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### OYO STATE INVESTMENT PROMOTION & PUBLIC PRIVATE PARTNERSHIP AGENCY (OYSIPA)

**DEVELOPING AN EFFECTIVE PUBLIC-PRIVATE PARTNERSHIP (PPP) FRAMEWORK FOR OYO STATE**

**1. *Introduction***

Public-Private Partnerships (PPP) are collaborative arrangements between government entities and private sector companies to finance, build, and operate projects that serve public needs. This framework is vital for addressing infrastructure deficits, improving service delivery, and fostering economic growth. For Oyo State, Nigeria, a well-structured PPP framework is essential to achieve these objectives, considering the state's strategic position in the southwestern region of the country and its potential as a hub for agricultural, industrial, and educational activities.

**2. *Objectives of the PPP Framework***

The primary objectives of developing an effective PPP framework for Oyo State include:

* **Infrastructure Development:** Accelerating the construction and maintenance of critical infrastructure such as roads, healthcare facilities, water supply systems, and educational institutions.
* **Economic Growth:** Stimulating local economic activities by attracting private investments and creating employment opportunities.
* **Efficiency in Service Delivery:** Leveraging private sector expertise to improve the quality and efficiency of public services.
* **Risk Management:** Distributing risks between the public and private sectors to ensure sustainability and minimize the burden on the state’s finances.
* **Transparency and Accountability:** Ensuring clear and transparent processes in project selection, implementation, and monitoring.

**3. *Key Components of the PPP Framework***

To develop an effective PPP framework, the following key components should be considered:

**3.1 Legal and Regulatory Framework**

* **Legislation:** The law of the House of Assembly cited as The Oyo state Investment and Public Private Partnership Agency (OYSIPPA) law 2019 …Establish a robust legal framework that defines the roles, responsibilities, and rights of all parties involved in PPPs. This should include clear guidelines on project procurement, contract management, dispute resolution, and termination procedures.
* **Regulatory Authority:** Set up an independent regulatory body to oversee PPP projects, ensuring compliance with legal provisions, maintaining transparency, and safeguarding public interest. Under the OYSIPPA Law enacted in 2019 the agreement between the government and a person, firm or company or limited liability partnership for construction, maintenance or operation and management of public assets, and facilities over a given period of time including but not limited to the following types of arrangements;
  + *Design build operate and transfer*
  + *Build own operate and transfer*
  + *Build lease and transfer*
  + *Rehabilitate operate and transfer*
  + *Joint development agreement*
  + *Operation and maintenance*

**3.2 Institutional Framework**

* **PPP Unit:** Establish a dedicated PPP unit within the state government to coordinate PPP initiatives. This unit should have the capacity to manage the entire project lifecycle, from conception to implementation and monitoring.
* **Capacity Building:** Invest in training and capacity building for government officials and stakeholders to enhance their understanding of PPP processes and improve decision-making.
* **Stakeholder Engagement:** Develop a mechanism for engaging all relevant stakeholders, including local communities, businesses, and civil society organizations, to ensure broad-based support for PPP projects.

**3.3 Financial Framework**

* **Funding Mechanisms:** Identify and establish sustainable funding mechanisms for PPP projects, including government budget allocations, private investments, and multilateral loans or grants.
* **Risk Allocation:** Design a clear risk allocation model that ensures risks are shared appropriately between the public and private sectors, minimizing the financial burden on the state government.
* **Revenue Generation:** Develop revenue generation strategies, such as user fees or tariffs, to ensure the financial viability of PPP projects.

**3.4 Project Selection and Prioritization**

* **Needs Assessment:** Conduct a thorough needs assessment to identify priority sectors and projects that align with the state’s development goals.
* **Feasibility Studies:** Ensure that comprehensive feasibility studies are conducted for each project to assess technical, financial, environmental, and social viability.
* **Project Pipeline:** Develop a pipeline of bankable PPP projects, ensuring a balanced portfolio that addresses critical infrastructure gaps.

**3.5 Monitoring and Evaluation**

* **Performance Metrics:** Establish clear performance metrics to evaluate the success of PPP projects, focusing on outcomes such as quality of service, financial sustainability, and social impact.
* **Regular Audits:** Implement regular audits and reviews of PPP projects to ensure accountability and compliance with contractual obligations.
* **Feedback Mechanisms:** Create feedback mechanisms that allow for continuous improvement of the PPP framework based on lessons learned from ongoing and completed projects.

**4. Challenges and Mitigation Strategies**

**4.1 Challenges**

* **Political Risks:** Changes in government policies or leadership can affect the continuity and success of PPP projects.
* **Limited Institutional Capacity:** Inadequate capacity within government agencies to manage complex PPP projects.
* **Financing Constraints:** Limited access to finance, particularly for large-scale infrastructure projects.
* **Public Opposition:** Resistance from local communities or other stakeholders due to perceived negative impacts.

**4.2 Mitigation Strategies**

* **Political Commitment:** Ensure strong political commitment at all levels of government to support PPP initiatives.
* **Capacity Enhancement:** Invest in building institutional capacity through training, technical assistance, and partnerships with experienced entities.
* **Innovative Financing:** Explore innovative financing options, such as blended finance and public guarantees, to attract private sector participation.
* **Stakeholder Engagement:** Engage in continuous dialogue with stakeholders to address concerns and build trust in the PPP process.



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### REPORT ON PUBLIC-PRIVATE PARTNERSHIP (PPP) PROJECTS BY OYO STATE INVESTMENT AND PUBLIC PRIVATE PARTNERSHIP AGENCY (OYSIPPA)

#### Introduction

The Oyo State Investment and Public Private Partnership Agency (OYSIPPA) has been at the forefront of fostering economic development in Oyo State through strategic Public-Private Partnerships (PPPs). The agency has been instrumental in attracting private sector investments to drive infrastructure development, particularly in housing, road construction, and urban renewal projects.

#### Leadership and Strategic Direction

The Oyo State Investment and Public Private Partnership Agency (OYSIPPA) has seen significant developments in its Public-Private Partnership (PPP) pipeline as of mid-2024. A notable update is the appointment of Mr. Olatilewa Folami as the new Director General of OYSIPPA, replacing Mrs. Lola Olutola, who had moved on to serve as similar capacity in Ekiti State. The new helmsman, Mr. Olatilewa Folami has been actively engaging with various government agencies to enhance the collaboration needed for the successful execution of PPP projects across the state, breaking new frontiers in national and international collaborations with various partners thus setting the pace in the economic emancipation of the state.

Among the key PPP projects under OYSIPPA’s oversight is the development of the Yekinni Adeojo Government Residential Area (GRA) in Ibadan. This project, awarded to Allianz West Africa Ltd., is a major infrastructure initiative that includes the development of roads, drainage systems, electrical and water facilities, and security features. The GRA is expected to become a prime residential area, aligning with the state government's vision for urban expansion and infrastructure development.

These updates reflect OYSIPPA’s ongoing efforts to foster private sector involvement in the development of critical infrastructure in Oyo State, with a focus on improving residential amenities and contributing to the state's long-term growth plans​

#### Key PPP Projects and Updates

NOTE:

* Name of sponsoring MDA, project, sector and estimated cost
* The Pipeline disclosed include the climate screening assessment result of 50% of the pipeline.

1. **Yekinni Adeojo Government Residential Area (GRA) Development**
   * **Project Description**: The Yekinni Adeojo GRA in Ibadan is a significant residential project being developed under a PPP arrangement with Allianz West Africa Ltd. The project spans 50 hectares and is part of a broader urban expansion plan aimed at developing new satellite cities around Ibadan.
   * **Current Status**: Allianz West Africa Ltd. is responsible for providing all infrastructural facilities, including roads, drainage, water, and electricity. The project is designed to accommodate 600 to 800 families, with the aim of creating a fully serviced residential enclave.
   * **Impact**: The GRA is expected to enhance the living standards of residents by providing modern infrastructure and amenities. It also aligns with the Oyo State 2030 master plan, which anticipates significant population growth in the region due to ongoing infrastructural developments.
2. **Engr. Lere Adigun GRA (Basorun, Ibadan)**
   * **Project Description**: This project, also developed by Allianz West Africa, has already been completed and serves as a model for future GRAs in the state. It caters primarily to the upper-middle-class population and has become a sought-after residential area.
   * **Impact**: The success of the Engr. Lere Adigun GRA has set a benchmark for subsequent residential developments under the PPP model in Oyo State, highlighting the effectiveness of private sector involvement in delivering high-quality infrastructure.
3. **Agbowo Shopping Complex Remodeling**
   * **Project Description**: The Agbowo Shopping Complex, a major commercial hub in Ibadan, is undergoing extensive remodeling under a PPP arrangement. This project is intended to revitalize the complex and transform it into a modern shopping and business destination.
   * **Current Status**: Regular inspections and collaborations between OYSIPPA and other state agencies are being conducted to ensure the timely completion of the project.
   * **Impact**: The remodeled Agbowo Shopping Complex is expected to boost commercial activities in the region and provide a more conducive environment for businesses.

#### Challenges and Future Outlook

While OYSIPPA has made significant progress in driving PPP projects, challenges such as funding, regulatory compliance, and coordination among various stakeholders persist. However, the agency remains committed to overcoming these challenges and ensuring that PPPs continue to play a pivotal role in the state's development agenda.

Looking ahead, OYSIPPA plans to expand its PPP portfolio to include more sectors such as healthcare, education, and renewable energy, which are critical to the state's long-term sustainability and growth.

#### Conclusion

OYSIPPA's PPP initiatives are crucial to the infrastructure and economic development of Oyo State. Through strategic partnerships and effective project management, the agency is driving significant improvements in the quality of life for residents and positioning Oyo State as a leading destination for investment in Nigeria.

This report highlights the ongoing efforts and successes of OYSIPPA in utilizing PPPs to achieve the state's development goals

### Report on Public-Private Partnership (PPP) Projects Pipeline Update by Oyo State Investment Promotion Agency (OYSIPA)

#### Introduction

The Oyo State Investment Promotion Agency (OYSIPA) has been pivotal in driving infrastructure development and economic growth in Oyo State through its Public-Private Partnership (PPP) initiatives. The agency has actively worked to attract private sector investments, ensuring the successful execution of various high-impact projects across different sectors. This report provides an update on the current PPP project pipeline managed by OYSIPA, highlighting ongoing and upcoming projects that are crucial to the state’s development agenda.

#### Leadership and Strategic Focus

The Oyo State Investment and Public Private Partnership Agency (OYSIPPA) has seen significant developments in its Public-Private Partnership (PPP) pipeline as of mid-2024. A notable update is the appointment of Mr. Olatilewa Folami as the new Director General of OYSIPPA, replacing Mrs. Lola Olutola, who had moved on to serve as similar capacity in Ekiti State. The new helmsman, Mr. Olatilewa Folami has been actively engaging with various government agencies to enhance the collaboration needed for the successful execution of PPP projects across the state, breaking new frontiers in national and international collaborations with various partners thus setting the pace in the economic emancipation of the state.

Under the leadership of Mrs. Lola Olutola, the newly appointed Director General, OYSIPA has continued to expand its PPP project pipeline, focusing on sectors that align with the state's long-term development goals. The agency's strategy emphasizes collaboration with private investors to deliver quality infrastructure and services that meet the growing needs of Oyo State’s population.

#### Key PPP Projects in the Pipeline

1. **Ibadan Circular Road Project**
   * **Project Description**: The Ibadan Circular Road is a 110-kilometer expressway project designed to decongest traffic within the city of Ibadan and improve connectivity to other regions. The project is a key component of the state’s infrastructure master plan.
   * **Current Status**: The project is currently at an advanced stage of planning and has attracted significant interest from local and international investors. OYSIPA is working closely with the Oyo State government to finalize agreements with selected partners.
   * **Impact**: Once completed, the Ibadan Circular Road will significantly reduce travel time, promote economic activities, and enhance the movement of goods and services within and beyond Oyo State.
2. **Iseyin-Ogbomoso Road Development**
   * **Project Description**: This road project is aimed at improving transportation links between the northern and southern parts of Oyo State, facilitating better access to agricultural areas and enhancing trade.
   * **Current Status**: Negotiations with private investors are ongoing, with the project expected to commence once final agreements are signed. OYSIPA is optimistic about securing the necessary funding and expertise to deliver the project.
   * **Impact**: The road will open up rural areas to economic opportunities, reduce travel costs, and improve the overall quality of life for residents in the region.
3. **Lagos-Ibadan Rail Corridor Enhancement**
   * **Project Description**: This project involves the development of modern facilities along the Lagos-Ibadan rail corridor, including commercial hubs, residential areas, and logistics centers. The aim is to maximize the economic benefits of the existing rail infrastructure.
   * **Current Status**: The project is in the planning stage, with OYSIPA actively seeking partners who can bring innovative solutions to the table. The project is expected to attract substantial investments and create numerous job opportunities.
   * **Impact**: Enhancing the rail corridor will boost trade between Lagos and Oyo State, attract businesses to the region, and promote sustainable urban development.
4. **Agbowo Shopping Complex Redevelopment**
   * **Project Description**: The redevelopment of the Agbowo Shopping Complex in Ibadan is a major urban renewal project that aims to transform the aging commercial hub into a modern business and leisure destination.
   * **Current Status**: The project is already underway, with OYSIPA overseeing the selection of private partners responsible for the redevelopment. The complex is expected to feature retail spaces, entertainment facilities, and office buildings.
   * **Impact**: The new Agbowo Complex will revitalize the local economy, attract tourists, and provide a state-of-the-art environment for businesses and consumers alike.
5. **Oyo State Health Facilities Upgrade**
   * **Project Description**: This initiative involves upgrading healthcare facilities across the state, focusing on equipping hospitals with modern technology and improving service delivery through private sector participation.
   * **Current Status**: OYSIPA is in talks with healthcare providers and investors to fund and manage the upgrade of several key hospitals and clinics in Oyo State.
   * **Impact**: The project will enhance the quality of healthcare services available to residents, reduce the burden on public health facilities, and position Oyo State as a healthcare destination in Nigeria.

#### Challenges and Opportunities

OYSIPA faces challenges in securing adequate funding and navigating regulatory hurdles, but the agency remains committed to overcoming these obstacles through strategic partnerships and continuous engagement with stakeholders. The pipeline of PPP projects offers significant opportunities for economic growth, job creation, and improved infrastructure in Oyo State.

#### Conclusion

OYSIPA’s current PPP project pipeline reflects the agency’s commitment to driving sustainable development in Oyo State. With a focus on strategic infrastructure projects that align with the state’s long-term goals, OYSIPA is well-positioned to attract private investments that will transform the socio-economic landscape of the region. The successful implementation of these projects will not only improve the quality of life for residents but also establish Oyo State as a leading destination for business and investment in Nigeria.