

## **PARTICIPATION IN PUBLIC PRIVATE PARTNERSHIP (PPP) HOUSING PROGRAMME**

### **SERVICES RENDERED BY THE PPP UNIT**

The PPP Unit creates the enabling environment for more private sector participation in housing delivery in the following ways:

- a. Formulation of legal and administrative frame works and documents, such as (Memorandum of Understanding (MOU), Development Lease Agreement DLA) on PPP Programme to facilitate viable and sustainable partnership in housing delivery; ,
- b. Advocacy in fostering partnerships which leverage inputs from all stakeholders in the housing and urban Development sectors;
- c. Advocacy that encourages and promote the mobilization of bilateral and multilateral funds for housing and urban development through partnerships;
- d. Creation of enabling environment in the operations of the Nigerian Mortgage Sector to encourage the emergence of a vibrant market by initiating and fostering enduring relationships between private sector estate developers and mortgage institutions;
- e. Creates enabling environment that encourage and promotes the use of Alternative Building technologies for development of faster, cheaper and environmental friendly houses in the Country.
- f. Creation of Enabling environment to mobilize donor funds and interest free loans from Foreign development partners and NGOs to address the problems of funding in housing delivery; and
- g. Advocacy that facilitates direct purchase of building materials such as cement from Manufacturers by developers aimed at reducing the cost of housing unit.

### **1. Required PPP Non Refundable Application Fee Before Engagement**

All interested investor/developer applying for participation in the Public-Private Partnership Housing programme of the Ministry in all the state of the Federation, including Federal Capital Territory on payment of no refundable participation fee of N500,000.00 are expected to fill a PPP participation application form.

Completed application forms should be addressed to the Honourable Minister, Federal Ministry of Power, Works and Housing, Headquarters, Mabushi, Abuja, clearly marked 'PPP PROGRAMME' and delivered accompanied with the following documents:-

- (i) Photocopy of Evidence of Payment;
- (ii) Company profile;
- (iii) Project Proposal;
  - a) General description of the concept and scope of proposed development;
  - b) Location and size of parcel of land required;
  - c) Project costs indicating;
    - \* Land preparation cost
    - \* Estimates of construction cost
    - \* Estimates of on-site infrastructural facilities including estate roads and drains, electricity and water supply, solid waste management, waste- water management and telecommunication services
- (iv) Financial Plan Showing:
  - Sources of funds (Evidence of availability of funds in the proponent account with a letter of commitment); Financing Terms and Conditions including cost of funds, tenure, moratorium, terms and amortization schedule; Financial Projections i.e. projected profit and loss; Cash flow Analysis.
  - Implementation schedule and project management structure
- (v) Breakdown of components of proposed selling price, including proposal on product marketing; and
- vi) Evidence of similar projects undertaken previously and any other relevant information.

## 2. Remuneration during and after Engagement

Remuneration to Parties:

- i. The two parties, i.e. the Developer and the Ministry shall both be remunerated from the profit realized from the Project;
- ii. The profit shall be determined after deducting the cost of land, construction cost, cost of fund and other overhead costs of the Project;
- iii. The value of the land shall be determined by the Ministry prior to 'signing of the Memorandum of Understanding (MOU) and the Development Lease Agreement (DLA);
- iv. The Estimated Total Cost of the project shall be determined by the Developers' Consultants and agreed to by both parties prior to signing of the MOU and the DLA;
- v. In the case of Special Purpose Vehicles (SPVs) the following shall apply:
  - a. A Project Sales Account (PSA) shall be opened for the Project, in which the proceeds realized from the pre-sales and sales of the housing units/plots shall be domiciled;
  - b. The two parties shall be joint signatories to the Project Account;
  - c. The Project Account shall be opened within 30 days of signing of the MOU and the DLA.
  - d. The profit shall be shared by both parties, i.e. the Developer and the Ministry, in accordance with the ratio of their contribution to the total cost of the Project.