



Public-Private Partnership

Edo State
Public-Private
Partnership
Agency
(EDPPPA)

PPP

Policy Document

*Improving the Framework for
PPPs in Edo State*

December, 2025

Contents

Governor's Message	2
Foreword	3
Acknowledgement.....	4
1. Introduction.....	5
1.1. Compelling Need for Private Sector Investment	5
1.2. Unlocking PPPs (Reason).....	5
2. Definition of Public-Private Partnerships.....	6
3. Characteristics of Public-Private Partnerships.....	7
3.1. Institutional Framework for Successful PPP Implementation	7
3.2. Legal and Regulatory Adaptations for PPP Evaluation	7
3.3. Ensuring Affordability in PPP Options	7
3.4. Value for Money (VFM)	7
3.5. Capacity Building for PPP Stakeholders	8
4. Scope of the Policy.....	8
5. The Goal and Objectives of the Policy	8
5.1. Economic.....	8
5.2. Social.....	9
5.3. Environmental	9
6. The Implementing Principles	9
6.1. Competition.....	10
6.2. Transparency	10
6.3. Fairness.....	10
7. Institutional Framework for Public-Private Partnerships.....	10
7.1. Edo State Executive Council (ExCo)	10
7.2. Edo State Public-Private Partnership Agency (EDPPPA) Board	11
7.3. Edo State Public-Private Partnership Agency (EDPPPA)	11
7.4. Ministries, Departments, and Agencies (MDAs).....	12
7.5. Edo State Ministry of Finance (MoF).....	12
7.6. Edo State Ministry of Budget and Economic Planning (MBEP)	12
7.7. Edo State Ministry of Justice.....	12
8. Legislative Framework for Public-Private Partnerships.....	12
8.1. The Enabling Environment.....	13
9. New Frameworks for Public-Private Partnerships.....	14
9.1. Legal Framework	14
9.2. Financial Framework.....	15
10. Public-Private Partnerships and Planning	15
11. Public-Private Partnerships and Regulations.....	15
12. Working with the Federal Government	16
13. Stakeholder Consultation and Participation	16
14. Public-Private Partnership Project Lifecycle	16
(1) Project Identification and Feasibility (preparation / development)	16
(2) PPP Procurement and Contract Award	17
(3) Project Implementation and Monitoring	17
(4) Post-Completion and Contract Expiry	17
15. Unsolicited Proposals	17
16. Conclusion.....	18



For a long time, Edo State has desired to foster sustainable economic growth and development, promote private sector investment in critical infrastructure advancement, and also to strengthen capacity building in its public sector. We know that the private sector has the most capacity for creating job opportunities, driving innovation and improving competitiveness. In consonance with this truth, an efficient public sector is required to support this by creating an enabling environment, implementing sound policy, providing required infrastructure and developing human capital.

Since 2010, the State began the journey of ensuring that investments are properly aligned with its economic and development agenda, as well as their organization around economic, social, environment infrastructure and related services. This included the establishment of the Public-Private Partnership (PPP) Office & other related Agencies, as well as the enactment of legislations to promote investments, modernize taxation, digitalize the land registry & administration, and the holistic reformation of the public service. These strategic actions have attracted both domestic and foreign investments worth Millions of dollars (USD).

As a Government, we intend to retain our competitive edge by reducing infrastructure deficits and accelerating infrastructure development to meet the needs of Edolites. To ensure sustainable development, Edo State has opportunities to absorb Billions of dollars (USD) in new infrastructure investments by 2050.

The level of investment we require for infrastructure development presents the opportunity for Public-Private Partnerships (PPPs) to execute and deliver sound projects. Through PPPs, the private sector can support various aspects of the State's public works programme, including the development of the entire transportation infrastructure, development of the economy via industrialization, rehabilitation & management of waste to wealth infrastructure, access to (alternative) power sources, among others.

As the Agency responsible for promoting investments, the Edo State Public-Private Partnership (EDPPP) has developed the regulatory framework to drive PPPs and to facilitate the required investments. The PPP Policy and Manual reflect the credible legal frameworks the Edo State Government has created to harmonize public and private sector interests for the mutual benefit of the investing partners.

We look forward to working with our private sector partners to deliver many viable projects.

Sen. Monday OKPEBHOLO

Governor, Edo State

Foreword

In accordance with the State Development Plan which outlines the programmes and projects to be implemented for the articulate development of the State, we have embarked on pursuing policies and actions that will actualize these goals.

The State Government understands how important Public-Private Partnerships (PPPs) are in achieving the infrastructural and basic service needs while contributing to a reduction in poverty. PPPs not only offer the possibility of improved accountability and greater innovation, but also support long-term efficiency.

However, to enjoy the anticipated benefits of PPPs, public sector Officials and Managers need to continuously up-skill and develop their capacities to successfully assess, identify and procure PPPs, and to manage the contract & regulatory requirements once the project is operational. This Policy has been prepared to guide the State in the promotion and deployment of investments with the use of private financing through PPP schemes.

We are working tirelessly to ensure that private sector participation continues to play significant and meaningful roles in the provision of infrastructure and social services in the State. We are also dedicated to attracting private investors who are willing to support us to achieve our goal of poverty eradication and sustainable development for the State as well as high ranking on the Ease of Doing Business scale for Nigeria.

We remain focused in our purpose to promote private investments in lieu of economic growth, job creation, poverty reduction, and increased access to social services for everyone. EDSG's quest for better infrastructure, services and greater access to finance cannot be overemphasized. Hopefully, the gains from our insistent efforts in promoting private investments and significant contributions to tax revenues will be visible soonest.

Umar Musa Ikhilor,Esq.

Secretary to the State Government

Acknowledgement

The Edo State Public-Private Partnership (PPP) Policy is a guide for the State to further promote the deployment of investments with the use of private financing through PPPs. It aims is aid potential PPP stakeholders (private and public sector) to optimally prepare for and successfully implement key infrastructure and social projects within the PPP ecosystem.

First, I wish to appreciate my boss the Executive Governor of Edo State, His Excellency Sen. Monday Okpebholo, without whom this document would not have been completed and whose drive to providing an enabling Business Environment for investments is unrivaled in the State.

I acknowledge the support of the International Development Partners specifically: the Nigeria Governor's Forum (NGF) via the World Bank State Business Enabling Reform (SABER) programme for the holistic diagnosis of our PPP Legal and Institutional Framework that disclosed the gap covered by this document.

I also acknowledge all the Ministries, Department and Agencies (MDAs) and the private sector representatives in the State for their contribution in the development of this important document.

I would like to express my sincerest gratitude to the Ministry of Justice (MoJ) who did the review of this document for their unwavering support.

Finally, I acknowledge the EDPPPA team, particularly for their remarkable coordination and thorough engagements with stakeholders throughout the development of this Policy.

Engr. Emmanuel Okoebor

Honourable Commissioner of Finance/ Chairman, Ease of Doing Business Council (EoDB)

1. Introduction

1.1. Compelling Need for Private Sector Investment

The backbone for the economic and social development of any State is in its physical infrastructure(s). Infrastructure projects are highly capital-intensive in nature and exert a strain on public finances and States in Nigeria have limited resources at their disposal to finance infrastructure. As a result, public sector authorities are constantly on the lookout for alternative sources of funds, and one such source is investment by the private sector through Public-Private Partnerships (PPPs).

The Edo State Government (EDSG) intends to adopt a policy that embraces the delivery of infrastructure projects and services in the public sector through PPPs. This Policy Statement sets out the framework for using PPPs in Edo State. The target sectors where PPP will be applied in the State in alignment with Edo State Development Plan, include: transportation, agriculture, energy, health, tourism, and more Edo State, cognizant of the competitive landscape for Foreign Direct Investment (FDI) nationwide, is committed to maintaining a proactive stance in attracting investors for both monumental infrastructure projects and diverse sectors of its economy.

In the pursuit of these ambitious goals, the Government envisions creating an environment conducive to investment, embodying a forward-thinking paradigm to position Edo as an attractive destination for local and international investors alike. Recognizing that securing inward investments is merely the inaugural step, EDSG places a premium on the creation of a dynamic and supportive ecosystem. This involves crafting a regulatory framework that fosters transparency, efficiency, and responsiveness within the public sector.

The policy articulates a commitment to ensuring sustainability, not only in project execution but also in cultivating an enduring partnership between the public and private sectors. An indispensable pillar of the policy thrust lies in the establishment of a robust legal and regulatory framework. This framework serves as the bedrock, providing clarity and assurance to investors while concurrently empowering the government to navigate the complexities of PPP engagements. By addressing potential hurdles through a well-defined legal framework, the policy seeks to instill confidence in investors, laying the groundwork for successful, mutually beneficial collaborations.

In the pursuit of catalyzing economic progress and sustainable development, Edo State, through this visionary PPP policy, aspires to redefine its narrative. By strategically leveraging private sector investments, the State aims not only to surmount infrastructural challenges but also to emerge as a beacon for innovation, efficiency, and prosperity. The EDSG's unwavering commitment to creating an enabling environment and a robust legal framework underscores its dedication to positioning Edo as a prime destination for transformative investment, propelling the State into a future characterized by inclusive growth and enduring success.

This framework aims to attract private investment for infrastructure projects in alignment with the State's development goals, with a focus on creating a supportive and transparent environment for investors. A robust contract is a key element of the framework that clearly outlines the responsibilities, duties, and rights of each party in a PPP project, with effective risk-sharing mechanisms.

This PPP Policy is issued in pursuant to the powers granted to the Edo State Public-Private Partnership Agency (EDPPPA) under **Sections 18 (1)c** and **18(3)d** of the EDPPPA Law (3035), to create and issue regulations governing Public-Private Partnerships in Edo State.

1.2. Unlocking PPPs (Reason)

Public-Private Partnerships (PPPs) not only facilitate economic expansion and growth but also are innovative instrument to promote healthy competition, efficiency and collaboration between the public and private sectors. Specific reasons for EDSG to adopt PPPs in its project delivery are that it:

Edo State PPP Policy Document

- Prioritizes transparency, efficiency, and a responsive public sector to reduce bureaucratic hurdles for investors (**streamlined processes**).
- Offers specific incentives to investors, and EDPPPA in collaboration with ESIPO to inform investors of these opportunities (**investor incentives**).
- conducts thorough **due diligence and risk assessments** for proposed ventures to minimize potential challenges.
- **promotes economic growth** by creating new opportunities for commercial prospects, and increasing healthy rivalry in the provision of public services;
- **contributes to the growth of robust local financial equity and debt markets**, in alignment with recent trends;
- **empowers the government to develop policies & strategies and selectively regulate economic activities** for optimal operations;
- **enhances service delivery efficiency** by reducing cost, ensuring optimal value for money, and improving citizen satisfaction;
- **fosters operational synergy to unlock efficiency gains** in optimal asset utilization, maintaining quality standards, and a customer-centric approach to project delivery;
- **enhances government's focus on its core role of public service delivery** while leveraging on private sector expertise to ensure a more agile and responsive governance structure;
- **promotes knowledge, expertise, and skill sharing** between the parties involved (especially from the private sector);
- **offers the opportunity to expedite infrastructure expenditure** (agile response to pressing infrastructure needs);
- **encourages creative and innovative solutions** in every aspect of project delivery; and
- **strengthens commitment in the dynamic monitoring and review of PPP policy** to achieve wider policy objectives in the State.

2. Definition of Public-Private Partnerships

Public-Private Partnerships (PPPs) are collaborative agreements where the private sector is engaged by the public sector to manage public services or to design, build, finance, and operate infrastructure. These partnerships aim to enhance efficiency, broaden access, and improve the quality of public services. Infrastructure projects, such as those in transport, energy, water and sanitation, agriculture, and communications, are often capital-intensive, creating a substantial strain on public finances. In developing countries, where financial resources are typically limited, PPPs offer an alternative source of funding. These arrangements allow governments to leverage private sector investments to meet the growing demand for infrastructure services.

The repayment of project costs is generally derived from revenues generated by the asset. These payments may come from users of the asset (as with toll roads) or from the public authority (such as government accommodation projects) or from a combination of both.

The Government acknowledges that a wide spectrum of PPP arrangements exists that differ in purpose, service scope, legal structure and risk sharing. The two main types of PPP schemes are:

- **Output and Performance Based Contracts** – here, the public sector retains a significant role in the partnership project, either as the main purchaser of the services provided or as the main enabler of the project. It purchases services and specifies the service outputs/outcomes required as well as the performance criteria for payments, with performance below these standards leading to deductions

Edo State PPP Policy Document

from service charges payable by the public sector to the private provider. The private party commonly provides the design, construction, operation and maintenance and financing for the partnership project, and is paid according to performance. Risks are identified and priced and placed with the party best able to bear and manage them at the lowest cost.

- **Concessions** - these are the most common in developing countries; here the private sector is responsible for designing, building, operating, maintaining and financing the project, thereby taking a considerable proportion of risk.

The choice of the PPP arrangement for a project will depend on the Government's policy in the related sector and on the potential value for money to be generated under such an arrangement.

3. Characteristics of Public-Private Partnerships

The Government recognizes and intends to put in place certain key pre-conditions which need to be present in the policy framework for PPP, as they are critical in delivering successful outcomes. These have been identified as:

3.1. Institutional Framework for Successful PPP Implementation

The Government will establish clear and unambiguous institutional functions to assist in the successful implementation of PPPs in the State. At the same time, there will be a degree of institutional flexibility to encourage experimentation and innovation, but most importantly, to ensure that public bodies that have capacity are not delayed while institutional capacity elsewhere is being developed. The Government will create an institutional framework that will provide better coordination and planning of infrastructure, greater accountability for public investment and delivery of public services, and more transparency in regulation and procurement. While institutional roles and responsibilities may change over time as the Government's experience with PPP grows, this recognizes that certain public institutions will play important roles in the programme.

3.2. Legal and Regulatory Adaptations for PPP Evaluation

Political and regulatory risks are potential barriers to effective PPP implementation. Hence, it is intended by the Government that the regulation and legislation will be reviewed and possibly amended to reflect emerging trends in the evolution of the PPP structure within the State. This will create opportunities to establish a set of legal instruments, general principles and rules for PPP procurement that all MDAs will be expected to comply with, thereby ensuring some degree of consistency in approach across sectors.

3.3. Ensuring Affordability in PPP Options

PPP options must be affordable both to the Government and the public, given other priorities and commitments. The rationale for PPP is improved management of scarce resources, better risk allocation and more efficient and cost-effective delivery of services. The Government is aware that while the private sector may be willing to finance and deliver infrastructure and services through PPP, only users or taxpayers can pay for them. Affordability thus acts as a real constraint, and the Government will give serious consideration to the selection of potential PPP projects, ensuring always that their choices are in line with the Government's policy priorities and objectives. PPP provides new forms of procurement, financing and operation in ways that are likely to result in improved management of scarce resources.

3.4. Value for Money (VFM)

For the Government's PPP infrastructure programme to be successful, it is essential that the PPP projects involved in all sectors are seen to be "value for money". This means that the public infrastructure services provided by the private sector are provided at a lower cost to the taxpayer than equivalent services provided

Edo State PPP Policy Document

by the public sector, after considering the value of project risks passed from the public sector to the private sector. In adopting this policy, the Government is making no presumption about the relative efficiency or effectiveness of the public and private sectors in the delivery of projects and services. Rather, it will use PPP where this is likely to result in better value and more affordable services. All procurement decisions will be made on merit and all proposals will be subjected to thorough economic and financial cost benefit analysis. Value for money is a combination of the service outcome to be delivered by the private sector, together with the value of risks transferred to the private contractor and direct costs to the government and users. Where value for money drivers exist, PPPs can potentially deliver significant benefits in the design, the quality of services and the overall cost of infrastructure.

3.5. Capacity Building for PPP Stakeholders

As PPP represents a substantially new paradigm for Government, capacity building will be necessary for all stakeholders in the PPP process. The general level of awareness and understanding of PPP will be improved among all stakeholders to facilitate sound policy development and constructive discussion and debate. There is need to ensure a sufficient level of resources at all MDAs to deliver good PPP projects. The success of the PPP programme will depend on the development and retention of appropriate skills and expertise within the public sector. Ultimately, the Government will focus on transforming the Edo State Public-Private Partnership Agency (EDPPPA) into a PPP Centre of Excellence through a rigorous training regime and external support, improving its ability to drive the PPP programme with support from relevant MDAs. The Government will improve on EDPPPA's capacity to properly manage the procurement process, make necessary approvals and regulate, and in some cases modify, the PPP once operational.

4. Scope of the Policy

This policy will apply to all projects for the provision of critical infrastructures and public services by the State and / or Local Governments which would work directly or indirectly to deliver the broad policy objectives enshrined in the State's Development Plan. The Sector Implementation Plans will include those projects or programmes that are deemed suitable for PPP within each MDA's Medium and Long-term plans for infrastructural development.

5. The Goal and Objectives of the Policy

The goal of this policy is to leverage PPP to develop and deliver sustainable infrastructure services as against using the traditional public sector procurement approach. To achieve this goal, Edo State Government seeks to adopt the following objectives.

5.1. Economic

- To accelerate investments in new infrastructure and ensure the renewal or upgrade of existing infrastructure to meet satisfactory standards capable of providing the services that meet the needs and aspirations of the public.
- To boost the local economy by attracting international and domestic investors in public infrastructure, promoting efficiency, innovation and flexibility in a cost-efficient manner.
- To ensure that infrastructure projects are planned, prioritized and managed to maximize economic returns and are delivered in a timely, efficient and cost-effective manner.
- To efficiently utilize State resources for the benefit of users of public services.
- To use PPP as a catalyst for the implementation of the State's Development Plan and any subsequent development plans (urban and local development plans included).

Edo State PPP Policy Document

- To ensure that all investment projects provide value for money and that the costs to the government are affordable.
- To develop more reliable public services by deploying private sector skills in project financing, risk management, project planning and the use of new technologies and innovation thereby ensuring greater value for money in the provision of public infrastructure.
- To improve the availability, quality, and efficiency of power, water, transport and other public services in order to increase economic growth, productivity, competitiveness, and access to markets.
- To increase the capacity and diversity of the private sector by providing opportunities for Nigerian and international investors and contractors in the provision of public infrastructure, encouraging efficiency, innovation, and flexibility.
- To manage the fiscal risks created under PPP contracts within the Government's overall financial and budgetary framework.

5.2. Social

- To ensure balanced regional development.
- Increase access to quality public services for all Edo State citizens and residents.
- To enhance the health, safety and well-being of the general public.
- To promote local content and corporate social responsibility.
- To release public finance resources for investment in necessary social services.
- To increase access to quality public services for all members of society.
- To enhance the employment generation potential and diversity of the State economy.
- To ensure that user charges for new or improved public services are affordable and provide value for money.
- To respect the employment rights and opportunities of existing employees and to ensure that any redundancy or other social safety net issues are resolved before final project approval.
- To cater to vulnerable groups and promote gender equality.
- To encourage the direct or indirect participation of small and medium sized enterprises in PPP projects.
- To enhance social integration and inclusive growth.
- Address the needs of vulnerable groups and gender-related issues.

5.3. Environmental

- To protect and enhance the natural environment.
- To minimize greenhouse gas emissions and other pollutants.
- To enhance opportunities for clean and resilient growth.

6. The Implementing Principles

The Government shall promote and maintain the following principles when implementing PPP projects in the State:

6.1. Competition

The PPP procurement process shall be conducted via a competitive bidding process to ensure transparency in the process and to provide a mechanism for the selection of the best-value proposal. This will ensure compliance with global best practice to secure support from local and international lending institutions and grant funding organizations. The maximum benefits of competition will be realized if there is sufficient interest to generate multiple bidders, which normally arises with a public and transparent two-stage procurement process. The first stage, the pre-qualification process is to select bidders that are best qualified to submit fully priced bids. A shortlist of bidders will then be selected based on a consistent selection criterion with the objective of excluding bidders. The second and final stage progressively reduces the number of bidders based on the evaluation of technical and financial bids until the Preferred Bidder is identified.

6.2. Transparency

The Government acknowledges that bidding for PPP contracts through the two-stage bidding process can be expensive and that companies will only be prepared to participate in the process if they have confidence in its transparency. To gain this confidence, the Government will make public the basis on which the successful bidder will be selected from the outset when advertising the range of works or services that they will require. Potential bidders can then make an informed decision on whether to participate in the competition, and, if they do, to maximize their chances of submitting a successful bid.

6.3. Fairness

The same factors that drive the need for transparency will also apply to fairness. Bidders, or potential bidders, will have access to the same level of information about the requirements of the PPP project and about the procurement process itself. The criteria used to select the shortlist of bidders or to evaluate bids will be used to create a level playing field to obtain the optimal outcome and not to favour one bidder or group of bidders.

The Government wishes to encourage international investors to Edo to invest in PPP and will therefore allow bids to be widely advertised and open to international as well as Nigerian companies. Project information will be accessible to international audience as well as Nigerian companies and domestic preference clauses will not apply to PPP projects.

7. Institutional Framework for Public-Private Partnerships

With the acceptance of all stakeholders and satisfaction of project beneficiaries, Government Agencies have roles and responsibilities to ensure the successful implementation of PPPs.

- Firstly, it is responsible for establishing a sound enabling environment for PPPs (ie: establishing transparent and effective PPP legislative and institutional frameworks);
- Secondly, it is also responsible for the necessary planning to determine whether the PPP model is most appropriate.

To ensure effectiveness, the legislative framework governing PPPs in Edo State allocates specific roles and responsibilities to various entities. In addition, checks and balances in the system as well as oversight in decision-making process, are efficiently managed because of the involvement of most relevant the Government entities from the onset till the end of the project. They are:

7.1. Edo State Executive Council (ExCo)

The State Executive Council (ExCo) is the competent formal approving authority for decisions relating to development and final approval of the PPP Projects Pipeline.

7.2. Edo State Public-Private Partnership Agency (EDPPPA) Board

The Edo State Public-Private Partnership Agency (EDPPPA) Board provides strategic guidance and approval to proceed on PPP Projects to be executed by the Agency.

7.3. Edo State Public-Private Partnership Agency (EDPPPA)

The Edo State Public-Private Partnership Agency (EDPPPA) was established under the EDPPPA Law of 2025. The Law was ratified to: create the comprehensive legal framework to facilitate and govern PPPs in the State; ensure effective collaboration between the public and private sectors; and position the Agency as the central coordinating body for PPP initiatives (i.e: providing oversight, support and guidance for all PPP projects) within the State.

More robustly, the EDPPPA Law empowers the Agency to:

1. Publish a list of approved Projects to be carried out in the State;
2. Liaise and co-ordinate all State Agencies and Parastatals with respect;
3. Participation in the provision and development of public infrastructure Projects within the State;
4. Concedes public infrastructure or assets to private investors for design, construction, operation, management, control, maintenance, rehabilitation, and financing subject to the approval of the Executive Governor;
5. Assess mandated documentation and issue certificates to evidence compliance to this Law;
6. Negotiate with prospective private partners;
7. Obtain relevant information from government agencies or private entities by way of summons or an invitation;
8. Hold equity or other interest on behalf of the State in a concessionaire or other entity involved in the Public-Private Partnership arrangement with the State for such consideration and on such terms and conditions as it may agree with such persons. Provided that in exercising this power, the Agency shall aim to ensure that such interest is:
 - a. minimal and non-controlling, except where the Agency is acting as a promoter of a project and is temporarily holding a controlling interest while seeking suitable private partners;
 - b. in compliance with applicable laws, and that all rights attaching to such interest are exercised in accordance with appropriate corporate governance standards and best practices, including entry into shareholders' or other agreements setting out the rights and liabilities of the parties;
 - c. independent and devoid of political interference; and
 - d. exercised solely to advance the objectives of the Public-Private Partnership arrangement and to uphold the integrity of the relevant contractual framework.
9. Award Concessions to persons interested in Public-Private Partnerships for the design, construction, operation, management, control, maintenance, rehabilitation and financing of public infrastructure Projects within the State;
10. Appoint professional Advisers or Consultants and delegate any of its powers under this Law to such Advisers or Consultants;
11. Inspect and monitor concessionaires and parties to a Public-Private Partnership agreement for compliance with this Law and mutual agreements;
12. Designate public infrastructure or assets as service charge, user fee, or toll-paying;
13. Liaise and cooperate with government Agencies and Parastatals for private investors' participation;
14. Approve amounts charged by private or public operators as toll or user fees;

Edo State PPP Policy Document

15. Establish and operate an information and management system for public infrastructure, assets, and projects;
16. Engage Consultants, Advisers, and other services necessary for its functions;
17. Organize mandatory public consultations on PPP-related matters before issuing new regulations; and
18. Perform other related functions as may be assigned by the Governor.

7.4. Ministries, Departments, and Agencies (MDAs)

The MDAs are responsible for managing public infrastructure and services as well as the management of their own resources. They also prepare long-term plans for infrastructure investment & maintenance and incorporate them into the plans.

The MDAs (especially the project Contracting Authorities) and other Public Bodies will support EDPPP in the identification of the PPP Pipeline of projects to be included in the Sector Implementation Plans of relevant sectors and for the selection of investors. In summary, the MDAs will:

- Support EDPPP throughout the PPP procurement process;
- Be the Contracting Authority for PPPs; and
- Supervise and monitor the delivery of PPP projects in their sectors.

7.5. Edo State Ministry of Finance (MoF)

The Ministry of Finance (MoF) plays an important role in public financial management of PPP projects, and in evaluating and managing fiscal risks that may emerge from PPP agreements. The MoF ensures that the forecasted costs for the EDSG, including any subsidies that may be required to make a project viable, are affordable over the full life of the contract. Together with EDPPP and the relevant MDAs, it also reviews the costs and contingent liabilities as the project design and risk valuations are refined during the project preparation and procurement phases

Also, MoF is empowered to grant approval to launch the PPP tender process, subject to its verification of affordability, fiscal responsibility, and project alignment with the State's overall financial management framework.

7.6. Edo State Ministry of Budget and Economic Planning (MBEP)

The Edo State Ministry of Budget and Economic was created in an attempt by the State Government to ensure that governance is rooted in planning. It's the primary entity of government that facilitates efficient and effective mobilization, planning, allocation and utilization of resources for socio-economic transformation of Edo State and it is further charged with the responsibility to ensure continuous and dynamic socio-economic policies through prudent and equitable resource management in the State.

7.7. Edo State Ministry of Justice

The State Ministry of Justice is responsible for the development, review and approval of all PPP contracts and shall perform this task as an integral member of the EDPPP Board. Also, through representatives of the Ministry, it shall provide legal support to EDPPP during the PPP procurement process.

8. Legislative Framework for Public-Private Partnerships

The Edo State Government (EDSG) requires due process to be followed for any form of procurement involving EDSG and any of its Ministries, Departments, and Agencies (MDAs). PPP procurement in Edo State is governed by the following legislation:

Edo State PPP Policy Document

- Edo State Public-Private Partnership Agency (EDPPPA) Law 2025
- Edo State Public Procurement Agency (EDPPA) Law 2012
- Edo State Sectoral Laws
- Any regulation or Executive Order that may be issued by the Governor governing the PPP process.

These laws and regulations set out the requirements for competition and private sector participation in all public procurement and also specify the necessary approvals required for PPP procurement. Through such legislation, the State Government assures investors that all contracts completed in compliance with these laws are legal and enforceable, and that investors will be able to recover their expected return, subject to compliance with the terms of the PPP contract.

The objectives of these laws are to:

- Ensure that public authorities are empowered to enter into agreements for the implementation of privately financed infrastructure projects and that they can contract public service functions to private companies;
- Ensure that the regulation and licensing of public service operators and operations are transparent, timely, and effective;
- Provide appropriate remedies for protecting the safety and integrity of public infrastructure from vandalism and other criminal activity;
- Ensure that there are no distortions created by existing tax, banking, company, or any other laws that would bias the investment decisions of public authorities for or against PPP as a procurement option, or would distort the commercial decisions of PPP investors, contractors, or operators;
- Provide for transparent, efficient, and competitive procurement procedures for PPP-type contracts that encourage innovation from bidders, and allow dialogue to optimize the allocation of risks between the Contracting Parties;
- Ensure that there is an effective dispute resolution process which can operate independently and in a timely manner to provide alternative procedures such as arbitration and expert determination;
- Ensure that the proposed institutional and financial framework for PPP is consistent with the corresponding legislation proposed or enacted in Edo State.

8.1. The Enabling Environment

The Government shall review these laws and regulations and set out the requirements for competition and private sector participation in all public procurement and specify the necessary approvals required for PPP procurement. Through such legislation, the Government assures investors that all contracts completed in compliance with the laws are legal and enforceable, and that investors will be able to recover their expected return subject to compliance with the terms of the PPP contract. To further safeguard a quick and efficient PPP procurement process, the Government intends to give EDPPPA, with the support of the State Executive Council, the full responsibility and control over the PPP procurement process in order to avoid unnecessary delays. EDPPPA will, on the onset, harmonize its procurement processes within the framework of the Edo State Public Procurement Law (2012) and will thereafter manage the process in accordance with the procurement process in the PPP Manual.

By creating an appropriate enabling environment for PPP and allowing a fair return to private investors for the project risks that they will take, the Government believes that it can harness PPP to supplement scarce public resources, although the Government will still provide the greater part of investment funding for infrastructure. The Government recognizes that it will need to develop its policies and practices—and in some cases introduce or amend legislation—if it is to encourage greater private sector participation in

Edo State PPP Policy Document

delivering public services and attract private capital to fund the country's infrastructure and related services. The Government will:

- Provide a clear policy and regulatory framework for PPP and greater transparency and fairness in awarding contracts and resolving disputes;
- Work with international development institutions to reduce financing costs;
- Ensure that its procurement processes are fair, transparent, and well managed, and compliant with all relevant legislation;
- Improve capacity and skills in the public sector to manage projects more effectively;
- Communicate its plans and policies effectively to the general public and investors, and work with the Federal Government to ensure that there is a clear and consistent approach to PPP.

9. New Frameworks for Public-Private Partnerships

The Government will put in place a legal, financial, and institutional framework that will promote and facilitate the implementation of privately financed infrastructure projects by enhancing transparency, fairness and the long-term sustainability of projects. It will apply lessons learned in any further refinement of its policy and the associated legal, financial, and regulatory frameworks. It will disseminate this knowledge and experience throughout the public sector and continue to build capacity in MDAs in the planning, procurement, and management of PPP projects. It will ensure that its economic policies provide a stable and predictable environment for investors. Ultimately, the new laws and regulations will create the following:

9.1. Legal Framework

- Ensure that public authorities are empowered to enter into agreements for the implementation of privately financed infrastructure projects and can delegate their statutory functions to private companies.
- Ensure that the regulation and licensing of public service operators and operations is transparent, timely, and effective.
- Provide appropriate remedies for protecting the safety and integrity of public infrastructure from vandalism and other criminal activity.
- Ensure that there are no distortions created by existing tax, banking, company, or any other laws that would bias the investment decisions of public authorities for or against PPP as a procurement option, or would distort the commercial decisions of PPP investors, contractors, or operators.
- Provide for transparent, efficient, and competitive procurement procedures for PPP-type contracts that encourage innovation from bidders and allow dialogue to optimize the allocation of risks between the contracting parties.
- Ensure that there is an effective dispute resolution process which can operate independently and in a timely manner to provide alternative procedures such as arbitration and expert determination.
- Ensure that the proposed institutional and financial framework for PPP and the issuance of guarantees, partial risk insurance or other financial instruments by, or through, the Federal Government is consistent with the Federal Fiscal Responsibility Act and the Edo State Debt Management Policy Framework (Law providing for the raising of loans through the issuance of debt securities and for other purposes connected therewith).

9.2. Financial Framework

The Government will strengthen its Medium-Term Expenditure Framework (MTEF) and the Sector Implementation Plans of its Ministries, Departments and Agencies to:

- Provide guidance to MDAs on the renewal of the State Development Plan that will provide a planning tool for the prioritization of infrastructure financed from public funds that will also include a 5-year PPP Projects Pipeline to be financed through PPP contracts;
- Issue guidance to all public authorities and provide support and advice on discount rates, indexation and inflation, techniques for measuring costs and benefits, and the valuation of risks;
- Allocate responsibility for monitoring any contingent liabilities and risks that arise from PPP contracts and any sub-sovereign or other guarantees, partial risk insurance, subsidies, or exchange rate volatility;
- Ensure that its policies on user charges and tariff subsidies are sustainable and meet the needs of both investors and users.

In addition, upon the fulfillment of some certain conditions by the Private Partner, the Government may provide some financial support to the PPP projects via instruments like: guarantees, Viability Gap Funding (VGF), subsidies, etc

10. Public-Private Partnerships and Planning

The Edo State Public-Private Partnership Agency (EDPPPA) will identify, in consultation with the State Ministry of Budget and Economic Planning (MBEP), a list of potential PPP projects, and with its support, develop the criteria for the preparation and screening of projects for a prioritization of a 5-year PPP Project Pipeline.

These assessments will determine whether a project would make a suitable candidate for further preparation and implementation through a PPP arrangement. The assessments provide recommended actions for undertaking the next steps for the detailed analysis, risk structuring, review, and possible tendering of each PPP candidate project.

In setting these priorities, EDPPPA and MBEP will take into consideration:

- The State's investment priorities and its short-term and long-term goals for the development of infrastructure in a sustainable manner;
- Where PPPs are likely to offer better value-for-money over other forms of public procurement;
- The current resources, project management capacity and efficiency of the private sector.

The PPP Projects Pipeline Plan will be updated from time to time by EDPPPA in accordance with the criteria agreed with MBEP, and shall be included in the relevant Sector Implementation Plans. Unsolicited proposals by the private sector will be subject to the same project review process described in the criteria and will be procured in accordance with this Policy once they are incorporated into the PPP Projects Pipeline.

11. Public-Private Partnerships and Regulations

Edo State Government (EDSG) has no intention to establish independent regulatory bodies to regulate pricing and competition concerns. An economic regulatory regime via the PPP contracts will be developed with the use of arbitration and tribunals to settle disputes. Post-contract monitoring of safety and environmental regulation will be the responsibility of the project relevant EDSG MDAs.

EDPPP will continue to consult with the private sector and interest groups on the options for reforms to remove barriers and make PPP arrangements more efficient.

12. Working with the Federal Government

EDSG acknowledges that the Federal Government (FGN) is responsible for the delivery of Federal Infrastructure such as power, railways, the major ports and airports, and inter-State roads. It will continue to work with the relevant Federal Ministries, Departments, and Agencies (MDAs) to ensure that investment is directed to developing and improving those Federal infrastructure assets located within the State.

In undertaking its own PPP transactions, EDSG will ensure that there is a consistency of approach between Federal and Edo State PPP policies as they evolve. It will also invest directly alongside other private investors, where appropriate and by agreement with the Federal Government, in support of projects to improve the availability of infrastructure when this is in the long-term interest of the State.

The Government further acknowledges that some State projects may require Federal Government guarantees in order to attract international finance. These projects will also have to comply with the process for the Federal projects, as they will require the approval of the Federal Executive Council (FEC).

13. Stakeholder Consultation and Participation

EDSG shall take into consideration the concerns of potential private sponsors, users and other key stakeholders over the deficiency in bankability of PPP projects by consulting with such key stakeholders as early as possible, to solicit their guidance on what is and is not a sustainable, commercially viable project, before final decisions are taken regarding project structure and design. This will assist the Government in finding a solution to the problem of poorly structured, unsustainable PPP projects.

14. Public-Private Partnership Project Lifecycle

The standard PPP process to be adopted by EDSG shall take the following steps:

(1) Project Identification and Feasibility (preparation / development)

- Project identification, prioritization and Concept Note development.
- Review and Approval of Project Concept Note.
- Set up Project Delivery Teams (PDT) with cross-cutting membership (teams include membership from sponsoring MDA, PPP Agency, Ministry of Finance, Public Procurement Agency, Ministry of Justice, e.t.c)
- Development of Transaction Adviser (TA) Procurement Documents; Issuance of RFQ and RFP for TA.
- Approval of Appointment of TA.
- Preparation of Outline Business Case (OBC).
- Review of OBC (Including the examination of Direct/ Contingent Liability issues).
- Development of (some / all); financial & risk structure of the project; RFQ & RFP for private partner selection; contract management plan; value for money report; bid process evaluation criteria; summary information sheet; procurement strategy; knowledge management strategy; preliminary information memorandum; stakeholder management plan; draft concession agreement; approach to negotiation strategy.

(2) PPP Procurement and Contract Award

- Issue RFQ, respond to queries, and shortlist bidders.
- Submit Draft Concession Agreement and submit to Ministry of Justice (MoJ) for Approval.
- Issue RFP to shortlisted bidders (including the evaluation of proposals to identify preferred and reserve bidder).
- Negotiations with Preferred Bidder.
- Completion of Full Business Case (FBC).
- Submit negotiation report to the Procurement Agency (EDPPA) and issuance of no objection to MDA or EDPPPA.
- Submission of FBC by MDA to the State Executive Council (ExCo) for ratification and approval.
- Contract Signing between State/MDA and preferred bidder.

(3) Project Implementation and Monitoring

- Fulfill precedent for project to reach financial close (land, compensation, settlement, e.t.c.).
- Oversight of project implementation and compliance with contract.

(4) Post-Completion and Contract Expiry

- PPP Hand-back / termination.
- Termination of PPP Contract.
- Asset condition at expiry of PPP Contract.

NB: EDSG will provide further guidance through its PPP Manual on the effective management of each phase of a PPP project.

15. Unsolicited Proposals

It is the State Government's intention to encourage innovation in diverse sectors. Thus, EDSG acknowledges that private companies are often well positioned to recognize potential demand for infrastructure facilities and to devise innovative ideas to develop and operate such infrastructure facilities. **A key objective of this policy is to encourage greater innovation in the delivery of its infrastructure and public services sectors.** This can be achieved by encouraging unsolicited proposals for PPPs to be submitted by private sector developers.

Where an unsolicited proposal is received, the MDA will forward such a proposal (alongside its review report) to EDPPPA for a holistic review and submit to the Ministry of Budget and Economic Planning (MBEP) for inclusion in the PPP Pipeline and relevant Sector Implementation Plans. Unsolicited PPP proposals will have to go through sufficient transparency and competition, but the Government will allow for in-built procurement advantages to benefit the Private proponents. The Government will seek to get the balance right between encouraging the private sector to submit project ideas, without losing the transparency and efficiency gains of a well-conceived competitive tender process. While all proposals will be treated on a case-by-case basis, consideration of unsolicited proposals will be the exception rather than the rule, and limited mainly to projects that demonstrate genuine innovation and / or use of proprietary technology.

16. Conclusion

This Policy Framework sets out the policies and processes that the Government will introduce to provide new investment in Edo's public infrastructure. By adopting this policy, the State is expecting to leverage on PPPs to rehabilitate and expand its infrastructure, thereby growing the economy, creating jobs in the State and achieving its economic development goals.

The PPP policy will harness private sector support towards the State's public works programme, with the immediate focus on the development of the entire transportation infrastructure, development of the economy via industrialization, rehabilitation and management of waste to wealth infrastructure, increased access to (alternative) power sources, etc.

It is the intention of the Government to create an environment with a credible PPP legal framework that will harmonize both public and private sector interests, which is mutually beneficial for both parties for the duration of the agreement.

