PPPs and Sub Nationals – Lessons from Around the World

Lekki Toll Road Concession, Lagos, Nigeria

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Historic challenges on Eti-Osa Lekki-Epe Expressway:

- Poorly maintained road
- Long hours lost in traffic jams
- Poor/dangerous driver behaviours, illegal turns, poor traffic management and enforcement, etc
- Inadequate public transport facilities
- Presence of miscreants along the ever busy road, contributing to security-related risks
- “Go Slow Highway Robbery”
Solution: Lekki Toll Road Concession

- 30-year Public Private Partnership between Lagos State and LCC, to solve historical problems of heavy “go slow” along the Lekki-Epe Axis

Project Summary

- Phase I - Expansion and upgrade of 49.4km of Ozumba Mbadiwe Avenue/Lekki-Epe Expressway
- Phase II - Construction of 20km of Coastal Road, plus option to do the Southern Bypass
- Operation and maintenance of new road infrastructure over 30-year Concession term
- N50Bn estimated project cost being financed by LCC, will be recovered principally through charging tolls
New World Class Infrastructure and Services Delivered

Oniru Pedestrian Overhead Bridge

Eti-Osa Lekki-Epe Expressway

Falomo Bridge On-Ramp

Routine Asset Maintenance

... Journey times on completed road sections are now up to 90 minutes faster
Various Discontinuities and Disruptions Encountered

- **Agitations** by stakeholder groups
  - Some politically-motivated
  - Often based on incorrect information and/or knowledge about the project
  - Demonstrates importance of early and continuous stakeholder engagement

- **Material changes** introduced mid-stream
  - Steep learning curve especially for government
  - Various delays and disruptions arising from RoW and other encumbrances
  - Government’s decision to suspend direct tolling
  - Government’s instruction to implement major redesigns of a key road section

- Effective management of the changes has been key to sustaining investor and lender confidence
  - Genuine effort by government to ensure project continuity
  - Shadow Tolling compensation framework implemented
  - Other LCC claims under discussion / negotiation
## Our Foundation is our Strength

### Robust Legal Framework
- Enabling Legislation in place from the outset
- Project execution carefully managed in line with legal framework

### Concession Agreement
- Well-drafted in line with international norms for infrastructure concessions
- Strong protections dealing with the various challenges confronted to date
- Lagos State Government’s demonstrable respect for sanctity of contract

### Experienced Team
- Strong background in developing, financing and implementing concessions
- Project well-researched and developed from the start
- Ability to innovate and find creative solutions in changing circumstances

### Long Term Financing
- Ground-breaking long-term financing and security package
- Highly reputable local and international providers of finance
- Continuous support and flexibility from investors and lenders

### Key Partnerships
- Government and financiers strongly committed to the project
- EPCM Contractor commitment despite numerous disruptions
- We fully embrace stakeholder feedback, whether positive or negative
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Thank You