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**FGN AND WORLD BANK'S
CAPITAL MARKET INNOVATIONS FOR
INFRASTRUCTURE DEVELOPMENT
IN NIGERIA: PROSPECTS AND
CHALLENGES.**

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The World Bank's proposed introduction of its Joint Capital Markets Programme (J-CAP) in Nigeria presents a critical opportunity to strengthen the country's capital markets and drive growth in key sectors. However, it also raises important questions about the potential impacts and challenges of this initiative, particularly with regards to Public-Private Partnerships (PPPs) in Nigeria.

Public-Private Partnerships refer to a financing model where a private sector entity partners with a government agency or public corporation to deliver a project or service. In most cases, the private entity brings in funding while benefiting from some government's incentives. Essentially, both parties share risks and responsibilities.

An example of this financing model is J-CAP by the World Bank which is focused on reducing the risk associated with infrastructure investments by providing guarantees and mobilizing local and global savings. If this collaboration works great, Nigeria can bridge its infrastructure gap more efficiently and with less reliance on public funds. However, some notable challenges that need to be addressed include lack of holistic legislation covering different aspects of PPP transactions; Nigeria's economic volatility as well as the need for institutional capacity building.

The Infrastructure Concession Regulation Commission Act (ICRCA), which primarily regulates Public-Private Partnerships (PPPs) in Nigeria, has been criticized for its inadequate enforcement mechanisms. This inadequacy has led to concerns regarding the lack of transparency in contract negotiations and the prevalence of corrupt practices, all of which are exacerbated by the country's economic uncertainties. Therefore, to ensure the program is brought into fruition, the Federal Government needs to review current legislations with focus on delineating the extent and limits of current regulatory bodies to prevent conflicts of power; and a comprehensive plan guiding the establishment of the fund.
