

Assessment of the Performance of Public Private Partnership Arrangement as a Viable Option for the Procurement of Infrastructural Facilities in Nigeria

Dahiru, D¹ & Kofarbai, M. I²

¹Department of Building, Ahmadu Bello University, Zaria – Nigeria

²Department of Quantity Surveying, Ahmadu Bello University, Zaria – Nigeria

drdaudadahiru@yahoo.com

Investing massively in the expansion of infrastructural facilities, well beyond the resources and capacity of government through an effective framework for Public Private Partnership (PPP) proved to be the best way to bridge the gap as regards infrastructure in most countries. However, it is only in recent times that PPP gained popularity in Nigeria. As such, not much is known about its performance as a viable option in the provision of infrastructural facilities in Nigeria. This study is aimed at evaluating the performance of PPP as a viable option in the procurement of infrastructural facilities in Nigeria with a view to identifying major steps that require improvement. Field survey was undertaken using structured questionnaire as well as structured interview as the instruments of the study. Purposive sampling method was used to select respondents in which a total of 70 questionnaires were administered to them, out of which 62 were retrieved and used for the study. Major projects such as Lagos – Ibadan express way, Kuto - Bargana Bridge, and Multi – level car park, Garki – Abuja were among the major projects identified as unsuccessful projects due to problems ranging from lack of sound financial package, absence of legal framework and stakeholders’ participation. Also, result shows that unfavourable investment environment with a mean of 3.68, lack of legal framework averaged 3.53, lack of institutional framework average 3.29 and corruption averaged 3.03 are the major challenges affecting the success of PPP in Nigeria. It was noted that most of these factors affect the projects at planning and execution stages. There is consensus of opinion among respondents that all the critical success factors presented are important as all of them had a mean score above 3.00. However, enabling environment with mean score (MS) 3.17, adequate legal framework MS 3.68 and sound financial package or availability of fund MS 3.50 were ranked as the most important success factors. Thus, it was concluded that the use of PPP as procurement option is faced with many problems largely due to failure to consider some important success factors. Hence it was recommended that effort should be made to create enabling environment such as security, reliable power supply, good roads, reliable source of funding and formulation of policies that will guarantee the sustainability of PPP agreement as well as protect the interest of parties to the agreement.

Keywords: Infrastructural facilities, Performance, Public - private, Partnership, Nigeria.

Introduction

Infrastructures are the essential facilities, services and systems serving a country, city or facilities needed for the functioning of a community or area. It is viewed as the basic systems and services that are necessary for a country or an organization to run smoothly. Typical examples of

infrastructure are roads, airports, ports, oil and gas lines and renewable energy plants, waste disposal plants, water and power supplies. Others, include schools, hospitals, administrative buildings, cultural houses, social housing, sports halls and arenas, public pools etc (Yudelson, 2012). Also, Oyedele (2019) defined infrastructure assets

as physical developments like roads, buildings, bridges, electricity grid, telephone grid, industries, medical facilities, educational facilities, sport facilities, markets and so on, necessary for the smooth operation of a community. According to Francis (2011), the quality and volume of infrastructure has a positive effect on the attractiveness, competitiveness and economic growth of countries, cities and municipalities. As such, any comprehensive development plan for any country, must consider the provision of infrastructural facilities, as a top priority (Adeyemi *et al*, 2016). This, perhaps explain the reason why governments all over world are traditionally responsible for investment in new and existing infrastructure. Eric (2003) noted that the construction industry is likely to remain a major area of development activity as the need for the provision and replacement of infrastructure become more pressing. According to Adeagbo (2014), the drive towards achieving the goal and objectives of the Nigerian vision 20:2020 blueprint has an anchor in the building and construction sector. However, there is a significant investment bottleneck due to some problems. On one hand there is exponential increase in population leading to corresponding increase in demand for infrastructural service, while on the other hand, there are limited funds available to the government. Ahmed (2010) reported the cost of developing infrastructures, such as Ajaokuta company, Delta Steel company, Enugu- Port Harcourt Express Way, Lagos – Ibadan Express Way etc. amongst others as over 14 trillion. In addition, there is very serious infrastructural deficit which expert noted requires a sustained expenditure of almost US\$14.2 billion annually over the next decade or about 12% of its GDP to meet the infrastructure requirement (Ezekwesili, 2013). While Babalakin (2010) noted that Nigeria will require 1.8 to 2.3 trillion Naira annually for the next 6 years. The late President Yar’adua announced in 2010 that Nigeria needs more than us \$19 trillion to provide the needed adequate infrastructure (Idris *et al*, 2013).

Thus, government can no longer meet our infrastructural need through annual budgetary provisions only; neither can she maintain existing infrastructure through her public service that is characterized with bureaucracy, ineffectiveness and corruption (Gazama, 2010). However, the urgent need for new and replacement investments in infrastructure and the limited funds available to the governments, are common problems among countries in the world. That is why Wang, Zhou, and Tang (2005) noted that a number of western countries, as well as emerging economies in Asia, the Middle East and East Europe have, recently, extensive legislations opening up the possibility of infrastructure investment by the private sector. In countries like China and India, PPP, projects and private investments are becoming increasingly common as a means of meeting the vast capital requirements for construction.

PPP broadly refer to any arrangement in which a firm obtain from the government the right to provide a particular service under condition of significant market power. PPP is a series of legal arrangement suitable for creating competition for a market Kerf (1998 cited in Oyegoke, 2010). PPP contract confirm wide and varied issues, this is because the arrangement in PPP allow for risk shifting, private investment, government support and adequate for the broader legal regulatory environments.

That is why PPP has emerged as one of the major approaches for delivering infrastructure projects in recent years. Mohammed (2018) noted that there are a couple of projects delivered using PPP arrangements. According to Olushola (2009), majority of infrastructure projects currently underway at both state and federal levels are sponsored by PPP. However, Lagos Chamber of Commerce and Industry (LCCI) (2009) observed that PPP in Nigeria is saddled with series of problems to the extent that there is a lot of reservation on PPP. One issue of great concern is that at a time when Nigeria is facing such problems,

emerging economies like India, South Africa are recording successes using tried and tested PPP templates to create, expand and modernize infrastructure (Telang & Kutumbale, 2014). This brings the need for an organized enquiry on the various aspect of PPP as a viable option for the infrastructural service in Nigeria.

A number of studies were undertaken on PPP, for example Ugwu (2012) assessed the viability of PPP as an option for infrastructural development in Nigeria. However, the study was limited to Enugu State between 2007 and 2012. The outcome of such study shows that PPP is making progress in Enugu state in terms of employment generation, reduction of poverty reduction and corrupt practices. Ibem (2011) assessed PPP in the provision of housing in Lagos megacity region. Result of study revealed that the PPP approach was essentially a formal joint venture partnership involving government providing land at subsidized rate and the provision of serviced plots or construction of housing units by private sector partners. It was, however, observed that such approach has contributed very little to the volume of housing units available to low income people in Lagos. In another similar research, Ibem (2012) has undertaken a study on urban housing in Nigeria. The study used Ogun state as a case study, where PPP arrangement was used in the provision of urban housing. The outcome of such study revealed that PPP has the potential of serving as a viable option for solving problem of housing in Nigeria. It was, nonetheless, noted that there is the need for more effort towards creating an enabling environment. has examined PPP and infrastructure provision in Nigeria. According to Oyedele (2012), the experience of PP in Nigeria has not been a thing to write home about. It was noted that some of the PPP projects were faced with series of problems. Idris *et al.* (2013) evaluated the role of PPP in enhancing service delivery and infrastructural development. The result of such study shows that governments at various levels have not use PPP in the improvement of

service delivery and the closing of wide gap between the demand and supply of infrastructural facilities. Iboh *et al.* (2013) carried out a study on PPP construction project disputes in Nigeria, in which the possibility of operating a smooth PPP project for the whole concession period following financial closure without recourse to litigation or arbitration was examined. The outcome of study shows that there is a low adoption of PPP contracting method and absence of collaboration on the various ways the private sector participates in infrastructural development in Nigeria. In another related research, Adeyemi *et al.* (2016) have carried out a study on the state of infrastructure procurement using the PPP approach, in Lagos state. The outcome of the study shows that Lagos state government has made a remarkable effort in the procurement of infrastructural facilities using PPP arrangement. Ibem (2017) examines the contribution of PPP on improving accessibility of low – income earner to housing in Southern Nigeria. Result of the study show that little is known about the contribution of PPP towards enhancing the chances of low-income earners in gaining access to decent and affordable housing. Ailemen (2017) studied the challenges of PPP in infrastructural financing in Nigeria. It was observed that a major problem faced in the financing of PPP project is absence of long-term funding at appropriate interest rates to fund the required investments. Recently, Akintayo and Kalihu (2018) assessed Build–Operate–Transfer (BOT) model for hostel facilities procurement in the Nigerian public universities. The finding of such study reveals that the adoption of BOT (a PPP variant) had been limited by financial and macro-economic instability, and high charges to students. Sani *et al.* (2018) examined PPP housing projects implementation in Bauchi state. The findings show that only 4.6% of the housing were completed and sold. When the aforementioned studies are closely examined it will be observed that most researchers either focused their studies in particular area or on a specific issue; little or no attention was paid to the study of the

performance of PPP as an option in the procurement of infrastructural facilities in Nigeria so as identify specific areas or phases of the project where major challenges are encountered and why such problems are faced. Besides that, no attention was paid addressing one fundamental question: whether such problem is peculiar to Nigeria? There is need to study the types of PPP agreement frequently used, the benefits accrued from such arrangement, factors affecting the success of PPP in Nigeria, etc. This paper presents a study on the performance of PPP as a viable option for the provision of infrastructural service in Nigeria.

Research Methodology

A combination of qualitative and quantitative research methods was used due to the fact that PPP gains currency in recent times and large parts of the respondents are civil servants working under politicians. There is the need to devise means of confirming many of the claims made by respondents. Most of the studies are restricted to Lagos and Abuja in view of the fact most the major PPP projects are located in those areas. In this study, visitation and careful observation of various sections were carried out within the study area most especially projects accomplished using PPP arrangement and important contract documents. This helped in obtaining first-hand information on the subject matter. Questionnaire was used for the purpose of gathering data for the research work. Issues raised include services, management, and administration and practice of PPP. In the course of the research, interviews were conducted with concerned professionals like senior/middle level managers and project managers/officers at public ministries, banking institutions, law firms, construction companies, consulting firms, academia and investment companies that were directly responsible for managing and administering PPP projects. The interview was meant to confirm as well as complement the result obtained from quantitative study. The population for the research were senior/middle level managers

and project managers/officers at government ministries, banking institutions, law firms, construction companies, consulting firms, academia and investment companies that were directly responsible or involved in managing and administering procurement facilities management related PPP projects. A survey of the appropriate department in the aforementioned organisations was carried out in order to ensure that the right and qualified respondents were identified and used for the study. Besides that, some preliminary questions meant to test the knowledge and experience of the respondents was undertaken. In view of the specialized nature of the study and the dire need for experienced respondents, purposive sampling technique was used both for the structured interview as well as the administration of structured questionnaire. Also, for the field survey, it was personally undertaken by the researcher to confirm some of the assertions made by the respondents.

Respondents were asked to rate the challenges of using PPP in procuring public infrastructure on a scale of 1 – 4 and host of other important issues such as respondents' opinions regarding the factors affecting the use of PPPs in the development of infrastructural facilities in Nigeria. The survey, first and foremost identified major factors responsible for the failure of most PPP project in Nigeria and the opinion of respondents as regards to how to mitigate or overcome these heinous factors was recorded according to their level of importance using scale 1 – 4, where 1 = *Not important*, 2 = *less important*, 3 = *important*, 4 = *very important*.

A total of 70 questionnaires were administered to respondents; in which 40 (58%) were directed to respondents in public organisations while the remaining number that is 30 (42%) were targeted to respondents in private organisations.

Results and Discussion

Demographic Information

As it can be observed from the result presented in Table 1, a total of 70 questionnaires were administered out of which 62 were properly completed and returned, this represent 88.6% of the overall questionnaires distributed. Details of the number of questionnaires distributed and the type of respondents are as follows: 29% of the respondents were Architects, Quantity Surveyors 24%, Builders 20%, Engineers 16%, and 11% were Facilities Managers. The number of questionnaires properly filled and returned can be considered appropriate and satisfactory representation of the population of this study, therefore valid for consideration and use for the study especially when the observation made by Jagboro (2002 cited in Dahiru, AbdulAzeez & Abubakar, 2018) that if the response rate is above 40%, it can be accepted.

Table 1: Number of Professional Respondents

	Frequency	Percentage (%)
Architects	18	29
Quantity Surveyors	15	24
Builders	12	20
Engineers	10	16
Facilities Managers	7	11
Total	62	100

As it can be observed from Table 2, majority (32%) of the respondents have Bachelor's degree while 27% of the respondents have Higher National Diploma. This is closely followed by holders of Master's degree; they constitute 24% of the respondents. This shows that majority of the respondents have the required educational background that will enable them make relevant and reliable contribution on the issues raised in the research.

Table 2: Educational Background of Respondents

	Frequency	Percentage (%)
ND	5	8
HND	17	27
BSc	20	32
MSc	15	24
Ph.D	5	9
Total	62	100

Table 3 shows that majority of the respondents (59%), have experience of over six (6). Besides that, the mean working experience of the respondents was estimated at 8 years. With this average working experience, it can be inferred that respondents have reasonable knowledge of PPP and provide reasonable and reliable data for the purpose of the analysis for the study.

Table 3: Professional Years of Experience of Respondents

	Frequency	Percentage (%)
0 – 5 years	25	41
6 – 10 years	18	29
11 – 15 years	9	14
16 – 20 years	5	8
Above 20 years	5	8
Total	62	100

Table 4 has shown the mean scores and ranking of the frequency of use of the identified PPP types in Nigeria. It can be seen from Table 4, that 4 out of 11 PPP models have a mean score (MS) between 3.03 – 3.51 representing “frequently use”, whilst the remaining 7 models have MS between 2.32 to 2.98 indicating that they are less frequently used. Thus, it can be inferred from this scoring that, although practitioners in the country appeared to be aware of the different models and had already employed them on one or two projects which they have previously managed; their use/application had been infrequent. Thus, it is evident that Build Operate and Transfer, (BOT), Build Own Operate Transfer (BOOT) and Joint Venture (JV) models top the list of most frequently

used PPP models in the country. This conforms to the findings of other researchers such as Dada *et al*, (2006) who reported that 18 out of the 21 PPP projects they surveyed in Lagos state used either JV or BOT models.

Table 5 has shown respondents' assessment of the perceived benefits of PPP in infrastructure development. From the results, it is evident that all the ten identified benefits were rated as important; and that PPP application was deemed capable of delivering infrastructure development. Respondents believed that the cooperation of the public and private sector in the development and management of infrastructure could result in overall construction performance; acquiring value for money; faster implementation of the project; an improved level of service, enhanced facility management and overall economic development. These benefits were rated as the first five benefits of PPP in infrastructure development with Mean Scores (MS) of 3.58, 3.45, 3.31, 3.24 and 3.04 respectively. Moreover, delivering to

budget and risk sharing with mean score (MS) of 2.58 and 2.68 respectively, provided the lowest ratings. This may be true as the majority of the projects under PPPs arrangement were found to have experienced cost and time overrun (Ailemen, 2017). Moreover, scoring or rating of 3.01 for delivering on time indicated that PPP was also capable of helping projects to be delivered on time. This is in agreement with the findings of other researchers on the benefits associated with PPPs, for example: Patrick (2003), Akintoye, Beck and Hardcastle (2006) and Murtala (2007) Such researchers have suggested that some of the reasons why governments at all levels, in both developing and developed countries, are turning towards the private sector in infrastructural development and management are: to enhance the performance of construction projects; obtain better value for money and for the spread of best practice and innovative ideas, among many others.

Table 4: Types of PPP Arrangement Frequently Used in the Provision of Infrastructural Projects

Types of PPP	Frequency				$\sum f$	$\sum fx$	Mean (X')	Rank
	1	2	3	4				
Build Operate Transfer	2	5	10	44	62	218	3.51	1
Build Own Operate Transfer	-	9	25	27	61	189	3.29	2
Joint Ventures	6	11	15	29	61	189	3.09	3
Rehabilitate Operate Transfer	4	11	15	71	61	185	3.03	4
Build Transfer Operate	8	6	23	21	58	173	2.98	5
Design Build Maintain	14	12	8	27	54	100	2.79	6
Build Lease Transfer	13	16	12	18	59	153	2.59	7
Develop Operate Transfer	15	14	15	18	62	160	2.58	8
Turn key	8	25	12	15	60	14	2.57	9
Build Own Operate	18	14	20	10	62	146	2.35	10
Alliancing	17	14	20	8	59	137	2.32	11

Where 1 = rarely used, 2 = less frequently used, 3 = frequently used, 4 = very frequently used.

Table 5: Respondent's Perception on the Benefit of PPP Arrangement in Nigeria

PPP Benefits	Frequency				$\sum f$	$\sum fx$	Mean (X')	Rank
	1	2	3	4				
Construction Performance	1	4	15	42	2	222	3.58	1
Value for Money	2	6	15	37	60	207	3.45	2
Faster Implementation	3	8	18	33	62	205	3.31	3
Improved level of service and enhanced facilities management	-	11	25	26	62	201	3.24	4
Development of New Business Sector	1	14	28	19	62	189	3.04	5
Delivering on Time	-	18	25	19	62	187	3.01	6
Operational Performance	1	19	28	14	62	179	2.98	7
Innovation and Spread of Best Practice	-	22	25	13	60	171	2.85	8
Risk Sharing	4	23	24	11	62	166	2.68	9
Delivering to Budget	5	25	23	9	62	160	2.58	10

Where: 1 = Not important, 2 = less important, 3 = important, 4 = very important

Factors Affecting the Success of PPP in Nigeria

Attempt was made to assess the factors affecting the success of PPP in Nigeria; in which some important factors were identified and presented to respondents to rank on a point Likert scale based on the level of importance. Details of the results are presented in Table 6.

Table 6 shows response on the factors affecting success of procurement of infrastructural facilities using the Public Private Partnership in Nigeria. Unfavorable

investment environment averaged 3.68 (very important). Lack of adequate Legal Framework averaged 3.53 (Very Important), Lack of Institutional Framework averaged 3.29 (very important), Corruption averaged 3.03 (Very important), Non Transparent procurement process averaged 2.91 (important), Lack of Sound Financial Packaging averaged 2.61 (important), Un-reliable concessionaire Consortium averaged 2.58 (Important), Lack of Stakeholders Participation from the beginning averaged 3.18 (Very Important).

Table 6: Major Factors Affecting the Success of PPP in Nigeria

Factors Affecting Success	Frequency				$\sum f$	$\sum fx$	Mean (X')	Rank
	1	2	3	4				
Unfavourable investment environment	-	4	1	4	62	228	3.68	1
			2	6				
Lack of adequate legal framework	-	6	1	3	60	212	3.53	2
			6	8				
Lack of institutional framework	-	1	1	3	62	204	3.29	3
		4	6	2				
Lack of stakeholders' participation from the beginning	2	1	1	3	62	197	3.18	
		5	5	0				
Corruption	5	1	1	2	59	179	3.03	4
		2	8	4				
Non-transparent procurement process	1	2	1	1	57	166	2.91	5
		0	9	7				
Lack of sound financial package	12	1	1	1	62	162	2.61	6
		6	8	6				
Un-reliable concessionaire consortium	11	1	1	1	60	155	2.58	7
		8	6	5				

Where 1 = Not important, 2 = less important, 3 = important, 4 = very important.

Therefore, it can be appreciated that respondents opinions regarding the factors affecting the success of PPP in the procurement of infrastructural facilities is in agreement with the realities on ground about the outcome of most PPP projects in Nigeria, starting from Lagos – Ibadan Expressed Way, result of interview and literature review shows that the concessioner to Bicourtney Ltd to develop and manage Lagos – Ibadan Expressway into five lanes, failed because Bicourtney (the concessioner) could not get a financier. The construction of Kuto – Bagana Bridge over the River Benue is a PPP between the federal government, Kogi and Nasarawa State governments. Nasarawa paid its counterpart fund of N1billion to the development partner, but other parties did not pay their commitment and the development partner did not have the money it claimed it had. The only leverage it has now is the badly drawn agreement which favours the concessionaire. Victoria Island – Epe Express Road failed because the concessioner (Lekki Concession Company (LCC)) did not carry along the other stakeholders. Within a distance of less than 5 kilometers, LCC wanted to construct three toll points to collect fees for using the road; people kicked against it and went to court. The result is the construction of alternative roads that give stakeholders opportunity not to use the road according to United Nation’s rule on PPP. Another example is Murtala Mohammed Airport, Ikeja, in which Messrs.’ Maeve is airport landing fee-

collection concession at that airport, failed because of heavy non-receipted amount paid upfront by the concessioner. Another project is the multi-level car park at Area 10 Garki, Abuja, which was initiated by the Federal Capital Territory Administration (FCTA) in 2004 and the concessioner, is a Designed and Build (D&B) Nigeria limited, a company based in Abuja. The project failed because the financial institution that stood as the financier declined the funding of the project after the company had contributed its own equity contribution. The bank failed to respect the agreement because they felt they cannot finance a long-term investment. However, the same Bank sponsored/financed another project, less than one kilometer apart, developed by the same company D&B Ltd. That is the Area 1 shopping centre in Garki Abuja FCT. They were interested because the shopping Centre was a short-term investment, that even before the completion of the project it had already sold all the shops and recouped their capital with a huge profit margin within a very short time.

Thus, from the foregoing postulations it can be inferred that adequate financial package and strong legal framework were not followed and that there is absence of reliable financial backing. Financiers are more interested in projects whose gestation periods are short. The summary of the problems in the aforementioned projects is presented in Table 7.

Table 7: Examples of Some Failed PPP Projects and Reason for their Failure

S/N	Project	Client (Public Partner)	Developer (Private Partner)	Reason for Failure
1.	Lagos-Ibadan express way	Federal. Govt.	Bicourtney Nig. Ltd	Lack of sound financial backing
2.	Kuto – Bargana Bridge	Federal Govt; Kogi & Nasarawa States	N/A	Lack of sound financial backing & Legal framework
3.	Victoria Island – Epe Express Way	Lagos State Govt.	Lekki Concession Company (LCC)	Lack of stakeholders’ participation from the beginning
4.	Airport landing fee, at Murtala Mohammed Airport, Ikeja.	Federal Govt.	Messrs.’ Maevis Ltd.	Corruption
5.	Multi-level car part at Area 10 Garki Abuja	Federal Capital Territory Administration (FCTA)	D & B Abuja.	Lack of finance, Lack of adequate legal framework

Stages at which Most Problems Occur

Study of the stages (during the planning and implementation of PPP project) at which most of the problems were encountered, was undertaken in order to identify the critical stages where the occurrence of problem is high and the types of problems faced so that necessary measures will be identified to ensure the success of the any future PPP project that may be planned. Detail is presented in Table 8.

Table 8 shows the stages of project delivery and the views of respondents regarding the frequency of the occurrence of problems in those stages. As it can be seen from Table 8, respondents were of the view that at planning/feasibility, with a mean of 3.44, most factors that tend to affect the success of PPP project were prominent, such as unfavourable investment environment, lack of legal frame work etc. Ideally, these factors have to be well articulated before any developer can venture into PPP agreement. Execution with a mean of 3.35, ranked second, again, because at this stage of the project, factors such as lack of fund, declined financiers, inflation etc. may adversely affect the continuation of the project. Also, at this stage issues of lack of experience of the technical partners can also affect the project.

However, the mean values of tendering and operation of the facility phases, are, relatively low; they are 2.59 and 2.57 respectively. This showed that, relatively few problems are encountered. This implies

that in any PPP agreement in the study area – Nigeria, more attention should be paid to the Planning/Feasibility as well as Execution stages because based on the opinion of respondents that is where most problems emanate.

Critical Success Factors for the use of PPP arrangement for the procurement of infrastructural facilities in Nigeria

Attempt was made to identify the critical success factors for project delivery in Nigeria using PPP arrangement. The identified factors were presented to respondents to assess on based on their level of importance using scale 1 – 4.

Table 10 shows responses on critical success factors of PPP for infrastructural facilities procurement. Enabling environment with a mean of 3.71 (very important) ranked highest on the table. This means that when it is put in place, the investment environment will be attractive. Outcome of a survey undertaken in this study shows that achievement of enabling environment requires the following sub-measures: Stable political system, Government support, predictable risk scenarios as well as Functional and Adequate infrastructure. Adequate Legal framework averaged 3.68, (very important) ranked second on the table, this shows that respondents are of the opinion that adequate legal frame work that will protect the parties in PPP agreement is a critical success factor.

Table 8: The Phases of Project Delivery Where High frequency of Occurrence of Problems are Experienced

Stage of Project	Frequency				$\sum f$	$\sum fx$	Mean (X')	Rank
	1	2	3	4				
Planning/feasibility	1	5	2	3	62	213	3.44	1
			5	0				
Execution	-	1	2	3	62	208	3.35	2
		0	0	2				
Tendering	9	2	1	1	61	158	2.59	3
		0	5	6				
Operation	6	1	3	5	59	152	2.57	4
		8	0					

Where 1 = not frequent, 2= fairly frequent, 3= frequent, 4 =very frequent

Result of an investigation carried out on the issue, revealed that effort was made by the federal government of Nigeria by putting in place legal instruments such as: The ICRC Act 2009, The Fiscal Responsibility Act 2007, The Public Procurement Act 2007 and other relevant legislations. Equally under this measure, respondents were of the view that reliable contractual arrangement, such as concession agreement, loan agreement, insurance agreement, supply agreement, operational agreement are instruments of a good legal framework, which, respondents noted, many of them are required. Also, result of the study shows that Sound financial packages with a mean of 3.29 (very important) is one of the factors that respondents regard as one of the most important ingredients for a successful PPP. Thus, a very important requirement for a successful and sound PPP agreement is good reliable financial package; unfortunately, this is one of the major problems faced in most of the PPP agreements in Nigeria. Result of a study on the challenges of PPP in infrastructural financing in Nigeria by Ailemen (2017) showed that a major problem faced in the financing of PPP project is absence of long-term funding at appropriate interest rates to fund the required investments. Sound financial package is a broad term that entails sound financial analysis, investment payment and draw down schedules, sources and structure of main loan and standby facilities, stable currency of debts and equity finance, high equity/debt ratio, low financial charges, fixed and low interest rates financing, long-term debt financing that minimizes refinancing risk, ability to deal with fluctuations in interest exchange rates and appropriate toll/tariff levels and suitable adjustment formula. These according to the respondents will enhance the chances of success and guard against failure of any PPP project. Additionally, creation of PPP monitoring Agency averaged 3.48 (very important) shows that

respondent opinion regarding the creation of a monitoring agency is critical to the success of PPP projects. They are of the opinion that agencies like Infrastructural Concession Regulatory Commission ICRC should be strengthened and funded to take its primary responsibility. Also, stakeholder's participation averaged 3.37 (very important), thus respondents were of the view that the participation of the stakeholders from the inception of the project is key to the success of the project, especially during operation stage of the project.

Economic viability of the project 3.50 (very important) is yet another important factor that respondents observed that should be determined before entering into PPP projects, through a professional and sound feasibility and viability studies including a good Environmental Impact Analysis. Transparent procurement process averaged 3.11 (very important) is also a key to a successful PPP, the right procurement arrangement for the PPP project must be selected. Respondent were of the opinion that the right procurement process should be followed in the choice of PPP investors and should be transparent and corruption free. They were of the opinion that care should be taken on the choice of partner. The lowest bidder is not always the best partner. A bidder's previous experience in the area of intervention being considered might be more important to the success of the project than the small percentage saving from the lowest bidder.

These and other factors were used to assess the measures put in place aimed at ensuring the success of the procurement of infrastructural facilities using PPP in Nigeria. However not much has been done in this respect. This explains the reason why many of the projects or services procured using PPP arrangement were faced with a lot of challenges.

Table 10: Critical Success Factors of PPP

Factors	Frequency				Σf	Σfx	Mean (X')	Rank
	1	2	3	4				
Enabling Environment	1	3	9	4	62	230	3.71	1
Adequate Legal Framework	-	4	1	4	62	228	3.68	2
Sound Financial Package	-	8	1	3	62	217	3.50	3
Creation of PPP Monitory Agency	7	1	1	3	62	209	3.48	4
Stakeholders Participation	5	8	1	3	62	209	3.37	5
Economic Viability	-	1	1	3	62	204	3.29	6
Transparent Procurement Process	7	8	1	2	62	193	3.11	7
			8	9				

Where 1 = Not important, 2 = less important, 3 = important, 4 = very important.

Oral Interview

As noted earlier oral interview with some experienced professionals to assess their perception on the performance of PPP as a viable option and the identification of better ways of delivering PPP projects in Nigeria was conducted. In view of the fact that purposive sampling method was used in the selection of the professionals that were interviewed, only popular opinions of interviewees were used. That is, where at least 50% of those interviewed, expressed the same or similar views. The outcomes of the interview are itemized as follows:

1. There is consensus of opinion that creation of an enabling environment and making sincere and deliberate effort to ensure compliance with important standard procedures are very important requirement that will enhance the success of project delivery using PPP arrangement. However, it was noted by 70% of those interviewed that there are a lot of barriers regarding the creation of enabling environment.
2. A total of 72% of those interviewed, observed that some major factors that may hinder the effective running of Public Private Partnership projects are; unstable political system, unfavourable investment environment, Lack of Institutional framework, Lack of sound financial package, inadequate budgetary allocation, corruption, inconsistency in government policies. Inadequate legal system that will

fast track litigation between the partners in the event of disagreement have made it difficult to complete PPP projects at stipulated period, leading to waste of time in court.

3. The interview showed that private partners, for fear of losing their investment as a result of changes in leadership often feel reluctant to proceed with ongoing projects owing to the fact that the new leadership may not be willing to dedicate more of its resources to complete the project.

4. Formulating a long-term policy for PPP arrangements will guard against incessant change that have led to the abandonment of many projects or uncompleted without genuine account.

5. Creating an agency that will monitor progress of PPP projects will go a long way in addressing the gap existing between private and public partners as the project progresses to keep both parties updated with the most current situation.

Conclusions and Recommendations

Conclusions

It has been established from this research work that major constraining factors identified are: existing trust between government and private partners is low and lack of enabling environment, such as the establishment of legal frame work that will protect the interest of the parties to the PPP agreement, formulation of an enduring and long term policies that will not be affected

by change in government, clear demonstration of support to the PPP agreement, etc. Moreover, lack of capital with long term repayment period is another prominent challenge that needs to be addressed. Thus, looking at the series of problems, faced in Nigeria, it is concluded that failure of PPP as viable option for project delivery in Nigeria, could be due to inability of policy makers to consider some critical success factors identified by the study. As such, that could be the reason why PPP cannot be viewed as the solution to our long quest for infrastructural provision in Nigeria.

Recommendations

It is recommended that a certain percentage of pension and excess reserve fund, be invested in bankable infrastructure projects. Besides that, governments should use the normal traditional requirement of merit instead of using extraneous factors in the award of contracts and selection of PPP partners. Effort should be made to create enabling environment such as security, reliable power supply, good roads and the formulation of policies that will guarantee the sustainability of PPP agreement as well as protect the interest of parties to the agreement. Any PPP project should be well researched and structured through good feasibility and viability studies, including environmental impact Assessment by credible experienced players in order to attract the needed finance. Care should be taken in the choice of partners, as the lowest bidder is not always the best partner. A bidder's previous experience in the area of intervention being considered might be more important to the success of the project than the small percentage saving from the lowest bidder. Government should demonstrate political will and co-partner with committed persons, experienced concession and project managers to achieve successful PPP projects; Appropriate financial structure (Debt/Equity and Tenor currency); Financial Advisors and Arrangers (robust financial model) should be put in place, that will sustain the PPP plan.

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