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SUBJECT: - AfCFTA Framework Policy Brief Series

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Financing Frameworks Governing the SPV-PPP Project Bridge on 90,000km Infrastructure in Nigeria: - Bottlenecks and Prospects

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By

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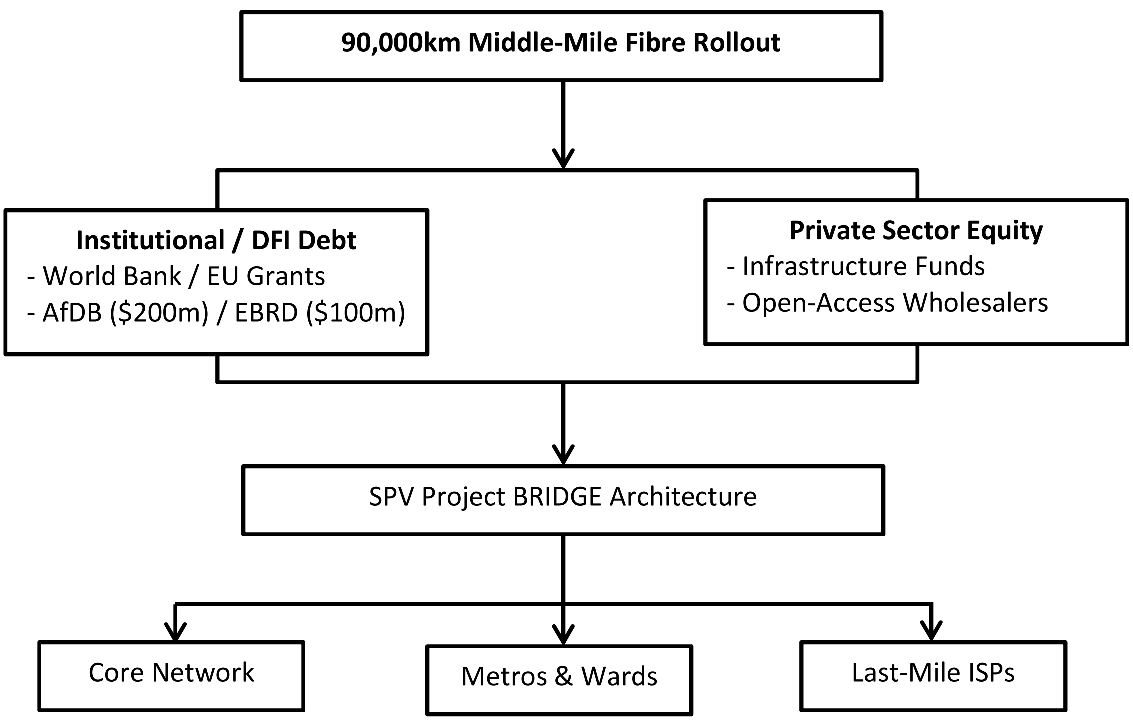
Executive Summary

Project BRIDGE (Building Resilient Digital Infrastructure for Growth) is a landmark Special Purpose Vehicle (SPV) Public-Private Partnership (PPP) designed to construct a **90,000km open-access middle-mile fibre optic backbone** across Nigeria. This massive rollout complements Nigeria's existing network to establish a **125,000km national grid**. Managed under a **$2 billion framework** using blended financing from major international Development Finance Institutions (DFIs) and private capital, Project BRIDGE intends to break structural telecom monopolies, connect all **774 Local Government Areas (LGAs)**, and boost national broadband penetration. [1, 2, 3, 4, 5]



1. Project Objective & Scope

Core Objective

The primary target of Project BRIDGE is to deliver an **open-access, non-discriminatory wholesale broadband network**. By doing so, it resolves Nigeria's middle-mile deficit, bridges the severe digital divide between urban and rural centers, and reduces data costs down to the target metrics of the National Broadband Plan. [1, 2, 3, 4]

Physical & Network Scope

- **7 Regional Backbone Rings:** Interconnecting the six primary geopolitical zones and a dedicated high-capacity loop for Lagos.
- **Layered Architecture:** Deploying infrastructure divided systematically across **Core, Metropolitan, and Middle-Mile layers**.
- **Administrative Ward Points of Presence (PoPs):** Extending transmission links directly to local wards, establishing mini-PoPs to enable immediate rural delivery. [1]

2. Socio-Economic Benefits

- **Affordable Connectivity:** Drives down the retail price of data by offering transparent wholesale pricing to small and medium Internet Service Providers (ISPs). [1]
- **Macroeconomic Expansion:** Projected to stimulate up to **1.5% GDP growth per capita**, contributing to expanding Nigeria's economic output over four years. [1]
- **Job Creation:** Estimated to generate up to **20,000 direct engineering/tech jobs** and more than **150,000 indirect positions** across the digital ecosystem. [1]
- **Institutional Access:** Delivers dedicated high-speed internet links to tertiary institutions, secondary schools, state hospitals, and local LGA secretariats. [1, 2]

3. Comprehensive Project Frameworks

Policy Framework

The initiative functions under the direct supervision of the **Federal Ministry of Communications, Innovation & Digital Economy (FMCIDE)**. It directly satisfies the structural mandates of the **National Digital Economy Policy and Strategy (NDEPS)** and serves as the physical backbone required to satisfy the **National Broadband Plan** objectives. [1, 2, 3]

Legal & Corporate Structure

Project BRIDGE utilizes an independent **Special Purpose Vehicle (SPV)** registered as a limited liability corporate entity. [1]

- **Equity Split:** The Federal Government of Nigeria maintains a strategic **minority equity shareholding (capped between 25% and 49%)**.
- **Management:** The remaining majority shareholding belongs to consortiums of private operators and infrastructure equity funds. The SPV operates under an independent, commercial board of directors to insulate operations from political cycles. [1, 2]

Regulatory Oversight

Primary oversight is dual-managed by the **Nigerian Communications Commission (NCC)** and the **National Information Technology Development Agency (NITDA)**. The project enforces strict **Open-Access Network (OAN)** guidelines. This ruleset requires the SPV to sell capacity to all licensed retail ISPs under identical, tariff-regulated, non-discriminatory conditions. [1, 2, 3]

Financing Architecture

The **$2 billion capital expenditure framework** relies on highly structural blended financing to protect the project from localized macroeconomic shocks: [1]

- **Sovereign DFI Debt & Grants:** Led by structural commitments from the World Bank Group, an approved **$200 million facility** from the African Development Bank (AfDB), a **$100 million commitment** from the European Bank for

Reconstruction and Development (EBRD), and a **€22 million development grant** from the European Union. [1]

- **Private Sector Capital:** Mobilized through prequalified infrastructure funds and competitive bidding from commercial telecommunication consortia. [1, 3]

4. Identified Bottlenecks & Execution Risks

- **Right-of-Way (RoW) Fragmentation:** Nigeria's 36 states independently price and regulate RoW access. Arbitrary state-level levies, bureaucratic delays, and dual-taxation by local governments present severe deployment roadblocks. [1, 2]
- **Last-Mile Disconnect:** Building out middle-mile fiber rings fails if localized last-mile commercial providers lack the capital or structural incentives to link households, offices, and small businesses to the mini-PoPs. [1]
- **Complex Multi-Stakeholder Governance:** Managing harmonized alignments between international DFIs, federal ministries, state executives, and private equity investors demands intense transaction advisory and legal compliance oversight. [1, 2]
- **Infrastructure Security:** Physical assets face continuous exposure to fiber cuts from uncoordinated civil construction works, community disruptions, and localized security challenges.

5. Essential Regulatory, Legal & Policy Reform Measures

To eliminate historical infrastructure bottlenecks and guarantee the bankability and long-term viability of Project BRIDGE, the following targeted reforms must be integrated into the state execution plan:

Regulatory Reforms (NCC & NITDA)

- **Enforcement of the Open-Access Framework:** The NCC must institute strict anti-monopoly pricing templates and ring-fence the middle-mile pricing schedules of the SPV. This prevents legacy mobile network operators (MNOs) from squeezing out independent ISPs.

- **Mandatory "Dig-Once" Regulatory Integration:** Introduce unified infrastructure-sharing codes requiring all new transport civil works (rail, roads, pipelines) to bundle empty fiber ducts during initial layout phases.
- **Digital Transparency Portals:** Mandate the real-time mapping of deployed infrastructure on the NCC Ease of Doing Business Portal to allow ISPs to locate accessible connection points instantly. [1, 2, 3]

Legal Reforms (Federal & State Legislation)

- **National Critical National Infrastructure (CNI) Legal Designation:** Enact executive orders or targeted legislative acts designating Project BRIDGE fiber paths and PoPs as CNI. This criminalizes intentional damage, simplifies community access disputes, and provides federal security protections.
- **Standardization of the Model PPP Agreement:** Fully adopt the recently introduced federal Model PPP Agreement Framework to provide structured, predictable formulas governing risk allocation, insurance, force majeure, and lender protections.
- **Unified Dispute Resolution Mechanisms:** Establish fast-tracked arbitration tribunals within the SPV legal charter to resolve cross-border investor and state-level contractual issues without freezing ongoing infrastructure deployments. [1, 2, 3, 4]

Policy Reforms (FMCIDE & Nigeria Governors' Forum)

- **Universal Harmonization of Zero or Capped RoW Fees:** The Nigeria Governors' Forum must transition from treating RoW as an immediate cash-generation mechanism to treating it as an economic multiplier. States must legally codify either a complete waiver or cap RoW fees strictly at the agreed **₦145 per linear meter** national baseline.
- **Establishment of State Digital Councils:** Create dedicated technical desks in each state capital to fast-track municipal permit approvals within a guaranteed 14-day window. [1, 2]

6. Critical Prospects

- **Levelling the Retail Market:** By bypassing MNO-dominated physical loops, smaller ISPs gain affordable access to high-capacity wholesale backbones, reviving a competitive retail market.
- **Insulated Long-Term Funding:** The high ratio of DFI debt and international development grants provides financial stability, allowing long-term construction schedules to continue steadily despite short-term fluctuations in foreign exchange or inflation. [1, 2]

7. Strategic Recommendations & Conclusion

Conclusion

Project BRIDGE is the most viable path forward to address Nigeria's middle-mile connectivity issues. By structuring the initiative as a minority government-owned PPP SPV, the project effectively balances public socio-economic goals with private-sector execution speeds. However, the physical expansion of 90,000km of fiber will only translate into true digital inclusion if followed by deep, binding legal and state-level policy changes. [1, 2, 3, 4, 5]

Actionable Recommendations

1. **Enforce RoW Uniformity via DFI Leverage:** The Federal Government should tie the deployment priority of Project BRIDGE regional rings directly to a state's compliance with the standardized ₦145/meter RoW policy.
2. **Launch a Last-Mile Intervention Fund:** Create secondary financing incentives or tax-credits for local ISPs through the NCC to support the expensive final-mile pull from regional mini-PoPs directly into local communities.
3. **Rollout Foundational Demand-Side Programs:** Coordinate with NITDA to deploy hyper-local digital literacy campaigns and tech research hubs across the 774 LGAs. Building local skills ensures immediate active usage of the newly delivered bandwidth. [1, 2, 3, 4, 5, 6, 7]

Endnotes / Sourcing References

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