

# ASSIGNMENT WEEK 1

## PROJECT DEFINITION REPORT

### 1. Project Description

- Problem
- Solution
- Project Scope

### 2. Project Context

- Policy Context and Strategic Objectives
- Socio-economic Objectives
- Legal and Regulatory Context

### 3. Project Stakeholders

- List the Various Parties to the Project
- Draw out Project Transaction Grid

### 4. Risk Mapping

- Explain The Various Project Risks
- Their Mitigation Plan



[Your Company Name]

[Project Definition Report]

Name | XXX | email@company.com

# PROJECT DESCRIPTION

**Tips for drafting the slide (See the following slides for template):**

## Problem

The Problem needs to be very clear and properly described to allow stakeholders

- Project Background
- Rationale
- Value Proposition
- Opportunities created by the project

## Solution

This Section needs to show the Solution your project is providing to solve this problem in a sustainable manner

- Clearly and succinctly describe the project's product or service that will address the problem
- Project Goals and Objective
- Impacts of Project on the SDG Goals
- Project Scope (In-Scope /Out Scope)



## Project Information

The **Graystone Industrial Park [Proposed Project]** involves the development of a state-of-the-art industrial park located on a strategically located site spanning [insert area] hectares in Ota.

The industrial park aims to attract a diverse range of manufacturing, logistics, and distribution businesses, providing them with modern facilities, infrastructure, and support services to thrive and grow.

As part of its commitment to environmental sustainability, the industrial park will incorporate green building practices, energy-efficient infrastructure, and waste management systems to minimize its environmental footprint.



# Rationale

## Background:

Grant Holdings is partnering with local and international industrialists to form a world-class manufacturing and production hub, called Graystone Industrial Park

## What problem is Project Solving:

Poor state of infrastructure and utilities have contributed to the inefficient operation of these industrial clusters in Nigeria, thereby defeating the purpose for which they were established which is providing concentrated infrastructure to lower unit costs to businesses. Consequently, Nigerian products are not competitively priced globally.

## Rationale:

Of the 21 Industrial Clusters in Nigeria, the South-Eastern Region in Nigeria has only 6, this implies opportunities exist to site more industrial parks given the fact they will catalyze development and industrialization in this region of the country. This will also generate employment and curb the migration in search of “greener pastures” prevalent in the region



# Problem

## Value Proposition

The entire site measures high in its ability to attract both local and foreign investor partnership. It is well positioned to becoming manufacturing/agricultural/ eco-sustainable hub given the following factors

- Logistical positioning as evidenced by a major road traversing the entire region and the gas pipeline
- Competitive market positioning as a production hub for Palm produce and industrialized vegetable farms evidenced by the rich vegetation and topography
- Latent Investor market potential
- Visibility and Accessibility
- Huge potential for green space and resource efficiency model

## Opportunities created by the project

- Employment Generation
- Development and Industrialization catalyst
- Tool to generate foreign direct investment
- Increased Technological Capabilities



# Solution

## Project Goals and Objective

**Developing the manufacturing sector.** Industrial parks can provide a favorable business environment to develop the manufacturing sector and to add economic value in economies that are heavily dependent on the production of unprocessed/semi-processed agricultural products or extractive resources.

**Attracting investment and technology.** Industrial parks are an important tool for attracting investment and technology.

**Regional and national development.** Contributing to regional and national development is often a primary driver of the decision to establish industrial parks that foster new investment, industries, jobs, linkages and growth.

**Improving the business environment.** Industrial parks can improve companies' productivity by reducing production costs, reducing waste and pollution, and generally increasing economic opportunities.

**Fostering innovation.** Industrial parks create environments that foster collaboration and innovation by providing a location where the government, the private sector and universities and research institutes can collaborate, as well as conduct and commercialize research and reinforce entrepreneurship.

# Impacts of Project on the SDG Goals

The goals of The Project impacts three of the SDG goals. These SDG goals are the SDGs 1, 3 and 9



## SDG 1: NO POVERTY

SDG 1 aims to eradicate every form of extreme poverty including the lack of food, clean drinking water, and sanitation. SDG 1 focuses not just on people living in poverty, but also on the services people rely on and social policy that either promotes or prevents poverty.

The Project aims at providing Affordable Energy to Arepo Community at an affordable rate thus making it accessible for the low-income earners and in some cases free for people who can't afford it.



## SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE

SDG 9 aims to build resilient infrastructure, promote sustainable industrialization and foster innovation. The primary motive of the SDG 9 is to promote economic growth, social development, and climate action.

One of the goals of The Project which is to improve the infrastructure in the medical industry aligns with the goals of the SDG 9.





# Project Scope

## The following deliverables fall within the In-Scope of the project

- Design and implementation of an environmentally friendly park
- Construction of the industrial park's infrastructure and facilities
- Provision of modern amenities and infrastructure
- Provision of power and natural gas supply to the park
- 24/7 security services to ensure safety
- Promotion and marketing of the industrial park to attract businesses and investors
- Regulation and management of business operation within the park after its completion
- Funding of individual business operations within the park

## The following deliverables fall within the Out-Scope of the project

- The provision of inbound and outbound logistics for industries within the park.

# PROJECT CONTEXT

**Tips for drafting the slide (See the following slides for template):**

## **Policy Context and Strategic Objectives**

Outline clearly the policy context for the project and the project's strategic objectives aligned with these policies.

## **Socio-economic Objectives**

List the socio-economic benefits of the project which are aligned with the projects' objectives

## **Legal and Regulatory Context**

Outline the projects' legal framework which must include:

- Key Governing Laws
- Summary of each law
- Relevant Regulatory Agency



# Project Context

## Policy Context and Strategic Objectives

The development of Graystone Industrial Park in Nigeria exemplifies the Federal Government's shift away from direct investment in business ventures towards privatization and increased private sector involvement. This policy shift addresses several critical challenges, including flawed capital structures, bureaucratic obstacles, mismanagement, excessive workforce, inefficiency, and corruption. These inefficiencies, alongside the economic downturns of the 1980s, spurred the government to pivot towards privatization and commercialization of public enterprises.

- In response, successive administrations have implemented policy, institutional, and legal frameworks to encourage greater private sector participation in the economy.
- Key legislative actions include the Public Enterprises (Privatization and Commercialization) Act of 1999, which established the National Council on Privatization (NCP) and the Bureau of Public Enterprises (BPE), as well as the Infrastructure Concession Regulatory Commission (ICRC) Act of 2005 and the Bureau of Public Procurement (BPP) Act of 2005.
- These enactments are aligned with the national policy on Public-Private Partnerships (PPPs), aiming to strengthen regulatory and monitoring institutions to facilitate increased private sector participation in infrastructure provision and service delivery.



# Project Context

## Policy Context and Strategic Objectives

Graystone Industrial Park represents a collaborative effort between the Federal Ministry of Industry, Trade, and Investment (FMITI) and the Graystone Development Group. This partnership underscores the government's directive for Ministries, Departments, and Agencies (MDAs) to seek private-sector collaborations for infrastructure and facility development where feasible.

- The project involves comprehensive planning and structuring, with the private sector's participation expected to enhance efficiency, expand access, and improve the quality of services related to industrial infrastructure development, operation, and management.
- Aligned with the broader economic reform agenda, the Graystone Industrial Park initiative aims to boost private sector participation in public social infrastructure services.
- By leveraging private investment and technical expertise, this project complements public spending, fostering an environment conducive to industrial growth and economic development in Nigeria.



# Project Context

## Socio-economic Objectives

The socio-economic objectives of the Graystone Industrial Park project are as follows:

- Enhance the quality of services provided to industrial park tenants and stakeholders.
- Improve infrastructure and operational safety within the park.
- Foster the transfer of technology and best practices.
- Integrate the discipline and efficiency of private sector methods in industrial park management and service provision.

## Legal and Regulatory Context

The legal and regulatory framework for industrial park concessions and other PPP projects provides the legal basis for private parties to engage in such agreements. This framework offers private entities certainty regarding the government's legal capacity to execute and enforce concession terms.



# Project Context

## Legal and Regulatory Context

The table below outlines key laws governing industrial park concessions in Nigeria, the relevant regulatory agency, and a summary of each law:

Law/Act	Regulatory Agency	Summary
Public Enterprises (Privatization and Commercialization) Act of 1999	National Council on Privatization (NCP)	Establishes the framework for privatization and commercialization of public enterprises, enabling private sector participation.
Infrastructure Concession Regulatory Commission (ICRC) Act of 2005	Infrastructure Concession Regulatory Commission (ICRC)	Provides the legal basis for PPPs, ensuring transparency and efficiency in the concession process.
Bureau of Public Procurement (BPP) Act of 2005	Bureau of Public Procurement (BPP)	Regulates public procurement processes to promote competition, integrity, and value for money in public-private projects.

# PROJECT PARTICIPANTS & PROJECT GRID

Tips for drafting the slide (See the following slides for template):

## Project Participants

The section should show a broad description of project participants and grouped based on their contribution to the project.

- List of Stakeholders

## Project Transaction Structure

This Section needs to show the framework of the project transaction.

- Project sponsors, lenders, EPC contractor, project agreement, O&M agreement, Key Suppliers

# List of Stakeholders

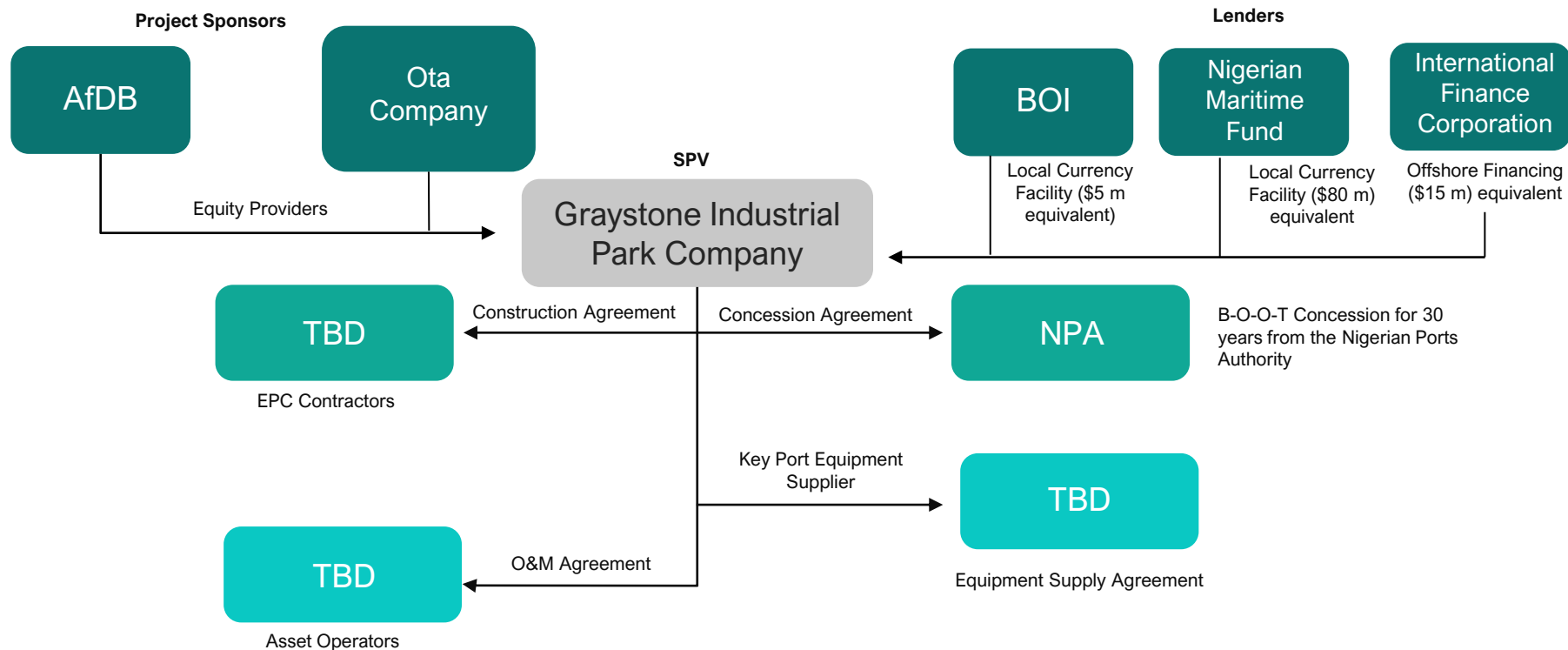
A Broad Classification of Stakeholders is shown below:

Government Authorities	Investors and Financiers	Engineering and Construction	Project Developers/ Sponsors	Customers	Community
Nigerian Port Authority (NPA)  Nigerian Maritime Administration and Safety Agency (NIMASA)	African Development Bank (AfDB)  BOI  IFC  Nigerian Maritime Fund	CHEC  DP World  Konecranes  Liebherr	Graystone Industrial Park Company	Maersk Line  CMA CGM Group  Hapag-Lloyd  MSC (Mediterranean Shipping Company)	Ota Community



# Project Transaction Grid

We expect the transaction to be in this framework if executed (template for a port project)



# PROJECT RISK MAPPING

**Tips for drafting the slide (See the following slides for template):**

## Project Risk

The Project Risks can be largely grouped into the following categories:

- Commercial Risks
- Regulatory & Political Risks
- Macroeconomic Or Financial Risks
- Force Majeure Risks

A more detailed explanation is provided in the following slides (the template is for a port project)



# Project Risks

## Commercial Risks

Risk affecting Bankability	Consequence on Project & Cashflow	Possible Allocation	Mitigation Approach
Market Saturation	The existing port is already at full capacity, leading to limited demand for the new terminal and potentially lower revenue.	Project Company should conduct thorough market research and feasibility studies.	We will diversify revenue streams by targeting niche markets and offer additional services like warehousing.
Cost Overrun	Increased and unbudgeted cost	<ul style="list-style-type: none"><li>▪ Contractors</li><li>▪ Project company</li></ul>	<ul style="list-style-type: none"><li>▪ Enter a fixed price contract or Cost Overrun guarantee</li><li>▪ Overrun facility provided by our project sponsors</li></ul>
Financing	The project may face challenges related to the existing port's infrastructure and operational limitations, leading to increased delays.	<ul style="list-style-type: none"><li>▪ Shipping and logistics companies</li></ul>	Negotiate long-term contracts with our current shipping lines and offer competitive pricing to attract customers.



# Project Risks

## Regulatory & Political Risks

Risk affecting Bankability	Consequence on Project & Cashflow	Possible Allocation	Mitigation Approach
Permits and Approvals	Obtaining the necessary permits and approvals for dredging, construction, and operation can be time-consuming and complex.	Dedicated team within the project management structure.	Engage with the regulatory authorities early in our project to understand the requirements and ensure that the project design and construction plans align with the regulations.
Changes in Policies and Regulations	Changes in government policies or regulations can impact the project's stability and operational costs.	<ul style="list-style-type: none"><li>▪ Project Sponsors</li><li>▪ Port Authority</li></ul>	Developing strong relationships with our local and national government officials and actively monitoring the regulatory and policy-making process.



# Project Risks

## Macroeconomic Risks

Risk affecting Bankability	Consequence on Project & Cashflow	Possible Allocation	Mitigation Approach
Economic downturn	A general economic recession could lead to reduced demand for container shipping services, impacting the financial viability of the project.	<ul style="list-style-type: none"><li>▪ Project Sponsors</li><li>▪ Project Managers</li></ul>	<ul style="list-style-type: none"><li>▪ Conducting thorough market research and feasibility studies to assess potential impacts of economic fluctuations.</li><li>▪ Securing long-term contracts with the shipping companies.</li></ul>
Trade disruptions	Changes in trade policies, tariffs, or geopolitical tensions could disrupt global trade patterns.	<ul style="list-style-type: none"><li>▪ Port Authority</li><li>▪ Project Sponsors</li></ul>	<ul style="list-style-type: none"><li>▪ Our government agencies can offer assurances or guarantees that help mitigate these risks.</li><li>▪ Diversifying revenue streams and exploring new markets to minimize the impact of trade disruptions.</li></ul>



# Project Risks

## Force Majeure

Risk affecting Bankability	Consequence on Project & Cashflow	Possible Allocation	Mitigation Approach
Political instability	Civil unrest, riots, terrorism, or political instability in the region could disrupt construction activities, affect the safety of personnel, and lead to project delays.	<ul style="list-style-type: none"><li>▪ Project Sponsors</li><li>▪ Port Authority</li><li>▪ Security Consultants</li></ul>	<ul style="list-style-type: none"><li>▪ Establishing clear communication and escalation protocols to address political instability.</li><li>▪ Developing and implementing emergency response plans to address security incidents</li></ul>
Pandemics and health crises	Outbreaks of infectious diseases or global health crises could impact workforce availability, disrupt supply chains, and lead to project delays.	<ul style="list-style-type: none"><li>▪ Government agencies (NPA).</li><li>▪ Financiers</li><li>▪ Project Company</li></ul>	<ul style="list-style-type: none"><li>▪ The Government agencies can work with our project stakeholders to establish emergency response protocols to provide support for our workforce.</li></ul>