

# **Public-Private Partnership (PPPs) in the Development and Operation of Airport Passenger Terminal in Lagos, Nigeria**

**MPhil Thesis**

*By*

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## **ABBREVIATIONS**

ANT – Actor Network Theory  
AO – Airline Operators  
AP – Air Passengers  
BCL - Bi-Courteny Limited  
BASL – Bi-Courteny Aviation Services Limited  
BIAD – Beijing Institute of Architectural Design  
BO – Build and Operate  
BO – Business Operators  
BOT – Build, Operate and Transfer  
CSFs – Critical Success Factors  
ESF – External Success Factor  
FAAN – Federal Airports Authority of Nigeria  
FEC – Federal Executive Council  
FGN – Federal Government of Nigeria  
FMA – Federal Ministry of Aviation  
FBC – Full Business Case  
GDP – Gross Domestic Product  
ICRC – Infrastructure Concession Regulatory Commission  
IMF – International Monetary Funds  
ISF – Internal Success Factor  
MMA2 – Murtala Mohammed Airport Terminal  
MDAs – Ministries, Departments and Agencies  
MOU – Memorandum of Understanding  
NPPPPs – National Policy on Public-Private Partnerships  
NPM – New Public Management  
OBC – Outline Business Case  
PTF – Petroleum Trust Fund  
PPPs – Public-Private Partnerships  
SLEEPT – Social, Legal, Economic, Environmental, Political and Technology  
SPV – Special Purpose Vehicle  
SWOT – Strengths, Weaknesses, Opportunities and Threats



## **Abstract**

Against the backdrop of low passenger terminal capacity in many airports in Africa, countries in this continent like their counterparts across the world are taking steps to improve the quality and capacity of this vital component of airport infrastructure using the Public-Private Partnerships (PPPs) strategy. The outcomes of the application of PPPs in other transport infrastructure such as roads; railways; and seaports have provided the impetus for countries to begin to adopt PPP in airport infrastructure. However, it has been observed that despite this development, there is a limited research and understanding of how best to improve the efficiency and effectiveness of PPPs in the provision and operation of airport infrastructure in African countries. Therefore, the aim of this study was investigate the application of Public-Private Partnership (PPP) in the MMA2 passenger terminal building in Lagos Airport, Nigeria with a view to identifying the critical success factors (CSFs) for PPP in the development and operation of airport passenger terminals in this country. The study relied on a single case study research to achieve this goal. The main sources of primary data were documents; archival records; direct observations; and semi-structured interviews with the partners in the PPP involved in the project, airline and business operators and passengers who use the MMA2 building. The data generated from these sources were subjected to content analysis. The results revealed that the existing policy and regulatory framework is generally adequate to support the adoption of PPP in airport terminal buildings. It was also found that the partners are mainly government agencies, a concessioner and a consortium of funders; and that each of these organizations played complimentary roles in ensuring the realisation of this project. Whereas the main internal critical success factors for the application of PPP in the MMA2 project are good funding structure, long concession period and appropriate risk allocation; the external critical success factors include sound legal, policy/regulatory; regulated and conducive operational environment; security of passengers and their properties as well as security of investments of the concessioner. These findings culminated in the development of the framework presented in this thesis. The framework, which was validated by the participants in this research, PPP experts, researchers and scholars highlights the key organizational and environmental factors that must be in place by government and private sector organizations who intend to derive the full benefits of PPP in the conception, development and operation of airport passenger terminals in Nigeria and other developing countries.