ADDRESSING INFRASTRUCTURE DEFICIT THROUGH PUBLIC-PRIVATE PARTNERSHIP: A REVIEW OF ISSUES, BENEFITS AND CHALLENGES

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Abstract

Public-Private Partnerships (PPPs) are commonly seen as long-term cooperative institutional arrangements between public and private sectors for the sole purpose of achieving set objectives. This arrangement is manifested in various ways; cut-back of public sector expenditure, a delegation of responsibilities to the private sector and fostering of voluntary engagement of private sector aiming at providing public goods. The main objective of this paper is to investigate the relevance and significance of PPPs in addressing infrastructural gaps specifically in developing countries like Nigeria. The paper employed library research method in coming up with the major findings of the study. It shows that there is growing realization in many developing countries the limitation of government in managing and financing economic activities specifically large infrastructure projects. This is largely due to inherent inefficiencies in operation, corruption and resource crunch. Consequently, many developing countries have realised the importance of infrastructure development as a pre-requisite for the provision of basic services as well as a catalyst for economic growth and development. However, for developing countries like Nigeria to successfully reap the promises of PPPs, certain fundamental issues need to be addressed. Thus, there should be strong institutions in place. All laws related to corruption must be fully enforced without fear or favour. Bureaucracy must be addressed in order to enable the speedy process of business activities. Also, there should be sound monetary policies to address excessive inflation rates. Similarly, there should be a sound judicial system capable of enforcing all valid contractual agreements. Insecurity situations such as kidnapping, insurgency, vandalism, civil unrest must be decisively tackled. Finally, mismanagement practices such as the absence of proper documentation, nepotism and other ill practices must be properly addressed.

Keywords: Development, developing economies, economic growth, institutions, public-private partnerships.

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Introduction

Public-private partnership (PPP) is an arrangement in which the private sector participates in the supply of services that are traditionally provided by the government. That is to say that, PPP is a private-sector investment in public infrastructure which involves long-term service provision by the private sector as well as the transfer of investment and operating risks from the public sector to the private sector, with ultimate ownership normally retained by the public sector (Yescombe 2007). In other words, PPPs is an institutional and contractual partnership arrangement between the government and a private sector operator to deliver goods or services to the public with distinctive elements (Fourie & Burger, 2000).

Over the years there is increasing realization in many developing countries of the limitations of governments in managing and financing large infrastructure projects. Also, policies and institutions to promote the uptake of public-private partnerships (PPPs) have diffused across the world (Hodge, Greve, & Broadman, 2010; Klijn & Teisman, 2003). Provision of infrastructure facilities, traditionally in the government domain, is now gradually being offered to the private sector for investment and management. This recent arrangement has become necessary due to resource crunch faced by many governments and the drive to improve efficiency and effectiveness in public service delivery. Infrastructure projects are usually characterised by huge investment, long gestation periods, and very specific domestic markets (Chinyere & Xu 2011; Yescombe 2007).

Available evidence from the literature shows that developing countries such as Nigeria are faced with stark infrastructure deficit in the areas of transportation, communication, and energy. Based on infrastructure assessment conducted by the World Economic Forum, Mauritius, South Africa and Nigeria were ranked 37th, 68th, and 133rd respectively (The Global Competitiveness Report, 2015). Most of the public service delivery in Nigeria is characterised by inefficiencies, waste and mismanagement. It has been widely acknowledged that PPPs not only play a vital role in the economy of a country but are critical to the country’s economic stability because they do facilitate access to infrastructure necessary for economic growth and development (Khanom, 2009; Kwak et. al. 2009).

The adoption of Public-Private Partnerships (PPPs) can be a strong factor in promoting accessibility to infrastructure necessary for economic growth and development. This applies to both developed and developing countries. Over the years, there has been renewed research focus and interest on how PPPs/PFIs can be successfully employed to address infrastructure gap specifically in developing countries (Broadbent & Laughlin, 2003; Jamali, 2004).

The term infrastructure in this paper refers to any capital intensive asset or group of assets which provide essential goods and services such as utilities, petrochemicals, transportation, services, housing etc; and can be
contractually structured to provide internally generated cash flows. More so, Brunner and Suter (2008) noted that critical infrastructures are systems or assets so vital to a country that any extended incapacity or destruction of such systems would have a devastating impact on security, the economy, national public health or safety, or any combination of the above. The most listed sectors include banking and finance, government services, telecommunications and information and communication technologies, emergency and rescue services, energy and electricity, health services, transportation, logistics and distribution, and water supply. The 2015-2016 Global Competitiveness Report shows that extensive and efficient infrastructure is vital to ensuring the effective functioning of the economy. Vibrant mode of transport-including high-quality roads, railroads, ports and air transport enable entrepreneurs to get their goods and services to market in a secure and timely manner and facilitate the movement of workers to the most suitable jobs. Economies also depend on sound electricity supplies that are free from interruptions and shortages so that businesses and factories can work without hindrance. Finally, a solid and extensive telecommunications network allows for a rapid and free flow of information, which increases overall economic efficiency by helping to ensure that businesses can communicate and decisions are made by economic actors taking into account all available relevant information (World Economic Forum, 2015).

Kwak et al. (2009) argued that PPPs have emerged as one of the major approaches for delivering infrastructure projects in recent times. When properly formulated and managed, PPPs have the potential of providing many benefits such as relieving the financial burden on the public sector due to rising infrastructure development costs, allowing risks to be transferred from the public to the private sector, and maximizing the ‘value for money’ spent for infrastructure services by providing more efficient lower cost, and reliable services (Li, et.al. 2005). In a situation where countries (specifically Nigeria) that rely on a single commodity like oil as their major source of revenue are faced with a persistent collapse in its price, choosing PPPs is not a luxury but a necessity.

Some observers (Abdul-Aziz, 2001; Jamali, 2004; Kwak, et al. 2009; Roehrich et al. 2014) noted that despite the fact that PPPs play central role in the provision of development infrastructure, the experience of the public sector with PPPs has not always positive; available evidence from the literature has shown that there have been mixed results. This is due to the fact that certain fundamental issues at the onset need to be addressed and major challenges adequately overcome. In 1996, Special Report on Asia’s Infrastructure Boom identified many factors that are attributed to failure of PPPs in many countries: wide gap between public and private sector expectations; lack of clear government objectives and commitment; complex decision-making; poorly defined sector policies; inadequate legal/regulatory frameworks; poor risk management; low credibility of government policies;
Inadequate domestic capital markets; lack of mechanisms to attract long-term finance from private sources at affordable rates; poor transparency; and lack of competition. These factors particularly impact PPPs in developing countries such as Nigeria in addition to other factors such as insecurity and mismanagement (Abdul-Aziz, 2001; Jamali 2004; Otairu, et al. 2014).

In view of the foregoing, this paper attempts to achieve the following objectives:

i. Examine some fundamental issues/key success factors that must be properly addressed for successful PPPs

ii. Identify the various benefits associated with PPPs.

iii. Assess the various challenges related to the successful take-off of PPPs.

In the remaining part of the paper, review of relevant literature on the concept of Infrastructure and PPPs is conducted; issues surrounding successful execution of PPPs projects are discussed; potential benefits of PPPs to all stakeholders (government, private organizations, consumers, other stakeholders) are highlighted; major challenges of PPPs in Nigeria are examined; and finally conclusion follows.

**Concept of Public-Private Partnerships (PPPs)**

Public-Private Partnerships has been attracting interests of scholars, policymakers and thinkers from both academia and policy-making arena. Over the years there has not been a general consensus on the definition of PPPs. This is due to the fact that most of the discussion on PPPs is seen as always subjective and qualitative judgment always emphasizing a specific point of emphasis of particular writers or policymakers. Some examples are as follows:

**HM Treasury (1998)**

*Definition:* An arrangement between two or more entities that enables them to work cooperatively towards shared or compatible objectives in which there is some degree of shared authority and responsibility, a joint investment of resources, shared risk taking, and mutual benefit.

*Indicators:* Involvement of two or more entities, the existence of shared and/or compatible objectives, shared authority and responsibility, a joint investment of resources, shared risk/liability, mutual benefit.

**European Commission (2003)**

*Definition:* An arrangement between two or more parties who have agreed to work cooperatively toward shared and/or compatible objectives and in which there is shared authority and responsibility; joint investment of resources; shared liability or risk-taking; and ideally mutual benefits.

*Indicators:* Two or more parties are involved in the arrangement, existence of shared and/or compatible objectives, shared authority and responsibility, a joint investment of resources, shared risk/liability, mutual benefits.

**Canadian Council for Public-Private Partnerships (2004)**

*Definition:* PPP is a cooperative venture between the public and private
sectors, built on the expertise of each partner that best meets clearly defined public needs through the appropriate allocation of resources, risks, and rewards.

**Indicators:** Cooperative venture between public and private sectors, meets defined public needs, shared resources, risks, and rewards.

**World Bank Institute (2012)**

**Definition:** A long-term contract between a private party and a government agency, for providing a public asset or service, in which the private party bears significant risk and management responsibility.

**Indicators:** Long-term arrangement between private and the public sectors; the main purpose is the provision of public asset or service; private party bears the substantial risk and management responsibility.

Thus, we can see, there is no universally accepted definition of Public-Private Partnerships (PPPs); but on the basis of arrangement between public and private sectors and shared resources, risks and rewards, it can be seen as long-term agreement between private and public sectors which enables the private sector to be directly involved in the provision of basic services and infrastructure that were prerogative of the public sector with shared authority, responsibilities, resources, risks and rewards. The indicator here is the provision of public goods and services through cooperation between public and private sectors with attendant shared risks and rewards.

Khanom (2009) observed that the concept of public-private partnerships (PPPs) has been extensively debated. The major contentious point is whether PPP needs a definition and what really constitutes a PPP. Hodge and Greve (2007) posited that there is need to revisit the different meanings and definitions of PPP to see if the concept is worth keeping and using for empirical studies. This is due to the fact that most of the definition emphasize different aspects of PPP as they are derived from different contexts and as such represent different points of view. On the other hand, some argue that there no need for specific definition because, according to them, PPP is assumed to as very clear and most people agree with the general definition which says that public-private partnership is a cooperative between public and private sector. For instance, William (1997) argues that the issue of having precise or imprecise definitions of public-private partnerships do not abound because it is assumed that the issue is so clear and transparent that the entity needs no definition.

In spite the debate about the definition of PPP, there are still many definitions of PPPs. But most importantly, the argument about its application is whether to consider it as a management or governance tool; a tool of financial arrangements; development strategy, or a language game. One of the widely accepted notions about PPP is that it is seen as a management or governance tool because it is seen as a novel approach through which public goods and services are delivered to the citizens and the novelty being the *modus operandi* of managing and governing (Hodge & Greve, 2005). Some of
the major points to note here is that PPP is seen as a co-operation between organizations, there is presence of risk sharing which is seen as a major motivator for both parties, there are prospects that this type of cooperation may result in offering new and better products and services that no single organization either the public or the private could produce alone, and also there is longer-term commitment which often may extend to a number of years.

Another perspective about PPP is that it is seen as a tool of financial arrangements between the public and private sector. It is generally believed that PPPs have the potential of reducing pressure on government budgets because of utilizing private finance for infrastructures and they also provide better value for money in the provision of public infrastructure. Notable arrangements under the PPPs include BOT (Build-Operate-Transfer), BOO (Build-Own-Operate), and BOOT (Build-Own-Operate-Transfer). The most prominent of all these arrangements is the BOT in which projects are designed and financed by the private sector, and run and maintained by the private sector for the concession period. Under this arrangement, the private sector receives income from running the infrastructure (e.g., airport, road, electricity generation, toll roads). At the end of the concessionary period, the legal ownership of the project is transferred to the government (Khanom, 2009). That is why according to Campbell (2001), a PPP project generally involves the design, construction, financing and maintenance and in some cases operation of public infrastructure or a public facility by the private sector under a long-term contract.

The third perspective about PPP, mentioned in this paper, is that it is seen as a developmental strategy. The proponents of this view argue that PPPs maximize benefits for development through collaboration (World Bank, 1999) as well as enhanced efficiency in the mode of operation and delivery (Brinkeroff, 2002). As such PPP is argued to be a tool for promoting rapid development (Agere, 2000; Paoletto, 2000). More so, the notion of the development strategy of PPP is covered by Osborne (2001) as he acknowledges that PPP now becomes an instrument that provides public services and developing civil society in post-communist regimes as well as a mechanism for combating social exclusion and enhancing community development under the European Union policy. He noted that PPP has been traditionally been associated with urban renewal and economic development in the USA.

Lastly, another alternative view of PPP is a language game that is designed to ‘cloud’ other strategies and purpose from the general public. One of these purposes is privatization of public enterprises and the promotion of more private sector participation in the provision of public services at the expense of public organizations. Savas (2000), observed that use of terms such as ‘contracting out’ and ‘privalisation’ generally generate opposition quickly from the general public and that expressions such as ‘alternative
delivery systems’ or public-private partnerships’ are more acceptable; he states that now PPps invite more organizations; and enable private organizations to get a market share of public service provision. That is why Greve (2003) sees PPP as an attracted word and argues as ‘there is clearly a danger that the PPP term is just another catchy piece of terminology that governments would like to promote to keep off the attention of the more mundane contracting for public services arrangements’ (Greve 2003: 60).

Research Methodology
Based on the aforementioned, the major objective of this paper is to explore the significance of Public-Private Partnerships (PPPs) in addressing infrastructure gap, particularly in developing countries. Using library research approach, the paper reviewed both empirical and conceptual papers as well as developmental agencies reports in order to highlight certain fundamental issues, benefits, and challenges in relation to the provision of infrastructure using PPps. At the end, the paper examined notable infrastructure projects in Nigerian that were made under PPP arrangements. Using insight from the reviewed literature, the paper highlighted some of the likely reasons while the arrangements failed.

Fundamental Issues of PPPs
Evidence from the literature (Anderson, 2012; Mahoney et. al. 2009; Zheng et. al. 2008) shows how developed and developing countries around the world increasingly involve the private sector in the development, financing, and provision of public infrastructure and services. Despite the success recorded in UK, Australia, US and other developed countries (Roehrich et al. 2014), there is evidence that shows how PPps arrangements often fail in many instances specifically in developing countries (Abdul-Aziz 2001; Jamali 2004). While PPps can provide a mechanism for exploiting the comparative advantages of public and private sectors in mutually supportive ways, Jamali (2004) argued that several issues are salient and deserve due consideration when contemplating a PPP.

Therefore, for a successful execution of PPps projects certain pertinent issues need to be properly addressed. To start with, there is need to redefine the role of government in PPps arrangements whether as partner or regulator, particularly in developing countries. PPps should not be seen as a close substitute to action or responsibilities that appropriately rest elsewhere. Specifically, the public sector should continue to set standards and monitor product safety, efficacy, and quality and establish systems whereby citizens have adequate access to the products and services they need (Jamali 2004). Scharle (2002) opined that because of the stronger position of the private partner, more skilled government participation is often needed.

Another fundamental issue that is vital to the success of PPps is the establishment of a transparent and sound regulatory framework. The existence of strong regulation will make the private partner have confidence that the
regulatory system includes protection from expropriation, proper arbitration of commercial disputes, respect for contractual agreements, and legitimate recovery of costs and profit proportional to the risks undertaken (Pongsiri, 2002; 2011). Additionally, a sound regulatory framework can also increase benefits to the government by ensuring that essential partnerships operate efficiently and optimizing the resources available to them in line with broader policy objectives (Di Lodovico, 1998; Zouggari, 2003).

Most importantly, according to Samii et al. (2002) key formation requirements of effective PPPs include resource dependency by recognizing that what can be achieved together cannot be achieved alone; commitment symmetry in the allocation of time and resources; common goal symmetry where individual goals are seen as a subset of the overall program objectives; intensive communication through different channels and means; alignment of cooperation learning capability by ensuring knowledge sharing across organizational boundaries to alleviate problems of information asymmetry and ensure convergence in learning skills and speed; and converging working cultures by jointly developing a set of working practices and procedures to level out differences in working style/culture.

Kanter (1994) identified individual excellence where both partners are strong and have something of value to contribute to the relationship; importance where the relationship fits major strategic objectives of partners so they want to make it work; interdependence where partners have complementary assets and skills; investment where partners invest in each other to demonstrate their respective stakes in the relationship; information where partners share information required to make the relationship work; integration where partners develop linkages and shared ways of operation so they can work together smoothly; institutionalization where the relationship is given formal recognition and status with clear responsibilities and decision-making processes; and integrity where each partner behave in honorable ways that enhance mutual trust without abusing the information they gain nor undermining each other as the key ingredients of effective collaboration.

Elmuti and Kathawala (2001) in their work on strategic alliances emphasized the commitment of senior management; similarity of management philosophies; effective and strong management team; frequent performance feedback; clearly defined, shared goals and objectives; thorough planning; clearly understood roles; partner selection; communication between parties. All these elements are relevant and a precondition to effective PPPs implementation.

Khanom (2009) observed that there are some other vital issues that might affect a PPP arrangement. The political culture and bureaucracy are important factors to be considered in formulating a PPP policy design. This is because values, tradition, attitude and interest of various political parties and government may affect a PPP arrangement (Payne & Nassar, 2007). Bureaucracy is seen as the main administrative arm of the government that is
saddled with the responsibility of turning the policy into reality. Specifically, in developing countries, the power-seeking attitude of the politicians and the rent-seeking behaviour of the bureaucrats and lobbying groups may impact design and implementation of the PPP, which needs to be very specific (Grindle, 1991).

**Benefits and Costs of PPPs**

Several studies have shown that Public Private Partnerships (PPPs) are widely recognized as a favourite tool for providing public services and developing a society in both developed and developing countries around the world. Experience has shown that if PPPs are properly formulated and effectively implemented can be very beneficial to the government (Khanom 2009; Kwak, et al. 2009). Some of the potential benefits attributed to PPPs are increased in ‘value for money’ spent for infrastructure services by providing more-efficient, lower-cost; and reliable services; PPPs make it possible for the public sector to keep minimize budget deficits; due to shared financing, PPPs allow the public sector to avoid huge up-front capital cost and cut down public sector administration costs; it enables the project life-cycle costs and project delivery time to be reduced; it promotes efficiency and quality of infrastructure services; it facilitates innovation in infrastructure development; it facilitates the transfer of risks related to construction, finance and operation of projects from public sector to private sector; it stimulates local economic growth and employment opportunities (Zhang, 2006).

Despite the enormous benefits and increasing usage in infrastructure projects development, PPPs arrangement has received criticisms in numerous aspects. To start with, PPPs are seen as relatively new concepts that are not well understood in some countries; when it comes to implementation of long-term PPPs projects, public and private sectors still lack appropriate knowledge and skills; there are high tendering costs due to limited competition; political debates, public opposition, and complex negotiation process may likely delay PPPs projects; costs of borrowing by the private sector may be high since it cannot borrow capital to invest in projects as economically as the public sector; project accountability may be compromised in PPPs since substantial amount of information can now be treated as ‘commercial-in-confidence’; PPPs may result in monopoly situation and higher costs to public users for using the infrastructure services (Li, et. al., 2005).

**Challenges of PPPs**

Numerous studies examine the role of Public-Private Partnerships (PPPs) in the provision of infrastructure projects and other public services in developed countries (Cavelty & Suter, 2009; Collin et. al. 2016; Hwang et al. 2013; Roehrich et. al. 2014) as well as in developing countries (Abdul-Aziz 2001; Akrm & Alwahab 2015; Beh 2010; Hussain et. al. 2012; Jamali 2004). Despite the relevance of PPPs to infrastructure development and emphasis by various policymakers to promote adoption of PPPs in developing countries, available studies have shown that developing countries have been slow in
adopting PPPs for numerous reasons. In a study conducted by Ameyaw and Chan (2015), it was found out that the overall risk level of water PPPs in developing countries is high thereby suggesting that these projects and the like are too risky to both the government and private participants to undertake; they identified financial/commercial risk category as the most critical principal factor, followed by legal and socio-political category and technical category.

In order to minimize aforementioned risks, Jamali (2004) suggested that PPPs must begin with careful groundwork and preparation. This must include a well-broaden feasibility study and economic assessment for each potential partnership project. More so, developing country governments need to erect their legal and regulatory capacity to effectively promote and participate in PPPs. More so, PPPs are founded on the assumptions of interdependence and individual excellence (i.e., complementary skills, assets, expertise and knowledge). These are preconditions that cannot be compromised in the pursuit of quick fixes and efficiency gains. Hagen (2002) argued that unequal qualifications and contributions of expertise in a PPP are recipes for its failure.

Similarly, poor legal and regulatory framework has been identified as one of the major challenges of PPPs in developing countries (Abdul-Aziz, 2001; Jamali, 2004). Therefore, the presence of sound legal and regulatory framework and the existence of a good structure that promotes complete transparency specifically with regards to financial accountability are essential elements for successful implementation of PPPs (Kwak, et al. 2009). Zouggari (2003) emphasized that it is important to have the presence of strong structure at the level of central administration to guide policy implementation. Often times, PPPs falter because of hurriedly prepared tender documents and contracts and the negotiation usually take place between unequally qualified and experienced professionals leaving the representatives from the public sector at disadvantage. One of the challenges that hamper sound design and implementation of PPPs in developing countries is poor record keeping and documentation. This may be due to utter negligence or deliberate distortion of evidence to perpetuate illegal dealings (Jamali 2004). As such, a well-developed database for historical PPP projects must be properly and adequately maintained. This can be useful in selecting suitable infrastructure for the PPP; assessing the associated potential risks of the project; most importantly avoiding similar costly mistakes in the future. The database must contain data such as previous project background information; concessionaire selection methods and criteria; project performance (Kwak et. al. 2009).

Public-Private Partnership(s): The Nigerian Experience

The significance of infrastructure projects in promoting economic growth and development has been recognized by successive governments in Nigeria in recent years. Uwen and Abubakar (2013) noted that various concessions (PPPs arrangements) have taken place in the last few years in
Nigeria. Notable among these are Lekki Toll road managed by Lekki Concession Company and Domestic terminal at Murtala Muhammed Airport, Lagos by Bi-Courtney Aviation Services (a subsidiary of Bi-Courtney Limited).

Domestics Terminal at Murtala Muhammed Airport, Lagos (MMA2): This was a concession/BOT to build a new domestic terminal and additional facilities at the Murtala Muhammed Airport (MMA2) in Lagos. MMA2 was the first major BOT infrastructure project to be contracted by a Nigerian company. In 2013, Bi-Courtney was awarded the contract with 12years tenor initially later extended to 36 years. The contracting parties were the aviation Minister, Federal Airports Authority of Nigeria (FAAN) and Bi-Courtney. About six banks were involved in this syndicated loan and project financing. The project bump into a number of problems, among which is the inability to secure long-term financing agreement, and the reluctance of FAAN to maintain the project by enforcing the use of MMA2 by airlines as required in the PPP agreement, couple with several claims of breach of contractual rights by both parties.

Based on issues raised in the preceding sections, a number of issues are worthy of note from the appraisal of MMA2 PPP in Nigeria. First, there was lack of transparent and sustainable long-term financing for PPPs. Secondly, lack of effective planning and failure to set a deadline that would have help Bi-Courtney's in overcoming its shortcomings. Thirdly, a weak framework to regularly observe and assesses PPP projects, thus making conformity to standard difficult. Fourthly, there is lack of provision to accommodate unanticipated variations in the project. Fifthly, the non-existence of relevant dispute resolution mechanism for PPP projects leading to an escalation of controversies easily and the failure of FAAN’s to comply with several court orders, and inability of Infrastructure Concession Regulatory Commission to shield PPP projects and private investors.

Lekki Toll Road Concession Project, Lagos: Lagos State Government and Lekki Concession Company Limited for a period of 30years which involved the upgrading and maintenance of about 50km express road leading to Lekki-Epe. The foremost investors in the scheme comprised Macquarie Bank and Old Mutual of South Africa via the African Infrastructure Investment Fund. Funds for the project were from the support of Lagos Government plus a mixture of debt and equity finance. The project received a loan of 15years from Standard Bank which served as the first-ever local debt financing for such a long time. As the first phase of the project was getting to a close, tolls were built by the company to recover its investments. This met with lots of resistance and litigation from other stakeholders leading to termination of the agreement by the Lagos State Government.

Some of the lessons learned from this project include the importance of stakeholder’s consultation as the people living along the Lekki-Epe route were the ones that resisted the toll and went to court. Good impact assessment
of project done before commencement. There should be better ways of negotiation and management of people’s perception during project implementation, the establishment of project performance standard that is supported by operational penalty regime, monitoring framework and a viable long-term financing plan.

On-Going PPP in Nigeria: From the official website Infrastructure Concession Regulatory Commission (ICRC), there are 48 ongoing PPP projects in Nigeria among which are: National Theatre Master plan Complementary Facilities Rehabilitation, development Of Mechanic Villages in the six geo-political zones, renewal and management of facilities of National Stadium Lagos, PPP High Voltage Transmission for Transmission Company of Nigeria, Greenfield High speed Land Railway Lines across Nigeria among others. All these projects if properly implemented and the relevant stakeholders played their part well will be for the good of the nation as a whole and help to solve our national infrastructural challenges. More so, potential investors will be attracted to the country to get involved in this marriage of convenience.

Conclusions and Recommendations

Globally, there has been increasing recognition and adoption of PPPs as an alternative avenue for the provision of basic services and infrastructure projects in the areas of transportation, water, oil and gas, education, and health. There are many benefits associated with this type of arrangement. If properly implemented, PPP guarantee ‘value for money’ spent on infrastructure services by providing more-efficient, less-cost and reliable services in the area of transportation, oil and gas, telecommunication, health facilities, power etc. It also ensures that the public sector minimizes budget due to shared-financing nature of PPP projects. In developing countries, the concept is still at a nascent stage. Findings have shown that despite the success PPPs recorded in many developed countries, reports from many developing countries have shown that the reverse is always the case. This failure is attributed to the poor regulatory framework, weak capital market, lack of requisite expertise and commitment, particularly from the public sector. Therefore, the government needs to come up with a sound regulatory policy for PPP to flourish. There is a need for capacity building on regular basis in order to bolster the capacity of the representatives of the public sector in all current PPP arrangements. Most importantly, there must be commitment and political will to make the PPP arrangements work.
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