infrastructure such as link roads Ensure standardisation and central access to infrastructure; provide partial risk guarantees to projects as appropriate
Fiscal incentives	<ul style="list-style-type: none"> Offer business and fiscal incentives to encourage private sector investments in infrastructure
Government rules and regulations	<ul style="list-style-type: none"> Establish a clear legal and regulatory framework for private financing of infrastructure Establish a standard process for delegation of authority by the Federal Government on infrastructure development
Capability in managing PPPs	<ul style="list-style-type: none"> Establish a PPP unit to build capabilities and manage financing of PPPs Develop capacity building initiatives for public sector stakeholders Identify/establish implementation teams within the Ministries, Departments and Agencies (MDAs) Develop templates for PPP procurement and implementation

C Execution will be hindered by a capability gap that is likely to increase when investment picks up



C Nigeria will need to follow a targeted approach to address the skills gap to build and operate NIIMP infrastructure

Immediate priority

- Ensure capacity to build infrastructure

Build basic skills at scale

- Focus ITF on development of required volumes of workers with basic skills
- Engage local institutes and private companies and coordinate through ITF

Ensure skills transfer

- Incentivise Nigerian diaspora to return
- Import specialized and technical skills
- Ensure necessary skills transfer takes place through clear contractual agreements for apprenticeship, training, etc.

Medium-term priority

- Build local skill base
- Ensure standards

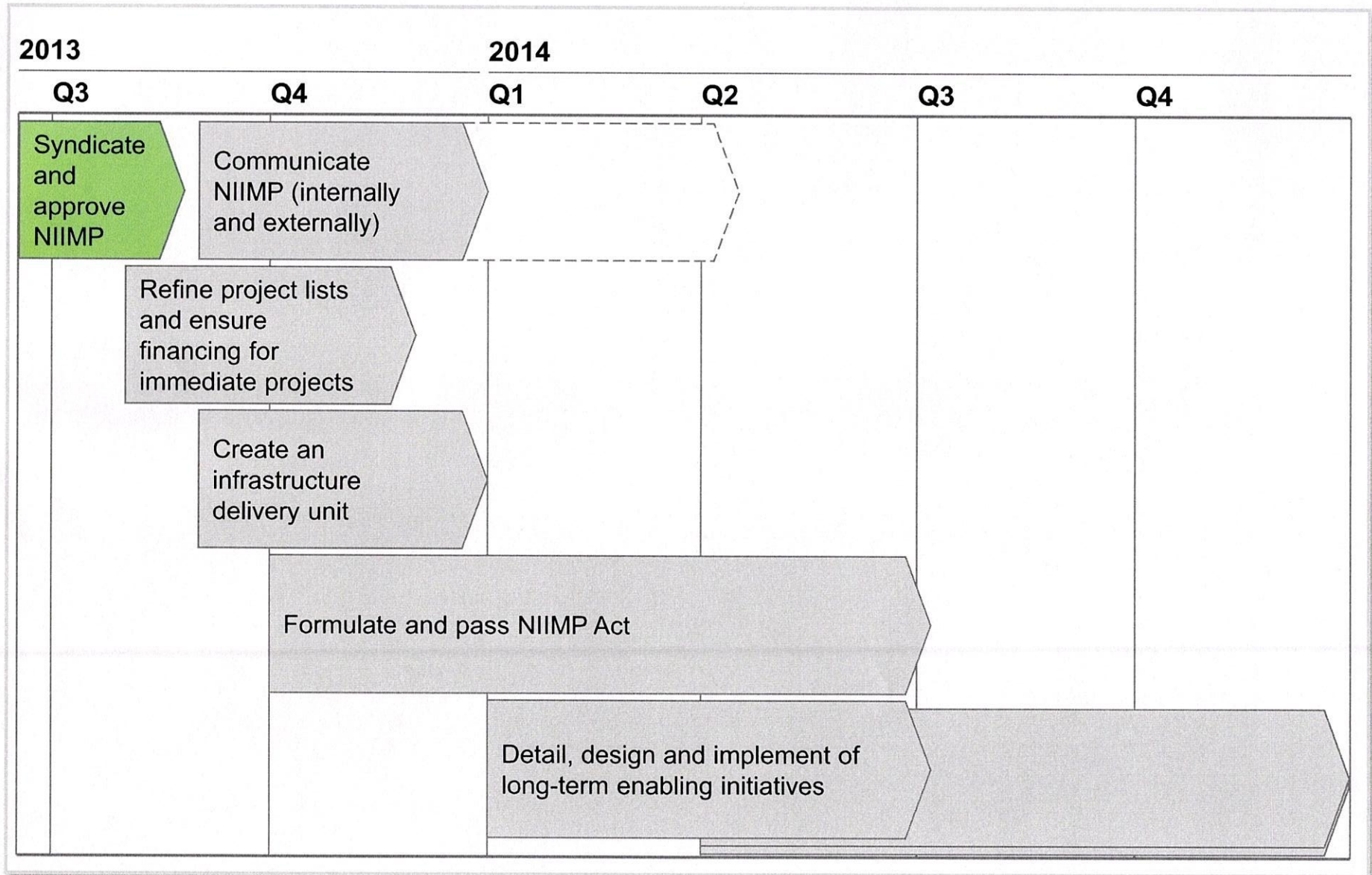
Establish strong standards

- Introduce international certification standards per sector, regulated and enforced by ITF
- Provide additional training programs for experienced workers to acquire certification

Build advanced/specialized skills

- Increase capacity and quality of current institutions to train necessary number of engineers, architects, etc.

Overall time plan for implementing the NIIMP



SOURCE: NIIMP development team

Objective of today's discussion



- Provide an update on the NIIMP development process to date
- Discuss key findings and discuss strategic considerations for NIIMP
- **Align on next steps**

Next steps

- Update plan with input from the National Steering Committee
- Start syndication process according to plan

