



The Chartered
Institute of Logistics
and Transport

PUBLIC-PRIVATE PARTNERSHIPS IN ROAD TRANSPORT DEVELOPMENT: THE CASE OF NIGERIA

PRESENTED BY

Dr. Boboye Oyeyemi

OFR, mni, NPOM, FCILT, FNIM, FCIPM.

The President

Chartered Institute of Logistics and Transport, Nigeria.



ON THE OCCASION OF
**CILT, GHANA LOGISTICS AND TRANSPORT
CONFERENCE 2026 (LTC 2026)**



CONNECTING PEOPLE, BUSINESSES AND COMMUNITIES

1. INTRODUCTION & CONTEXT: NIGERIA'S ROAD TRANSPORT IMPERATIVE

Nigeria's economy relies overwhelmingly on road transport. Highways serve as the vital arteries connecting agricultural belts in the North to commercial engines and seaports in the South.



NIGERIA ROAD TRANSPORT PROFILE



Total Road Network:
~200,000 km



Federal Trunk Roads:
~35,000 km
(Handles ~70% of inter-state)



Freight/Passenger Reliance:
>90% on Roads



30-Year Infrastructure
Funding Gap:
~\$3 Trillion (National)



THE FUNDING GAP CHALLENGE



Traditional budgetary allocations via the annual Federal Capital Expenditure budget are **insufficient** to bridge the vast infrastructure deficit.



With competing social needs (health, education, security) and fiscal constraints, the Federal Government of Nigeria (FGN) has shifted from being a sole direct financier to an enabler of private capital through Public-Private Partnerships (PPPs).

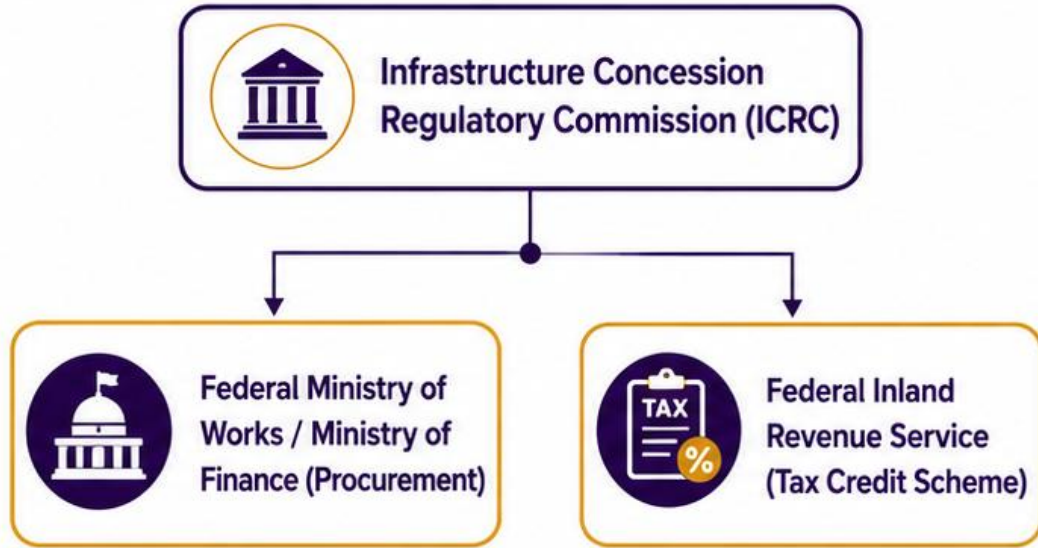


2. LEGAL, INSTITUTIONAL & REGULATORY FRAMEWORK

To attract private capital into long-term infrastructure, Nigeria established a structured institutional and legal environment.



REGULATORY TRINITY



INSTITUTIONAL PILLARS

- 1**  **ICRC Act (2005):** Established the Infrastructure Concession Regulatory Commission (ICRC) as the apex regulator charged with taking custody of concession contracts, ensuring project bankability, and maintaining contract compliance throughout the lifecycle.
- 2**  **National Policy on Public-Private Partnership (NPPPP):** Sets out clear guidelines for project identification, Outline Business Case (OBC) certification, competitive procurement, and Final Business Case (FBC) approval.
- 3**  **Executive Order No. 007 (2019):** Introduced the Road Infrastructure Development and Refurbishment Investment Tax Credit Scheme, allowing private corporate entities to fund road construction in exchange for tax credits set against future Companies Income Tax (CIT).
- 4**  **Standardization Drive:** The FGN and ICRC launched the Model PPP Agreement to standardize terms across Ministries, Departments, and Agencies (MDAs), shortening negotiation timelines and lowering transaction costs for international and domestic investors.



CLEAR ROLES & ACCOUNTABILITY

Defined responsibilities across key institutions ensure transparency and efficiency.



INVESTOR CONFIDENCE & PROTECTION

Strong legal safeguards and contract custody enhance bankability and reduce investment risk.



SUSTAINABLE PRIVATE INVESTMENT

Enabling policies and incentives unlock long-term financing for quality infrastructure.



BETTER ROADS. STRONGER ECONOMY.

A robust framework delivers safer roads, lower logistics costs, and inclusive economic growth.

3. CORE MODELS & CASE STUDIES OF ROAD PPPs IN NIGERIA

Nigeria employs a hybrid mix of PPP arrangements tailored to its socio-economic conditions:



MODEL TYPE	REGULATORY MECHANISM	PRIMARY FUNDING SOURCE	TYPICAL CONCESSION DURATION	KEY EXAMPLES
 Value-Added Concessions (Design-Build-Finance-Operate-Maintain - DBFOM)	ICRC Act 2005 / HDMI Framework	 Commercial Tolls + Value-Added Right-of-Way Services	 25 Years	 HDMI Corridors (e.g., Benin–Asaba, Abuja–Lokoja)
 Tax Credit Scheme (Corporate Capital Injection)	Executive Order 007 of 2019	 Private Corporate Tax Credits (Offset against CIT)	 Project-based (Until full cost recovery)	 Dangote (Apapa-Oshodi, Obajana-Kabba), NNPC 21/44 roads, NLNG (Bonny-Bodo)
 Classic User-Pay Concessions	State / Federal Concession Laws	 Toll Tariffs	 30 Years	 Lekki–Epe Expressway (Lagos State / LCC)

KEY BENEFITS OF ROAD PPPs



Mobilizes Private Capital
Bridges the infrastructure funding gap through private investment.



Transfers Risk
Allocates construction, operation, and demand risk to the private sector.



Improves Efficiency
Leverages private sector innovation, technology, and management.



Delivers Quality Infrastructure
Ensures durable roads, better maintenance, and enhanced user experience.

4.

CASE STUDY 1: THE HIGHWAY DEVELOPMENT AND MANAGEMENT INITIATIVE (HDMI)



OVERVIEW

Managed under the Federal Ministry of Works in partnership with the ICRC, the HDMI aims to **attract private investment** to upgrade, expand, and maintain major federal highway corridors.



SCALE

Over **₦1.5 Trillion** committed across key corridors (including Benin–Asaba, Abuja–Lokoja, Enugu–Port Harcourt, Lagos–Badagry, Kano–Katsina).



COMMERCIAL STRATEGY

Beyond direct vehicle tolling, concessionaires monetize the **Right-of-Way (RoW)** through



Fiber Optic
Duct Leasing



Billboard
Advertising



Gas
Pipelines



Modern Highway
Service Areas
(Rest Stops, Towing,
Emergency Medical Hubs)



IMPACT

Cuts travel time, reduces logistics costs, and generates **tens of thousands** of direct and indirect jobs.

HDMI
PARTNERING TODAY,
DELIVERING TOMORROW

TRANSFORMING NIGERIA'S HIGHWAYS



REDUCES TRAVEL TIME

Faster, safer and more reliable journeys



REDUCES LOGISTICS COSTS

Lower transport costs for businesses and consumers



CREATES JOBS

Tens of thousands of direct and indirect employment opportunities



DRIVES ECONOMIC GROWTH

Stronger connectivity fueling trade, tourism and investment



ENHANCES SAFETY & QUALITY

Better roads, smart infrastructure and improved service delivery

5. CASE STUDY 2: EXECUTIVE ORDER 007 TAX CREDIT SCHEME



OVERVIEW

A novel **public-private intervention** where corporate giants step in as project developers.



MECHANISM

Participants incur upfront project costs plus a **non-taxable uplift** (Monetary Policy Rate + 2%), which they offset against Companies Income Tax over time.

HOW IT WORKS



Corporates fund road projects upfront



Non-taxable uplift (Monetary Policy Rate + 2%)



Offset against Companies Income Tax



Over time until full cost recovery



IMPACT

Leverages private capital at scale, reduces fiscal pressure on government and **accelerates delivery** of critical road infrastructure.



MOBILIZES PRIVATE CAPITAL

Unlocks long-term private funding for critical road infrastructure.



REDUCES FISCAL BURDEN

Shifts infrastructure funding from public expenditure to private investment.



ACCELERATES DELIVERY

Fast-tracks completion of high-impact roads that drive economic growth.



SUPPORTS STRATEGIC SECTORS

Strengthens logistics, fuel distribution, trade, and industrial competitiveness.



CREATES JOBS & VALUE

Generates employment and stimulates local economies across project corridors.

PROMINENT PROJECTS



DANGOTE GROUP

Reconstructed the Obajana-Kabba road (Nigeria's longest concrete road) and the Apapa-Oshodi-Oworonshoki express corridor to resolve port gridlock.



NNPCL ROAD INTERVENTION

NNPCL committed trillions of Naira under the scheme to rehabilitate critical economic roads nationwide to secure fuel distribution corridors.



NLNG

Co-funding the historic 39km Bonny-Bodo road connecting Bonny Island to the mainland.



4. BOTTLENECKS & CRITICAL SUCCESS FACTORS

While the PPP framework in Nigeria has evolved significantly, several **headwinds** affect project bankability and execution speed:



CHALLENGES	VS	IMPACT ON PPPS
 Foreign Exchange Volatility	→	 Mismatched Debt Service (USD vs NGN)
 Political & Regulatory Risk	→	 Risk of Contract Re-negotiation / Cancellation
 Right-of-Way (RoW) Clearance	→	 Construction Delays & Cost Overruns
 Toll Sensitivity / Social Risk	→	 Revenue Shortfalls & Repayment Defaults

PRIMARY CHALLENGES	
	1. MACROECONOMIC & FX VOLATILITY: International debt financing in USD or EUR creates severe currency mismatch when project revenues are collected in Nigerian Naira (NGN).
	2. RIGHT-OF-WAY (ROW) ACQUISITION: Encroachments, land compensation disputes, and utility relocations delay financial close and construction takeoff.
	3. POLITICAL RISK & CONTRACT SANCTITY: Transitions between political administrations can lead to project delays or renegotiations if legal protections are not securely embedded.
	4. CAPITAL MARKET DEPTH: Long-dated Naira financing from domestic institutional investors (like pension funds) is limited without government credit enhancements.

CRITICAL SUCCESS FACTORS FOR PPPs

 POLICY CONSISTENCY & CONTRACT SANCTITY Uphold contracts across political cycles to build investor confidence.	 RISK ALLOCATION & MITIGATION Allocate risks to the party best able to manage them and mitigate proactively.	 STAKEHOLDER ENGAGEMENT Engage communities early and maintain transparent communication.	 VIABLE REVENUE STRUCTURES Design sustainable revenue models (tolls, shadow tolls, availability payments, etc.).	 STRONG INSTITUTIONS & CAPACITY Strengthen ICRC, MDAs, and legal frameworks for efficient project delivery.
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5. STRATEGIC RECOMMENDATIONS FOR THE FUTURE

To accelerate private investment in Nigerian roads, the following **policy shifts** are required:



01



SHIFT TOWARD HYBRID & AVAILABILITY PAYMENT MODELS

For corridors with high social sensitivity, move from direct “user-pay” tolling to Availability Payment or Annuity-based PPPs, where government pays concessionaires based on road quality and uptime.

USER-PAY
TOLLINGAVAILABILITY PAYMENT /
ANNUITY-BASED PPP

- ✓ Predictable revenue
- ✓ Reduced social resistance
- ✓ Improved bankability
- ✓ Better service delivery

02



LEVERAGE CREDIT ENHANCEMENTS & LOCAL CURRENCY GUARANTEE FACILITIES

Expand the use of specialized institutions like InfraCredit to guarantee Naira-denominated infrastructure bonds, unlocking the **N18+ Trillion** Pension Fund (PenCom) assets for 15-to-20-year term debt.

InfraCredit
GuaranteeNaira Infrastructure
BondsPension Funds
(PenCom)Long-term Financing
for Road Projects

03



INSTITUTIONALIZE RISK ALLOCATION

Ensure project contracts strictly allocate risks to the party best suited to manage them:

Construction /
Cost Overrun RiskConcessionaire /
EPC ContractorRegulatory / RoW
Land Acquisition RiskGovernment
(FGN / States)Inflation / Currency
Volatility RiskBlended Derisking /
Inflation Indexation Clauses

04



DIGITALIZATION OF REVENUE CAPTURE

Enforce electronic toll collection (ETC) and automated weigh-in-motion systems across all HDMI corridors to eliminate revenue leakage and improve concessionaire cash flows.

ETC (Electronic
Toll Collection)Automated
Weigh-in-MotionReal-time Data
& MonitoringImproved Revenue
Assurance & Cash Flow

EXPECTED OUTCOMES



Increased Private Investment
Stronger investor confidence
and higher capital inflows.



Reduced Fiscal Pressure
Lower government funding
burden and contingent liabilities.



Bankable & Sustainable Projects
Lower risk, better returns,
and long-term viability.



Economic Growth & Job Creation
Better connectivity, lower
logistics costs, more jobs.



Improved Road Quality & Service Delivery
Safer roads, efficient operations,
and higher user satisfaction.

The Case for an Integrated Multi-Modal Transport System



The Chartered
Institute of Logistics
and Transport



A multi-modal transport system allows freight and passengers to move seamlessly across **road, rail, water, and air**, with each mode deployed where it is most efficient — bulk cargo by rail or barge, last-mile distribution by road, and time-sensitive goods by air.



Nigeria's near-total reliance on road transport imposes heavy costs: **congested corridors, high logistics costs relative to GDP, accelerated road deterioration** from overloaded trucks, and **vulnerability** whenever a single corridor is disrupted.



RAIL



WATER



ROAD



AIR



THE
VISION

An integrated system would shift bulk haulage — agricultural produce from the North, solid minerals, and containerised cargo from the ports — **onto rail and inland waterways**, freeing roads for shorter, higher-value trips.



Agricultural
Produce
(North)



Solid
Minerals



Containerised
Cargo
(Ports)



Rail



Inland
Waterways



Road
(Last Mile)



Efficient Delivery,
Lower Costs &
Economic Growth



WHAT MAKES
IT WORK?



INTEROPERABLE
INFRASTRUCTURE
Rail sidings at ports and
industrial parks



SEAMLESS
CONNECTIONS
Road links to river
terminals and rail hubs



STANDARDISED
DOCUMENTATION
Unified freight
processes and data



COORDINATING
POLICY FRAMEWORK
One national transport
ecosystem, not silos

“

This requires more than isolated investments in each mode; it requires interoperable infrastructure and a coordinating policy framework that treats transport as **one ecosystem** rather than **separate sub-sectors** competing for the same scarce public funds.

EXPECTED
OUTCOMES



Lower logistics costs
and higher
competitiveness



Reduced road
congestion and
accidents



Longer lasting
roads and lower
maintenance cost



Increased trade,
industrialization &
job creation



Resilient transport network
that keeps the economy
moving

9.

CILT NIGERIA'S ADVOCACY ROLE



The Chartered
Institute of Logistics
and Transport

The Chartered Institute of Logistics and Transport (CILT) Nigeria, as the professional body for logistics and transport practitioners, has positioned itself as a leading advocate for exactly this kind of integration. Its advocacy work centres on three fronts:



01



POLICY ENGAGEMENT



- CILT Nigeria regularly engages the Federal Ministry of Transportation, the Ministry of Works, and related agencies through position papers, conferences, and stakeholder forums, pushing for a **National Transport Policy** that treats road, rail, maritime, and air as an interconnected network rather than isolated silos.

02



STANDARDS AND PROFESSIONALISM



- By setting **professional standards** and certifying practitioners across freight forwarding, haulage, rail, and maritime logistics, CILT helps ensure that as multi-modal infrastructure is built, it is operated to standards that make intermodal transfer reliable and efficient.

03



PLATFORM FOR PRIVATE-SECTOR VOICE



- CILT's membership spans shippers, logistics operators, and infrastructure investors, giving it a unique vantage point to articulate what the **private sector needs** — clear regulation, contract sanctity, and coordinated planning — before capital is committed to multi-modal assets.



OUR ROLE, OUR IMPACT

In effect, CILT Nigeria functions as a **bridge between policymakers and the operators** who will actually move freight across whatever network is built, ensuring that advocacy for multi-modalism is grounded in operational reality rather than aspiration alone.



BRIDGING
POLICY & PRACTICE



PROMOTING INTEGRATED
TRANSPORT NETWORKS



DRIVING STANDARDS,
EFFICIENCY & SAFETY



ENABLING INVESTMENT,
GROWTH & COMPETITIVENESS



OUR VISION

An integrated, efficient, and sustainable transport ecosystem that powers Nigeria's economic transformation.



ONE NETWORK. ONE SYSTEM.
ENDLESS POSSIBILITIES.

THE PATH FORWARD: ALIGNING THREE FORCES FOR TRANSFORMATION



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and Transport

Nigeria cannot build a resilient, cost-effective freight and logistics ecosystem on roads alone. An **integrated multi-modal transport system** is the structural fix the sector needs, **CILT Nigeria's advocacy** provides the professional and policy pressure to keep that goal on the national agenda, and **PPPs** — proven in the road sector through **HDMI**, **Executive Order 007**, and the **Lekki-Epe experience** — offer the financing and delivery mechanism to fast-track the infrastructure required.

1. INTEGRATED MULTI-MODAL TRANSPORT SYSTEM

The structural fix — optimising each mode where it is most efficient and connecting them seamlessly.



RAIL



WATERWAYS



ROAD



AIR



Interoperable Infrastructure
Seamless Connectivity • Standardised Processes

2. CILT NIGERIA'S ADVOCACY



The professional and policy pressure to keep multi-modal integration on the national agenda.

- ✓ Policy Engagement
- ✓ Standards & Professionalism
- ✓ Platform for Private-Sector Voice

3. PPPs: FINANCING & DELIVERY MECHANISM

Proven models that provide the capital and efficiency to deliver infrastructure at scale.



HDMI
Long-term concessions for quality road infrastructure



EXECUTIVE ORDER 007
Tax credit scheme leveraging private sector investment



LEKKI-EPE EXPERIENCE
Lessons learned in structuring and managing urban toll concessions



Mobilising Private Capital
Improving Efficiency • Sharing Risk • Delivering Value

THE POWER OF ALIGNMENT



Integrated Multi-Modal
Transport System
(The Structural Fix)



CILT Nigeria's
Advocacy
(The Policy & Professional
Catalyst)



PPPs
(Financing & Delivery
Mechanism)



A Resilient, Cost-Effective
Freight & Logistics Ecosystem
Driving Economic Growth &
Regional Integration



Aligning these three forces is the **clearest path** to transforming Nigeria's transport network into a **reliable economic conduit** for both domestic trade and **West African regional integration**.



11. CONCLUSION



Public-Private Partnerships are no longer just an optional financing tool for Nigeria—they are an **essential requirement** for sustainable road network expansion.



Through structured frameworks like the **HDMI** and **Executive Order 007**, Nigeria is building a foundation for private-sector-led infrastructure development.



By prioritizing contract sanctity, de-risking Naira financing, and standardizing procurement through the **ICRC Model PPP Agreement**, Nigeria can transform its road networks into reliable economic conduits for West Africa.



KEY ENABLERS FOR SUCCESS



CONTRACT SANCTITY

Uphold agreements to build investor confidence and ensure long-term viability.



DE-RISK NAIRA FINANCING

Mobilize local capital through guarantees and innovative financing instruments.



STANDARDIZED PROCUREMENT

Use the ICRC Model PPP Agreement to reduce transaction time and costs.



STRONG REGULATORY OVERSIGHT

Ensure transparency, accountability and continuous monitoring of PPP projects.



PRIVATE SECTOR INNOVATION

Leverage innovation and efficiency from the private sector to deliver quality infrastructure.



When government and the private sector work together with trust, transparency, and shared goals, Nigeria's roads will drive growth, create jobs, and connect communities—**powering prosperity for generations to come.**





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**PUBLIC-PRIVATE
PARTNERSHIPS**
IN
**ROAD TRANSPORT
DEVELOPMENT:**
THE CASE OF NIGERIA

Thank you
FOR LISTENING

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The President

Chartered Institute of Logistics and Transport, Nigeria.



**STRONG
PARTNERSHIPS**



**SUSTAINABLE
INFRASTRUCTURE**



**ECONOMIC
GROWTH**



**BETTER FUTURE
FOR ALL**



ON THE OCCASION OF
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The Chartered Institute of
Logistics and Transport

Invitation to CILT GHANA

CILT NIGERIA 2026 NATIONAL CONFERENCE



CILT Nigeria is pleased to invite the President, Council Members, and the entire membership of CILT Ghana to the **CILT Nigeria 2026 National Conference**, scheduled to take place from **20–22 October 2026** at **Nicon Luxury, CBD, Abuja**.



The conference promises to bring together **leading professionals, policymakers, industry stakeholders, academics**, and practitioners from across the transport and logistics sector to engage in meaningful discussions, share knowledge and experiences, and explore innovative strategies for advancing sustainable transport and logistics systems.



CILT Nigeria would be honoured by the presence and participation of the President, Council Members, and the entire membership of CILT Ghana. Your participation will further **strengthen the longstanding professional relationship** between CILT Nigeria and CILT Ghana and provide an excellent platform for **collaboration, networking**, and the **exchange of best practices** across our two Institutes.



We look forward to welcoming you and the **CILT Ghana family to Abuja** for this important and impactful professional gathering.



**20–22
OCTOBER
2026**



**NICON LUXURY,
CBD, ABUJA**



THEME:

“Transforming Nigeria’s Transport and Logistics Systems for Shared Prosperity and Sustainable Infrastructure.”

CONFERENCE HIGHLIGHTS



High-level
Plenary Sessions



Policy Dialogues &
Stakeholder Forums



Technical
Sessions



Exhibition &
Networking



Innovations for
Sustainable Growth



CILT NIGERIA



CILT GHANA

Stronger Together for *Sustainable*
Transport and *Shared Prosperity*

