Lessons from Transportation PPP Projects in Africa?

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Emergence of LAMATA

- The Lagos Metropolitan Area Transport Authority, (LAMATA) was created by an act signed into law on January 13, 2002.

- Formally launched on the 2nd of December, 2003

- It is a semi-autonomous agency in Lagos

- It was established with the World Bank’s collaboration in form of technical and financial assistance

- LAMATA plans, co-ordinate, implement and regulate public transport in Lagos State
Current PPP market in Lagos State based on the strategic transport master plan

- 7 rail lines including facilities such as parking and development of interchange areas to enhance operation of rail services
- Transit oriented developments within 500 meters of major stations
- 10 BRT routes
- 10 water transport routes
- Several road improvements and in particular a ring road
What is Lagos States Experience in Implementing PPP Projects?

- The First BRT transport scheme in Africa from Mile 12 to CMS was launched in March 2008.
- The Blue Line Rail Scheme with the first phase expected to be operation by second quarter of 2013.
- The Red Line rail Scheme which is still being negotiated with the Federal Government and the concessionaire.
Why have these projects been singled out for PPP?

- **BRT**
  - Government is well experienced in providing road transport infrastructure but weak in providing sustainable public transport services.
  - Private sector with their wealth of management experience were seen to be best placed to provide transport services.

- **Blue Line**
  - The Government need to demonstrate that rail transportation is a viable venture hence the provision of the first rail infrastructure.
  - The private sector again were seen to be best placed to provide a more stringent management structure that will lead to a sustainable rail service.

- **Red Line**
  - The prefeasibility study shows that it is actually value for money for the private sector to provide both the infrastructure and the transport services (BOT).
  - The patronage forecast is well over a million per day.
What has been the challenges?

- **Technology issues**
  - Infrastructure interface between the different contractors on the rail project
  - Difficulty in handling the high volume of passengers when BRT opened

- **Social and Environmental Issue**
  - Widespread public opposition to project due to broad array of environmental and community concerns

- **Financial Issues**
  - The difficulty in attracting the banking sector into public transport ventures

- **Administrative issues**
  - Challenge of resolving disputes between public and private partners to a PPP
  - How to hold the concession team accountable for project performance according to the terms of the contract
  - Risk of entering a PPP relationship with an untried consortium
THANK YOU