TITLE: EXPLORING BONDS AND SUKUKS FOR INFRASTRUCTURE DEVELOPMENT
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Name: Prof. Emmanuel O. Ofeimun,
MBA, JD., Ph.D, FBIM, FCI.arb, F.N.I.Q.S.

Address: OFFSHORE CAPITAL & ASSET INVESTMENT LLC
6TH FLOOR, NICON Insurance Building, Plot 242 Mohammed Buhari Way, Central Business District, Federal Capital Territory, Abuja.
(www.offshorecapitallc.com)

ABSTRACT

Many economies have difficulty financing infrastructure. Bank loans tenure pose currency and maturity risk.

Short falls in infrastructure development reduce the quality of life for citizens and inhibit productive capacity of economies.

Many emerging economies like Nigeria urgently require investment in infrastructure. According to a Mickinsey study, total infrastructure finance must increase from 3.8% of GDP to 5% by 2020 in emerging economics(1). The G20 has suggested additional 1 trillion in infrastructure finance per year.

Quality of life, economic growth, and support services essential to the need of citizens depend on robust infrastructure. Industrial growth also depends on infrastructure to produce goods at competitive prices.

The fact that infrastructure projects typically have a large scale upfront capital requirement, a long initial period without returns, and extended payback period calls for innovative financing models.

This paper will address corporate bonds/Sukuk on infrastructure financing with the following sub sections.

Conventional bonds/Sukuk financing for infrastructure.

The need to grow the bond/Sukuk market, regulatory framework, characteristics of the business that can issue bonds/Sukuk, mode of issue, disclosure, credit rating, cost, Investor for bond/Sukuk, bond issue process and the need for bond/Sukuk financing on Nigerian infrastructure.

Recent legislature by the Securities and Exchange Commission of Nigeria on Sukuk financing will be discussed.

Case study will be drawn on Sukuk financing.

INTRODUCTION:

Financing Of Infrastructure

Infrastructure development in Nigeria calls for urgency to address issues such as bad roads, inadequate power supply, rail system rehabilitation, etc.

Infrastructure financing have the following classification:

1. Projects that are sufficiently viable and profitable to attract Investors.
2. Projects that are commercially viable but below the level of profit earning expected by Investors
3. Projects that are close to breakeven points which could be moved to a profitable breakeven points by subsidy or grant.
4. Projects which are farther away from breakeven points that require high intensity of subsidy.
5. Projects far away from breakeven points which has important, social and environmental externalities.

Infrastructure bonds can also be further classified into:

i. **Sovereign Bonds:** These are bonds issued by countries
ii. **State Government Bonds:** These are bonds issued by State Government
iii. **Municipal or Local Government Bonds:** These are bonds issued by Local Governments
iv. **Corporate Bonds:** These are bonds issued by corporations

In Nigeria, Sovereign and States Bonds are popular among issuing houses like banks because repayment plan is tied to the Federation account or the State account funded by Statutory Allocation from the Federal Government or internally generated revenue. The floating of these bonds by the Federal and State Government was found to be successful because the repayment was not from the project that was funded but from the Government fat account. The default rate is very slim and is always fully subscribed by Investors because they are sure of their bond redemption.

Municipal bonds almost have the same grade when Local Government were autonomous or independent from the State. But they have since lost this status and have not been able to raise capital since they became an extension of the States.

Corporate bonds are hardly developed in the Nigerian market because the repayment plan is tied to the projects that need funding receivables. Investors shy away from it because these projects are hardly risk managed and stand the chance to fail i.e. the Cashflow will not be able to service the bond redemption. The bankruptcy of corporations like ENRON which had AAA rating from S & P had made Investors to be extremely cautious of corporate bonds. Default rate play a major role in the bond market.

Bonds can also be further classified into domestic and international bonds.
This classification has become necessary because infrastructure bond financing can fall into sovereign, state, municipal and corporate.
This paper will address infrastructure bond financing with special emphasis on corporate bond because Government policy is now tied to private public partnership which is popular with Government entering an Agreement with corporations to fund infrastructure.

Diversifying the Nigerian economy will require huge investments in infrastructure and the Nigerian government has identified this as a major priority in the 2016 budget, increasing capital expenditure by 223% to N1.8 trillion (US$9.05 billion). This amount accounts for 30% of the total 2016 budget compared with 11% (N557 billion) of the total 2015 budget.

1. Bond financing: Amongst the financing models are transferable debt securities that have been found to be reliable and cost effective source of finance for Government and companies.

The Need to Grow the Bond Market:
The Securities and Exchange Commission plus other regulatory authorities need to grow the corporate bond market.

Corporate Bonds in both Domestic and International Market:

There are wholesale and retail segments. Investors that don't want to take foreign exchange risk settle for domestic markets but this is not enough to meet the need of large projects and multi nationals. This implies that corporate entity should also be involve in raising bonds from the International bond market. This will require domestic corporations having subsidiaries overseas which can be used to float bonds.

Usually the bonds have to be rated by International Agencies to give it an Investment grade before it can be traded. This will require guarantees from the parent company in favour of the subsidiary used in floating the bonds. Outside bonds, international equity such as Global Depository Receipts (GDR) can also be used to raise capital.

DEFINITION

A bond is a loan in form of debt security.

The Authorized Issuer (Borrower) loans the bond holder (Lender) a debt obligation to pay the principal and interest at maturity of the loan.

Bond enables the issuer to finance long term investment with external loans.

DIFFERENT TYPES OF BONDS

Again, there are different types of bonds listed as follows:

a. **General Obligation Bonds:** are backed by the full faith credit and taxing power of the issuing authority usually Government Agency such as State. It is used for projects that benefit the public, mainly infrastructure
b. **Revenue Bonds:** are issued for specific project and are payable from revenue generated by the project. This is hardly explored in Nigeria as issuing houses has little faith on stable income streams from projects. It however remains part of the solution to viable projects finance.

c. **Revenue Bonds come in different shapes and kind as follows:**
   i. Industrial Revenue Bonds: issued by Government Agencies with the bond proceeds loaned to local industries to finance various schemes.

ii. Agricultural Revenue Bonds: floated by Government Agencies with the proceeds loaned to finance agriculture

iii. Economic Development Bonds: Floated by Government Agencies with the proceeds used for Economic Development. This can assist a great deal in Industrialization of State.

iv. Toll Road and Bridge Revenue Bonds: Ditto but used for road infrastructure. Usually the bond redemption is from the toll proceeds.

v. Hospital & Healthcare Revenue Bonds: Ditto but used to finance hospitals bonds and can also be issued for electric, gas, was, sewage infrastructure.

d. Special Tax Bonds: These are special tax imposed by Government Agencies to finance special projects. The defunct Petroleum Trust Fund (PTF) falls into this class and it remain a big solution for Nigerian infrastructure finance if only it can avoid Government inconsistent policies.

e. Public Housing Bonds: They are bonds issued by the Government Agency to finance housing. The redemption is tied to mortgages from the housing schemes. Again, this will help quantity surveyors and other professionals to assist and simulate the decline of capital projects in the construction industry funding.

f. Refunding Bonds: These are issued when the interest rate for tax exempt bonds are lower than interest rate of outstanding bonds. For example, if a local government can float bonds at say 5% per annum and it is without tax while company A can issue bonds at say 10% with full tax of 20% per annum for a project.

It might be cheaper to use the local Government as an Agency to float the bonds to be loaned to company A which can be used to finance the project at a cheaper cost. It is purely a refinancing mechanism.

The foregoing stands as Government Agencies structured financings.

HOW DO YOU RAISE BONDS FOR INFRASTRUCTURE?

Capital raising starts with a Borrower putting together a project. Almost all infrastructure project starts with the floating of a Special Purpose Corporation/Vehicle popularly called SPV. If it is a road project in Nasarawa State as an example, you may register same with Corporate Affairs Commission as Nasarawa Road Project Limited. Upon the registration of the SPV, the following project contract will be put in place.

a. Agreement of Shareholders or Sponsors Agent: This is usually an Agreement between sponsors spelling out their shares representation in management decision making process, etc.

b. EPC Contract: An Agreement is reached between the SPV and the Engineering, Procurement and Construction (EPC) Contractor spelling out the designs, construction, commissioning etc. The contract documents and form of contract is contained in this Agreement.

c. Project Loan Agreement: Usually signed with the investment banking Group approached to raise the bonds. The size of the loan, the security for the credit, remedies in event of default, sponsors remedy in full recourse/limited recourse are spelt out.

d. Operations and Management Contract (O & M): This is an Agreement between the SPV and Post Construction Manager of the project who must have a track record in similar transactions. It is a key requirement in trapping the project receivables for bond principal and interest redemption. The operations and management contract will establish the role of the O & M contractor, the maintenance obligations, and bonus payments to them.

STAKEHOLDERS IN RAISING CAPITAL WITH BONDS

i. Issuers: These are corporations and Government Agencies that want to raise capital

ii. Investors: These are individuals and Investors that participate in the securities market and invest in bonds.

iii. Investment bankers: these are financial institutions licensed by the Securities and Exchange Commission to raise capital in the securities market. In addition to provide advisory services, they also underwrite new issues by purchasing securities and reselling them at a price mark up known as spread. They also act as selling agent for new issues and earn underwriting fee.

iv. Banks also act as trustees who administers the issue contract or indenture between the issuer and the bond holder, it also perform administrative tasks such as issuing certificates, maintaining ownership records of registered bonds, making payment of interest and principals.

v. A stock register: maintain records of total authorized outstanding shares and acts to prevent the over issuance of bonds. It is a security paying Agent.

vi. Depositors: participants in actual physical depositories pay a fee to deposit stocks or bonds for safe keeping and also render services associated with account maintenance, deposits, withdrawal, security income paying and settlement, record keeping and other services.

vii. Clearing corporation: these are centralized clearing corporation. They are into recording, processing, clearance and settlement of securities.

viii. Bond rating agencies: they are certified by law to assign letter designations to bonds indicating their quality and investment grade. For example AAA or triple A's is standard and poor (S&P) is the highest rating. Bond that will be traded in the international market must have an international rating while that in the domestic market do also have local rating agencies.

ix. Stock brokers and dealers: the stock broker is an agent that brings together issuers of new securities and investors. In the secondary market, they act as intermediaries between buyers and sellers. Generally, they provide brokerage services for securities listed in the stock exchange.

x. Insurers: they provide credit enhancement to back up a bond issue. For example should a project built with bond proceeds fail, the holders of credit enhanced bond's are paid through a draw against the credit enhancement. If there will be investment inflow in the financing of infrastructure in Nigeria, there must be credit guarantee institutions that can back up bond issues.

CHARACTERISTICS OF BUSINESS THAT CAN ISSUE BONDS:

Companies should have a good credit history and honour past debt and other obligations.

Mode of Issue:

Bond can be issued as public offering or private placement.

Bonds issued to the public must be rated by an accredited rating Agency.

Public offering of bonds is governed by SEC rule 307(A) while private placement of bonds is governed by SEC rule 307 and 307(A).

Disclosures:

Application/initial/core prospective for MTN program/private placement must be published and accessible through the issuer's website as well as that of SEC.

Wholesales Corporate Bond and Retail Markets

The wholesale corporate bond market should make sure that policy and regulation do not needlessly constrain them. Business conduct regulation is necessary to encourage and protect ordinary Investors.

Retail market needs significant encouragement to increase demand from Investors.

Ranking in Insolvency:

Where corporate bonds rank in the capital structure of a company depend on the specific terms of the issue. Secured debt is significantly paid on the insolvency of the issuer, out of the proceed of sales of the security and it is therefore ahead of unsecured debt such as equity.

Cashflow:

- **Corporate bond could provide profitable Cashflow to both issuers and Investors. Payment of capital at issue, regular payments of interest and return of capital at maturity. Secondary market prices fluctuate according to general interest rate expectations and the creditworthiness of the issuer. Bond finance is generally cheaper and less risky for companies than equity finance, where dividend payments depend on uncertain profitability, dividend expectations drive market valuations and so investors demand greater returns to compensate.**

ADVANTAGES TO COMPANIES ON BOND FUNDING

- Corporate bond market benefit companies by providing secure, stable and flexible funding for the enterprise, innovation, technological development, economic growth, trade, employment and wealth creation.
- Bonds assist corporation to minimize the cost of capital and allow efficient of allocation of investors funds to corporate enterprise maximum economy benefit.
- Bond funding reduces companies reliance on bank who ability to lend from time is constrained by deposit and regulation.

ACCESS TO INTERNATIONAL INVESTOR BASED

International bond market enable issuers to access a global pool of investor saving as they are not restricted to domestic sources as bank loan tend to be. It is also a vital source of international country to development the economy of emerging country.

INVESTORS IN CORPORATE BONDS

A range of different source of finance around the world seeks to invest on company through the international bond market. The switch in investor appetite from shares to interest generating asset has increase considerably.
The range of investor includes individual retail investors, individual invest collectively through pension funds and other managed funds, institutional, corporate and sovereign wealth investors. Investor needs vary according to their risk appetite and future cash-flow.

Corporate bond market is popular for investor not seeking to make return from dividend growth or increases in volatile capital valuation but intend to seek consistence and reliable cash-flow and security of invested capital.

Corporate bond offer investors secured investment and profitable cashflow, regular income payment through the life of the bond together the return of the initial capital at maturity or the early realization of market value at sales in the secondary market in the investors cashflow need change.

Bond permits transferable nature and realization of investment.

SECONDARY AND PRIMARY MARKET FOR BOND

The purpose of financial market is to bring together investors seeking to provide funds and economic actors seeking to use them matching them in ways that maximize the benefit to both and achieve broader economic and public growth.

Trading at Secondary Market

- **For companies, the term of the bond is fixed. But investor who buy and issue can sell the bond which are marketable security, in the secondary market if they need rapid access to money.**

Confidence in the Bond Market

Standardized documents and issue process with high level of transparency and regulation will contribute to an effective and efficient bond market in which the participant will have confidence with high standard.

Involvement of Development Finance Institutions

It has been discovered that development finance institutions can easily raise funds through the bond market at a low price than corporate. For example, the World Bank operates an International Development Agency Window (IDA) with interest rate of 0.75% per annum. Recently, they even came up with a statement of having idle capital that is not gainfully employed. Investors will subscribe to any bond floated by the World Bank because they have no default history. This is because the World Bank has a robust balance sheet and honour obligations. Using this model, it might be necessary for corporation to come together and invest in a development bank that can be used to access capital cheaply for onlending to projects.

GUARANTEES AND CREDIT ENHANCEMENT

The lack of guarantee institutions has greatly inhibited capital inflow to the Nigerian economy. Bond issues that are secured with high grade collateral will be well subscribed as Investors will be sure of a default cure in case of insolvency.

There is the need to have credit enhancement institutions in the Nigerian economy that can assist corporations to raise capital and on-lend to infrastructure.

ISLAMIC FINANCE

It has been observed that the Muslim faith do not invest on interest bearing transactions and this has crowded out Investors from this Group in conventional bond financing tied to interest rate. However, it has also resulted to the development of Sukuk bonds.

SUKUK BOND FOR INFRASTRUCTURE DEVELOPMENT

Sukuk bonds are a method of finance based on the principles of Islamic law (Shariah). It operates on structures that waive interest charges such as mura baha, Hara, Takaful, Wakale, etc. These terms will be explained as we proceed.

The Nigeria Securities and Exchange Commission recently promulgated rules on Sukuk issuance.

Recently Osun State of Nigeria issued 60 Billion Naira Debt Programme. This bond was collateralized by an Irrevocable Standing Payment Order (ISPO) issued by Osun State Government from their Federation Funded Account. Other security backing up the bond consists of Internally Generated Revenue in addition to 11.5 Billion managed funds by an Asset Management Company owned by the State Government. This structure will attract Investors as the same model is used as security for conventional bonds floated in the past.

The fundamentals of having a stable source of income stream remain the same as a conventional bond.

Sukuk provides access to a vast growing Islamic liquidity pool in addition to conventional bond. Sukuk can be defined as certificate of equal value representing undivided shares in the ownership of tangible assets and services or (in ownership of) the assets of particular projects or special investments. In simple terms they can be called trust certificates.

THE ISSUE IS GOVERNED BY (SEC RULES 2013)

Under Sukuk structure return to Sukuk holders (Investors) represents right to receive payment from trade transactions or ownership of a particular asset or business venture in contrast to returns on investment on conventional bond holders which is interest on borrowed funds.

Traditional bonds are not allowed in Shariah compliant transactions due to the interest charge which is prohibited in Islamic law.

United Kingdom Government recently announced plans to issue its first sovereign Sukuk, Dubai, Kuala Lumpur are presently using Sukuk to finance their infrastructure. Malaysia is the biggest issuer of Sukuk followed by Saudi Arabia that issued 10.5 Billion USD of Sukuk in 2012.

Sovereigns issue Sukuk for fund raising to enhance credit rating liquidity instrument for policy tool, etc.

STRUCTURES OF SUKUK

Sukuk can be issued under different structures, to accommodate the dynamics of different transactions. Some of these include:

a. **Salam:** A structure based on spot payment with future delivery of asset.
b. **Ijarah:** A Sukuk structure involving the sale and lease back of assets in existence e.g. real estate, aircrafts, ships, etc.
c. **Mudaraba:** A partnership fund management contract between an Investor (Rab-ut-mal) and Manager (mu-darib)
d. **Musharaka:** This is a Sukuk structure involving partnership, between an SPC (Special Purpose Company) and Obligor to jointly own either ready assets or to create assets.
e. **Murabaha:** Sukuk structure based on cost plus financing contract whereby the asset is delivered now with deferred payment.
f. **Takaful:** This provides Mutual protection of assets and property and offer joint risk sharing in the event of a loss by one of the participants. In the case of loss to any one group, the loss is met from the collected funds.
g. **Wakala:** An agency contract whereby a representative is appointed to undertake transactions on another person's behalf. The agent is entitled to receive a predetermined fee irrespective of whether or not he is able to accomplish the assigned task to the satisfaction of the principal.

The SEC recognize the following structure

- Sukuk Ijarah-lease contract
- Sukuk musharaked – sharing contract
- Sukuk Istishmah – exchange contract
- Sukuk Murabanah – financing contract

LEGAL FRAMEWORK FOR ISSUANCE OF SUKUK

There is a legal structure in place that regulate the issuance of Sukuk in Nigeria including the Investments and Securities Act 2007. The SEC Rules and the state law authorizing the Sukuk issuance. The Commission in recognition of the development of Islamic finance introduced new rules on February 8, 2013 to regulate the issuance of Sukuk in Nigeria. Rule 572 of the SEC Rules provides that all public companies (including SPV's), state governments, local governments, and Government agencies as well as multilateral agencies are eligible to issue, offer or make an invitation of Sukuk upon seeking the Commission's approval.

The Rules apply to:

i. Sukuk which are offered by local or foreign entities that are within the regulatory purview of the Commission;
ii. Sukuk which are denominated in Naira or in foreign currencies; and
iii. Sukuk which are listed, convertible, exchangeable, redeemable or otherwise.

From the wording of Rule 572, Sukuks issued by private companies appear not to fall within the regulatory purview of the SEC. In a similar vein, a strict interpretation of Rule 567 will suggest that bonds issued by private companies will not be regulated by the SEC as Rule 567 specifically mentions only bonds issued by public companies, foreign public companies and supranational bodies. However, the SEC will exercise its supervisory powers over any instrument issued to the public by private or public companies.

In addition to the advisers on bond issuances, an issuer of Sukuk must appoint a Shariah adviser who shall:

- Advise on all aspects of the Sukuk including documentation and structuring;
- Issue shariah certification which outlines the basis and rationale of the structure and mechanism of the Sukuk issue, the applicable shariah principles used for the Sukuk issue and relevant shariah matters relating to the documentation of the Sukuk issue;
- Ensure that the applicable shariah principles and any relevant resolutions and rulings endorsed are complied with; and
- Apply reasoning to ensure all aspects relating to Sukuk issuance are in compliance with shariah principles.

OSUN STATE SUKUK

The Government of Osun State ("OSG") through a wholly owned Special Purpose Company, Osun Sukuk Company Plc issued on the 8th of October, 2013 the first Sukuk in Sub-Saharan Africa worth N11.4 billion ($70.6 million) under the Osun State N60 Billion Debt Issuance Programme to fund the development of 20 High Schools, 2 Middle Schools and 2 Elementary Schools in Osun State.

The Sukuk was issued at a rate of 14.75% per annum at N1,000 per unit and matures on 08 October, 2020.

The Sukuk issuance was completed within a year with the Sukuk being listed on the floor of the Nigerian Stock Exchange in January 2014 after the SEC's "no objection" to the basis of allotment was received on December 3, 2013. Certain delays were faced during the course of the transaction particularly whilst awaiting the SEC's approval of the Sukuk Rules.

It is worthy of note that the Pension Funds Administrators (PFA'S) were disallowed from investing in the Sukuk as the National Pension Commission (NPC) maintained that existing regulations on the investment of pension assets did not explicitly provide for pension fund investment in Islamic financial instruments such as the Sukuk.

The issue which was rated A by Agusto & Co was successful subscribed to by domestic investors with the price set through a book building process that lasted for 10 days.

STRUCTURE OF THE SUKUK

Osun Sukuk Company Plc

The SPC; Osun Sukuk Company Plc is a wholly owned Special Purpose Company of the Osun State Government incorporated with an authorised share capital of N1,000,000.00 (One Million Naira) with Ninety Nine Percent of the shares held by the Osun State Government and One percent held in trust by the Attorney General of Osun State on behalf of the State. The company was set up within 2 weeks.

The Sukuk was structured as an Al-Ijarah; with the Osun Sukuk Company Plc. issuing Sukuk certificates to the investors. The Sukuk investors' payment for the certificates represents the cost of construction of the schools.

In accordance with Islamic law principles, each certificate represents an undivided beneficial ownership interest in the Sukuk assets (i.e. the Schools). The Sukuk assets are however held in trust for the Sukuk investors by the Issuer.

Holders of the Certificates have no recourse to any assets of the Issuer other than the Sukuk assets. Since the Sukuk holders are the owners of the asset (schools), they are free to trade the certificates in the secondary market.

The land upon which the schools will be built was transferred by the OSG to the SPC and a Certificate of Title (Certificate of Occupancy) was issued to the SPC.

Considering that the SPC is a wholly owned company of the OSG, approvals for the transfer such as governor's consent were fast tracked.

The Issuer under an Agency Agreement, appointed the OSG as its agent to *inter alia* engage a construction company to construct the schools, obtain all government approvals, manage the operational and financial aspects of the construction for a prescribed fee and transferred the agreed cost of construction to the OSG.

The SPC forward leases the schools to the State Government against rental payments which will be remitted to the Issuer to make distributions to the Sukuk investors; thus earning income for the investors during the construction of the schools.

A Purchase Undertaking was executed by the OSG in favour of the Issuer to give assurances that at the end of the lease/maturity of the Sukuk or upon the occurrence of an event of default or early termination of the lease under the Ijara

Agreement, the OSG will purchase the Sukuk assets; with the purchase price being used by the Issuer to redeem the Sukuk certificates at maturity.

The Purchase Undertaking is essential in Islamic Finance as it creates a debt obligation on the part of the OSG which eliminates market risk on the part of the investors. A Sale Undertaking was also executed by the Issuer in favour of the OSG in like manner.

As required by the SEC, the transaction was signed off on by Dr. Mohamed El-Gari, Prof Monzer Kahf and Prof. M.L Bashar as Shariah Advisers.

FUTURE OUTLOOK OF SUKUK

1. More Sukuk issuance can increase the investment choices for Islamic bank to enable them to have a wider market of firms looking for expansionary investment in long term fixed assets.
2. Sovereign Ijarah Sukuk issued by the governments has been structured in such a way that it allows them to mobilize funds.
3. The Sukuk holders are also able to earn Shari'ah compliant income. It also facilitates Islamic banks to manage their liquidity as well as meet statutory liquidity requirement stipulated by the central banks.
4. Through issuance of more Sukuk, the investment class assets universe will expand and it will enable the Islamic-conscious individual and institutional investors to effectively diversify their portfolios.
5. Treasuries of Islamic banks will also have an expanded set of investment avenues.
6. It will increase liquidity of these Sukuk and generate wider interest among all investors in the economy to consider investing in these investment vehicles.
7. Islamic banks face liquidity risk in countries where Commodity Murabaha is not practiced.
8. The surplus liquidity can be used by the governments by issuing sovereign Sukuk.
9. This will enable the government to avoid crowding out by using excess liquidity already available with Islamic banks.

10. In some jurisdictions, there are fiscal responsibility acts to contain public debt.
11. For instance, in Pakistan, the fiscal responsibility act sets a limit of 60% for debt to GDP ratio.
12. Such limits shall be revised to accommodate real asset backed infrastructure financing from Sukuk.
13. ADB is committing to provide:
    - Technical assistance
    - Credit guarantees.
14. Recently, the G20 group of nations' decision to examine the use of Sukuk to finance infrastructure investment could eventually spurn big increase in the size of the market.

CONCLUSION

Bonds will play a major role in infrastructure finance but of late there are other financing models which is outside the scope of this paper that have been used to finance infrastructure with good returns on investment. Project of social nature surely will involve thinking across the roof to come up with innovative model of financing. It is anticipated that there will be another forum to generally look at this funding options in the nearest future.

WHAT NEXT:

1. There is the need to establish infrastructure funds which can on lend to projects.
2. There is the need to explore other financing models for infrastructure such as secured platform trading, collateralized loans, venture capital, etc on infrastructure finance.
3. There is the need to have a credit guarantee institutions that can assist various projects in providing necessary collaterals and credit enhancement to access funds.

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Thank You!