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PPP AND SERVICE DELIVERY IN ARICA: THE NIGERIA EXPERIENCE

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ABSTRACT

The paper examines the public-private partnerships (PPP) and service delivery in Africa with particular reference to Nigeria. The paper begins with the reviews of the origins, core principles and different rationale of PPP, as well as the main challenges and difficulties stemming from the transposition of such arrangements in service delivery in Nigeria. Public-private partnership (PPP) is increasingly perceived as an innovative approach to provide service for all, innovations in these areas are taken in the form of both introducing business practices into the government and inviting private business to deliver public services. The work adopts secondary source of data which was obtained through the review of extant literature from journals, scholarly articles from the internet, and books etc. The paper used both qualitative and quantitative techniques for content analysis of secondary data, and also borrows from the governance and public choice theories as it highlights the need to identify and establish the different stakeholders in the Public Private Partnership (PPP) in service delivery. The paper believes that public and private sectors complement each other in providing services to the public and that the Public Private Partnership (PPP) strategy can be used to address deficiencies in service delivery in order to remedy the shortage in the country. The paper concludes that based on this belief, close public-private relationships should be built by the Nigeria government to achieve economy and efficiency in the provision and delivery of public services.

Keywords: *Public Private Partnerships, Contracts, Service Delivery*

INTRODUCTION

The success of any government lies not just in the volume of its policies but rather the extent to which the policies have been implemented.

Nigeria, over the years is characterized by large number of abandoned or uncompleted projects, and where completed they are greatly substandard. Public utilities and industries mostly perform below optimum levels revenues generated and or remitted are grossly inadequate with a substantial portion going into private pockets due to corruption. The pressure to maintain certain levels of public service, and financial constraints placed on public service delivery, compelled governments to look for alternative mechanisms for service provision. Again, generally the public sector monopolies are often associated with inefficiencies and inability to meet rapidly growing demands, as a result, the contribution of the traditional public sector is largely questioned, suggesting the need for a major overhaul (Bobbit, 2011). It is in the light of this dismal performance of the public sector projects and services, the high cost of executing them and the attendant corruption and mismanagement that the Nigeria government ventured into various forms of partnership with the private sector with a view to ameliorating most of the problems associated with public service delivery in Nigeria.

Across Africa, the model has become increasingly critical as both funding and operational mechanism for social and economic infrastructure such as ports, railways, roads and airports. The public private partnership is typically represented by the government at a national, state, or local agency level (Caiden, 2010; Pollitt & Bouckaert, 2009). According to Robertson (2012), PPP is increasingly perceived as an innovative policy approach to provide goods and service for all, and especially to provide the most vulnerable population with opportunities to have access to some basic services. Many governments, international organizations and other stakeholders in service delivery consider that, by partnering with the private sector, expanding the systems in a more efficient, flexible and effective way.

The private partner can be a privately-owned business or consortium of businesses with a specific area of expertise. PPP is applicable to medium to long term management contracts with investment requirements which may include funding, planning, building, operation, maintenance and divestiture. PPP arrangements are particularly useful for large complex infrastructure projects that require highly-skilled workers and a significant capital outlay to execute (Bovaird, 2010). The model is also useful in countries that require the state to legally hold an interest in any public infrastructure but permits a level of private sector participation. Public-private partnerships (PPPs) are agreements between the public and private sectors for the provision of assets and or services such as power, water, transportation, education, and health. It is an arrangement between public and private actors for the delivery of goods, services and/or facilities. According to Osborne (2009), partnerships were seen as effective means of implementing public policies and a means of developing socially inclusive communities. The paper is divided into six parts. The background to the study, literature review, conceptual clarification, the third part exaniined some theorical issues. Other part provided an insight of the rationales, types of PPP, while the five part discusses the criticism, challenges and barriers . the six part talk about PPP and service delivery in Nigeria. The final part of the paper gives concluding remarks.

LITERATURE REVIEW

PPP is celebrated globally as a viable strategy for delivering public services to cities in less-developed countries (Miraftab, 2011). This is based on the notion that PPP promotes multiple stakeholders' participation in the provision of critical infrastructure leads to a reduction in governments' expenditure (Brown et al., 2006), and encourages efficient use of resources for improved service delivery at an affordable cost (Klijn & Koppenjan , 2012). The developing world has generally seen a lot of interest in public private partnerships especially in infrastructure development and telecommunication and they have in most cases faced a lot of problems and for example between the period of 1992 to 2003, a total of about USD 786 billion has been invested in developing countries (EPPPL, 2010). The point should be that PPPs should be able to provide cost effective and efficient service delivery to citizens. Countries like South Africa have seen success stories in terms of providing urban services to its people in cities like Durban and PPP investments were done in the transport and trade sectors and such initiatives help in the country's economic development (Hertzberg & Wright 2010, Flinders, 2011, Houghton, 2011).

Nigeria as a country has the political will to make PPP a success story especially in social and economic sectors and particularly in health and transport. The flow of funds from the private sector to public sector is a big support to government development initiatives, but there is always a challenge in measuring their efficacy as most of the results come in qualitative nature (Sagalyn 2012, Nzimakwe, 2009). The acceptance of public private partnerships should be based on mutual benefits and not intended to benefit the investors at the expense of the local citizens. This explains why countries like Hong Kong are very skeptical on PPP (Cheung & Chan, 2011). The government acknowledges that in some cases, the private sector can be more efficient than public sector in efficient service delivery, but this should not be expensive for the ordinary man. Hong Kong in the sixties had already the build, operate and transfer (BOT) Public private partnership arrangements in the transport sector and they were not all successful (Cheung & Chan, 2011; Kwan, 2009; Ho 2008). The success of PPP would highly depend on the legal frame work which should protect all the interested parties and there is need for experienced personnel to hand PPP issues as they may be complex. Transparency is very vital in PPP as this is a driver to their success or failure and there should not be any political or any other interference (Hudon 2011; Kouzmin, Johnson, & Thorne, 2011).

Quebec has had success with its PPP because of its good democratic institutions and avoiding any form of interference in their operations (Hudon, 2011; Kouzmin et al. 2011). There has to be however, a need to ensure that procedures are not rigid to constrain the services of the PPP private providers. Public private partnerships ought to be about service delivery and not hidden private motives by some investors. Nigeria at one time had a shortage of housing and under its National Housing and Urban Development Policy (NHUDP) that started in 2002 and planned to construct 45,000 houses for its low income earners and this was made possible through PPP (Aribigbola, 2012; Ibem, 2011). This explains the essence of PPP in infrastructure development. Obviously, it is logical to argue that PPPs are very instrumental in fostering economic growth of a country.

In the period between 1988 and 1993, through privatization policy, over 2700 public enterprises, in more than 60 developing countries, were transferred to private hands bringing to government revenue of US $ 96 billion (World Bank, 1995). In general, the reform process adopted by different governments has embodied one or a combination of the following characteristics: market orientation, productivity, service orientation, decentralization, policy to purchase services and accountability for results (OECD, 1997). These apparent merits have heightened research activities on different aspects of PPP, and thus, different meanings, conceptions and variants of PPPs have emerged

(Bovaird, 2010; Tomlinson, 2009; Mazouz et al., 2009). There are two main divergent opinions on PPP. Whilst some argue that PPP is collaborative arrangements between the public, profit and not for profit private sectors in the provision of public services hitherto provided solely by the State.

(Miraftab, 2010), hold the view that PPP is another form of privatization in which the provision of social services and infrastructure is contracted out to private sector organizations. other scholars have used it interchangeably with the terms commercialization and liberalization. It is important to note however that privatization, commercialization and liberalization are three different concepts. Commercialization refers to the use by the public sector of private sector management practices, such as commercial practices and goals, management and organizational styles drawn from the private sector (Bakker,2013). A Public Private Partnership (PPP) arrangement refers to cooperation between the public and private sectors in providing public goods. According to Tochitskaya (2007), the functioning principles of private enterprise are incorporated in public administration with a view to improving the quality and efficiency of public service delivery. Public Private Partnership as a strategy of public service management reform was acknowledged in the 1990s as crucial to sustainable development initiatives especially in the developing countries (World Development Report, 1993). The reform was at the time universally sanctioned as a means to bring about efficiency, effectiveness and value for money in the public sector which was recording development failures and disappointments as a result of, not only inappropriate policy choices, but also bureaucratic red tape leading to poor performance by state institutions (Turner & Hume, 1997).

It is argued that PPP seeks to address the short comings of government provider approach by engaging the private sector in a collaborative manner (Yamamoto, 2010). It is a collaborative arrangement based on mutual trust between the public and private sectors means that PPP entails sharing of responsibilities, benefits and risks among government, markets and people in the delivery of vital public services. The implication of this is that PPP is seen as an institutional arrangement consisting of interdependent partners who play different roles according to their strengths and weaknesses in achieving common goals in a win-win situation (UN-HABITAT, 2006). In this regard, it is advocated that government should rather focus mainly on providing enabling regulatory and financial environment for the optimum performance of the private sector in the provision of social services and infrastructure.

Some have also argued that PPP is an avenue for governments to abdicate their social responsibilities to the private sector in the provision of key social services (Scott , 2004), and that this may result in diluting government's control over decision making, management, supervision and accountability; and may ultimately undermine competition between service providers in the long run (Bovaird, 2010; Tomlinson, 2009). The foregoing suggest that besides the benefits of PPP, there are also obvious longstanding concerns on the possibility of PPP resulting in the loss of independence in decision making on the part of government and commercialization of social service provision. This is definitely without implication for affordability of services to low-income people in the society. However, in spite of these concerns, there is a consensus among scholars and practitioners that PPP entails the participation of government, markets and non-profit private sectors in the provision of social services and infrastructure hitherto provided by government. The World Bank (2006) described PPP as private sector participation in service and infrastructure provision. Indeed, there is increasing evidence in the literature suggesting that PPPs are becoming very common in social policy and urban development across the globe. Studies have also shown that PPPs have been used in the construction and management of transport facilities and utilities (Batley, 2009).

The Concept of PPP

Conceptually, there are many definitions of Public Private Partnership (PPP) and many scholars have tried to study PPP with no universal definition as the concept is still contested (Maskin & Tirole, 2012) . Some see PPP as a new governance tool that will replace the traditional method of contracting for the provision of public services through competitive tendering. Others see PPP as a new expression in the language of public management, one intended to include older, established procedures of involvement of private organizations in the delivery of public services (Linder, 2009). Regan (2010), defines Public Private Partnership as the arrangements for the procurement of goods and services utilizing, franchising and similar arrangements with the private sector; the private sector is contracted to provide public goods and services on behalf of government.

Similarly, Ahadzi (2013) opined that fundamentally, the private entity becomes the long-term provider of services while government becomes the purchaser of the services. PPP schemes are built on the expertise of each partner that best meets clearly defined public needs through the appropriate allocation of resources, risks and rewards (CCPPP, 2009).
Public management Scholars led by van Ham and Koppenjan (2001) define PPP as a cooperation of some sort of durability between public and private actors in which they jointly develop products and services, share risks, costs and resources which are connected with these products' through an institutional lens. This definition has several features. First, it underlines cooperation of some durability, where collaboration cannot only take place in short-term contracts. This collaborative feature is supported by (Broadbent & Leaughlin, 2013). Second, it emphasizes risk-sharing as a vital component. Both parties in a partnership together have to bear parts of the risks involved. Third, they jointly produce something (a product or a service) and, perhaps implicitly, both stand to gain from mutual effort.

In this study, we adopt Akintoye's definition of PPPs which refer to any "contractual arrangement between a public sector agency and a for-profit private sector concern, whereby resources and risks are shared for the purpose of delivery of a public service or development of public infrastructure" (Akintoye 2012: 23).

Theoretical Framework

The study adopted two mutually re-enforcing theories, viz, Governance Theory, and Public Choice Governance theory is concerned with steering actions of political authorities as they deliberately attempt to shape socio-economic structures and processes (Myantz, 2008). It can also be viewed as a cooperative mode where the state and non-state actors participate in mixed public and private networks. The theory assumes that co-production between public and private actors result in exchanging more information and the usage of each other's knowledge and so generate more innovative and better products and policy outputs for complex societal problems.

According to Stoker (1998), the major assumption under Governance theory is that, the state even if it receives resistance or competition from non state actors is still the control centre of the society and should focus on the formulation of public policy and leave the implementation to other bodies, private organizations or nonprofit organizations. It is argue according to the theory that the more the separation of policy implementation from the policy formulation, the more the participation by public actors in the implementation process, and the more the realization of efficiency on the process outcomes. Critic of the theory however argues that in reality is that actors are embedded in a complex set of relationships, and accountability is not always the most important. Through various forms of coercion, both subtle and blatant, many states' ability to impose obligations on citizens has proved much stronger than the ability of citizens to discipline politicians and policymakers. And in many cases citizens approach the state and its agents as supplicants. Politicians often use the control over publicly provided services as a mechanism of clientelism for both citizens and providers. Services are allocated in ways that reward or punish communities for their political support. Sometimes the ministry is the agent of the providers, not the other way around, and providers exercise leverage in policymaking(Larson, 1992). These multifaceted interactions can be explained using public choice theory.

Public choice theory seeks to explain and predict the behaviour of politicians and bureaucrats in the polity by using analytical tools developed from economics, based on the principle of rational choice. In public choice, individuals, interest groups, bureaucrats, and politicians are assumed to seek their own self interest as in the market place. Decisions made depend on the costs and benefits of an action taken whereby each group attempts to maximize their own net benefits. Benefits can take the form of monetary or non-monetary rewards and may include ideologies, goals, and cultural values. Public choice theory originated from economic theory of public/rational choice of public goods as advanced by Mueller, D.C. (1979). Public choice theory examines the provision of public goods. A public good is anything that is at least partly rival and/or non-excludable in the sense that addition of new beneficiaries neither increases nor reduces the value of the good to the original beneficiaries. Examples of public goods include water, air , security, and good government. It is just as difficult to charge people for its use, as it is difficult to exclude non-payers from its use. Public goods may be naturally available; produced by the government; produced by private individuals and firms, by non-state collective action, or they may not be produced at all. The need for public provision becomes necessary because of the difficulty in identifying the extent of need by an individual and how much each should be charged. In essence the private sector faces serious challenges in providing socially desirable levels of the public good(Kooima,1993). Public choice theory is often used to explain how political decision-making results in outcomes that conflict with the preferences of the general public. It attempts to look at governments from the perspective of the bureaucrats and politicians who compose them, and makes the assumption that they act based on budget maximizing model in a self-interested way for the purpose of maximizing their own economic benefits. The theory applies economic analysis, usually decision theory and game theory, to the political decision-making process in order to reveal certain systematic trends towards inefficient government policies. Public choice theory assumes that good government policies in a democracy are an underprovided public good, because of the voters. While good government tends to be a pure public good for the mass of voters, there may be many interest groups that have strong incentives for lobbying the government to implement specific inefficient policies that would benefit them at the expense of the general public. The costs of such inefficient policy practices are dispersed over all citizens, and therefore unnoticeable to each individual. The benefits however, are shared by a small special-interest group with a strong incentive to perpetuate the policy by further lobbying. Theorists expect that numerous special interests will be able to successfully lobby for various inefficient policies leading to government failure. In specific reference to our study, the public choice theory holds that a regulatory policy of the government that takes cognizance of the public good shall enhance an effective public private partnership between service delivery providers and stakeholders. The quality of services will therefore be enhanced in terms of affordablility, quality and good customer service. It is unlikely, that good service delivery could be realized in a poor partnership structure. The production of public goods results in positive externalities which may not be directly compensated. If private organizations do not reap all the benefits of a public good which they have produced, their incentives to produce it voluntarily might be insufficient(Klin, 2002).

Rationale Adoption of PPP

The following as rationales for PPP adoption:

1. to increase the level of fnancial resources committed to public services such as basic education, and to provide better value for money.

2. it is argued that PPP seeks to address the short comings of government provider approach by engaging the private sector in a collaborative manner (Yamamoto, 2007).
3. to allow governments to focus on those functions where they have comparative advantage (planning, policy, quality assurance, and curriculum development), whereas the private sector is in charge of service delivery.
4. to allow for greater innovation by focusing on outputs and outcomes, rather than processes.
5. to allow governments to bypass operating restrictions (especially those related to unionization and regulations seen as 'unnecessarily restrictive employment laws and outdated government pay scales').
6. to introduce competitive pressure on the provision of public services, and thus innovation and efciency gains. In contrast, the main focus of the public governance approach is to promote transparency, stakeholder engagement and sustainability in public administration (Bovaird, 2010). The public governance approach thereby contemplates the following reasons for strengthening public and private collaboration through formal arrangements:
7. to allow the public education sector to leverage private sector knowledge, skills and innovation through network collaboration.
8. to reduce the politicization of schooling and the degree of corruption in the education sector.
9. to make costs more transparent through contracts, explicit costing schemes and accountability measures.
10. to promote stakeholder participation including civil society in public services delivery and related decisions.

Benefits of Public Private Partnership:

Public-Private Partnership is a contractual agreement between a public agency (federal, state or local) and a private sector entity. Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public. In addition to sharing the resources, each party shares the potential risks and rewards in the delivery of the public service and/ or facility. Sectors where PPPs have been used successfully are transportation, water/ wastewater management, urban planning, infrastructure and utility development, financial management and education. The Public-Private Partnership projects are long-term partnerships (typical projects have the duration between 20 and 40 years). Another distinctive feature of the PPP projects is the fact that the private partner carries the risk for the invested capital, not the public sector, as it is the case of projects based on outsourcing. PPP projects enable the risk to be optimally spread, and each subject of the partnership to take the risks they are able to manage best. Another specific characteristic is that, differently from other types of projects where the public sector enters into co-operation with the private sector, the outputs of this co-operation are defined from the beginning. Therefore, on one side, the public sector exactly specifies the type of the service the private sector has to provide, its quality, the price and the control mechanisms(Saporito,2003).

On the other side, the private sector implements the entire project by ensuring its funding and maintenance. The basic implementation condition of a PPP project is its ability to achieve, from the point of view of the public sector, a greater benefit in relation to the expenditures, compared with the situation when the public sector implements the given project by itself, using its own forces and from its own sources, i.e. respecting the principle of value for money.

The advantages of Public Private Partnerships (PPP) include the following:

- Speedy, efficient and cost effective delivery of projects.
- Value for money for the taxpayer through optimal risk transfer and risk management.
- Efficiencies from integrating design and construction of public infrastructure with financing, operation and maintenance/upgrading.
- Creation of added value through synergies between public authorities and private sector companies, in particular, through the integration and cross transfer of public and private sector skills, knowledge and expertise.
- Alleviation of capacity constraints and bottlenecks in the economy through higher productivity of labour and capital resources in the delivery of projects.
- Competition and greater construction capacity (including the participation of overseas firms, especially in joint ventures and partnering arrangements).
- Accountability for the provision and delivery ofquality public services through performance incentive management/regulatory regime.
- Innovation and diversity in the provision of public services.

- Effective utilization of state assets to the benefit of all users of public services.
- Faster implementation.

The allocation of design and construction responsibility to the private sector, combined with payments linked to the availability of a service, provides significant incentives for the private sector to deliver capital projects within shorter construction timeframes (Batley, 2009).

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Better Risk Allocation

A core principle of any PPP is the allocation of risk to the party best able to manage it at least cost. The aim is to optimize rather than maximize risk transfer, to ensure that best value is achieved.

Acceleration of Infrastructure

PROVISION: PPP often allows the public sector to translate upfront capital expenditure into a flow of ongoing service payments. This enables projects to proceed when the availability of public capital may be constrained (either by public spending caps or annual budgeting cycles), thus bringing forward much needed investment.

Reduced Whole Life Costs: PPP projects which require operational and maintenance service provision provide the private sector with strong incentives to minimize costs over the whole life of a project, something that is inherently difficult to achieve within the constraints of traditional public sector budgeting.

Improved Quality Of Service: International experience suggests that the quality of service achieved under a PPP is often better than that achieved by traditional procurement. This may reflect the better integration of services with supporting assets, improved economies of scale, the introduction of innovation in service delivery, or the performance incentives and penalties typically included within a PPP contract.

In most countries, the rationale to undertake projects e.g. e-government and ICT are compelling. All levels of government require modernization, new technologies, better efficiency, and improved services for citizens and customers. However, many of the upgrades and modernization required is not only capital intensive and expensive, but is also complex to manage and outside of the scope and skill-set of most government agencies(Hum, 2007).

By having the private sector perform an e-government or ICT service, on behalf of the government, a potential "win-win" solution can be realized. Where the private sector finances and operates a system, the government is in a better position to "ensure" effective delivery of the service, and the customer/citizen is receiving a higher quality service and is engaged more constructively in customer interfaces with the public sector. In Nigeria and other developing countries, sustainable access to healthcare and other socio-economic services and products can be accomplished through public-private partnerships, where the government delivers the minimum standard of services, products and or care, the private sector brings skills and core competencies, while donors and business bring funding and other resources. Such collaborations will be especially productive in promoting poverty alleviation through micro-finance, enhancing health through partnerships as has been the case with polio eradication and other child immunization efforts(Rosenau, 2009).

The contribution of PPP in the society cannot be underestimated as it is useful in almost all aspects of life, for example PPP can be useful in high priority projects as it helps in accelerating the implementation of these projects for which the administrations have a lack of funds, there is also the fact that services. PPP encourages very rapid provision and less expensive. PPP is all encompassing as it is even useful in economy solutions because it helps boost economic growth through the investment of the private sector. Infrastructure is the basic physical and organizational structures needed for the operation of a society or enterprise, or the services and facilities necessary for an economy to function.

Types of Public Private Partnership:

Green (2007) identified everal different types of PPP which form a spectrum, in terms of risk allocated differently between the private and public sector partnership. Build-operate-transfer (BOT), build-own-operate (BOO), build-own-operate-transfer (BOOT), design-building-finance-operate (DBFO) and similar arrangements are contracts specifically designed for new projects or investments in facilities that require extensive rehabilitation. Under such arrangements, the private partner typically designs, constructs and operates facilities for a limited period from 15 to 30 years, after which all rights or title to the assets are relinquished to the government. Under a build-operate-own (BOO) contract, the assets remain indefinitely with the private partner. The government will typically pay the BOT partner at a price calculated over the life of the contract to cover its construction and operating costs, and provide a reasonable return.

Buy-build Operate (BBO): BBO is a form of asset sale that includes a rehabilitation or expansion of an existing facility. The government sells the asset to the private sector entity, which then makes the improvements necessary to operate the facility in a profitable manner.

Lease Develop Operate (LDO) or Build Develop Operate (BDO): Under these partnerships arrangements, the private party leases or buys an existing facility from a public agency; invests its own capital to renovate, modernize, and/or expand the facility; and then operates it under a contract with the public agency. A number of different types of municipal transit facilities have been leased and developed under LDO and BDO arrangements.

Lease Purchase: A lease/purchase is an installment-purchase contract. Under this model, the private sector finances and builds a new facility, which it then leases to a public agency. The public agency makes sched uled lease payments to the private party. The public agency accrues equity in the facility with each payment. At the end of the lease term, the public agency owns the facility or purchases it at the cost of any remaining unpaid balance in the lease. Under this arrangement, the facility may be operated by either the public agency or the private developer during the term of the lease. Lease/purchase arrangements have been used by the General Services Administration for building federal office buildings and by a number of states to build prisons and other correctional facilities.

Sale Leaseback: This is a financial arrangement in which the owner of a facility sells it to another entity, and subsequently leases it back from the new owner. Both public and private entities may enter into sale/leaseback arrangements for variety of reasons. An innovative application of the sale/leaseback technique is the sale of a public facility to a public or private holding company for the purposes of limiting governmental liability under certain statues. Under this arrangement, the government that sold the facility leases it back and continues to operate it.

Tax Exempt Lease: A public partner finances capital assets or facilities by borrowing funds from a private investor or financial institution. The private partner generally acquires title to the asset, but then transfers it to the public partner either at the beginning or end of the lease term. The portion of the lease payment used to pay interest on the capital investment is tax exempt under state and federal laws. Tax-exempt leases have been used to finance a wide variety of capital assets, ranging from computers to telecommunication systems and municipal vehicle fleets.

Turnkey: A public agency contracts with a private investor/vendor to design and build a complete facility in accordance with specified performance standards and criteria agreed to between the agency and the vendor. The private developer commits to build the facility for a fixed price and absorbs the construction risk of meeting that price commitment. Generally, in a turnkey transaction, the private partners use fast-track construction techniques (such as design-build) and are not bound by traditional public sector procurement regulations. This combination often enables the private partner to complete the facility in significantly less time and for less cost than could be accomplished under traditional construction techniques. In a turnkey transaction, financing and ownership of the facility can rest with either the public or private partner. For example, the public agency might provide the financing, with the attendant costs and risks. Alternatively, the private party might provide the financing capital, generally in exchange for a long -term contract to operate the facility.

Public Private Partnership and Service Delivery: The Nigeria Example

The delivery of services and availability in Nigeria is generally poor. Services provided are inferior and financing system for infrastructure increase, maintenance and repair is inadequate. These problems are exacerbated by rapid urbanization. Effective and efficient services provision are important in delivering major benefits in economic growth, poverty alleviation, environmental sustainability and sustainable development in general. African countries and Nigeria in particular need to improve basic services such as water, sanitation, waste management, transport infrastructure, health services etc so as to meet the needs of more people. Better service delivery is crucial for sustainable growth, development and poverty reduction. It increases people's standards of living and contributes to sustainable development (Tochitskaya , 2010).

Some of the most positive stories of PPP spurring innovation and growth are coming out of places like Ado-Ekiti. Take, for example, on 29 April at the National Institute for Policy and Strategic Studies in Kuru, Nigeria, the former governor of the State , Kayode Fayemi, highlighted the Public

Procurement Legislation and Public-Private Partnership Law that was passed in the state. He noted that PPPs utilised in the construction of water dams in Ekiti had enjoyed great success. They increased water supply by 80 percent; improved the generation and supply of electricity, which led to rural electrification projects; and, by extension, jumpstarted urban renewal (Gere, 2010).

In Nigeria, 75 percent of the population works in the agriculture industry in one capacity or another, and the realisation of PPPs related to cocoa, cassava and rice production has empowered women and youth and generated revenue domestically. For example, a partnership with the UK-based multinational British-American Tobacco created a $1-million cassava cottage industry that provided 4,000 jobs for women and youth. PPPs have even funded overseas training in Indonesia and China (Elegbede,2009).

In the last years, the government of Lagos State has been PPP-driven. With the numerous demands of 18 million Lagosians, the budget of the state cannot meet their needs. The government thus established the PPP Office now headed by Ayo Gbeleyi, Special Adviser to the Governor on PPP. Using the Lagos Container Terminal as a Case Study, the estimated revenue to government from the Concession of the Ports is put at $6.54 billion over the concession period. Such PPP models can be adopted in other sectors of the economy to improve infrastructure and accelerate growth. This is to ensure that the citizens of the state derive maximum benefit from the infrastructural renewal energised by the private sector, in some cases, through the Build, Operate and Transfer system, BOT. Again, the state government has been collaborating with the private sector in various ventures and projects for many years. The state government has made some major strides in the transportation sector, particularly the Bus Rapid Transit (BRT), the first of its kind in sub-Saharan Africa. The transport system which moves about 200,000 commuters daily has helped in reducing travel time by 30% and creating over 5,000 direct and indirect jobs.

Island Power Limited is another PPP project Lagosians are benefitting. This is a BOT concession for a 9.7megawatt Independent Power Plant between the Lagos State government and Negris Group. The project plans to provide uninterrupted power supply for the Judicial and Health facilities, as well as 20 streets in the Lagos Island Central Business

District. The project has helped in eradicating 30 diesels and petrol generators and provided a cleaner source of energy.
One critical area the government is exploring the PPP is the Lagos Infrastructure Project: This is a 30-year concession, to design, construct, finance and operate the 49.36 km Eti-Osa-Lekki-Epe Expressway to eliminate severe traffic gridlock along the concession area. The transaction attained financial close in November 2008 and expires in November 2038. The outgoing Eti-Osa Lekki Epe project has generated over 1,800 jobs (Rose, 2014a).

There are still opportunities to generate more jobs through other pipeline PPP projects in the Eti-Osa-Lekki-Epe corridor. Such projects include the following: Lekki Free Trade Zone; Lagos Free Trade Zone; Lekki Deep Sea Port; Lekki International Airport-expected to attract five million passengers annually and a Hydrocarbon Park. The expansion of the Lekki-Epe Expressway, being built by the Lekki Concession Company, LCC is expected to transform the entire Lekki peninsula and attract lots of foreign investment. The LCC build the road, mount toll gates along it and recoup its investment which is over a period of 30 years. The road will lead to other PPP proposed projects in the Lekki area such as the proposed international airport and the Lekki Free Trade Zone, among others. Experts are of the view that despite misgiving trailing the implementation of tolling on the Lekki-Epe Expressway, PPP still seems a better option for financially strapped public officials to finance infrastructure development other than resorting to tax increase. This posture for now appears to offer a position for both the government and the governed(Rose, 2014b).

The establishment of a mini-biofuel refinery in Lokoja, Kogi state which worth 5.2 billion is another successful story of PPP in Nigeria, the project, which has an initial capacity of 100,000 liters per day, is billed to employ over 4,000 young farmers in the state. During an interview, Hussaini disclosed that his company had just recently signed a memorandum of understanding (MoU) with the Kogi State government and other relevant stakeholders in order to finalise the take-off of the project, to this end he has gone far in making the project a reality.
He further mentions that his company, Biodiesel Nigeria Limited, has been in the forefront of Jatropha biodiesel development for over 10 years. He listed his current customers to include telecommunications giant, MTN Nigeria, which he said has continued to enjoy a reduction in its cost

of power generation with the introduction of biodiesels into its generating plants across the country. The Biofuels policy is designed to diversify access to energy; create job opportunities; act as sources of revenues and mitigating greenhouse gases emissions by linking agriculture with the petroleum industry , thereby provide a new economic opportunity to enhance the economic growth of Nigeria in Agriculture, Manufacturing and Energy Sectors, hence the GDP. The construction of a standard gauge rail line from Lagos-Ibadan, is another example of PPP arrangement in Nigeria. According to Mr Fidet Okheria, the Managing Director, Nigerian Railway Corporation, the project awarded to the China Civil Engineering Construction Corporation, is funded by both the Nigerian and Chinese governments costing about $1.5 billion (458 billion naira).

According to the Minister of Transportation, Mr Rotimi Amaechi, the projects will be completed in two years, adding that the Lagos-Calabar rail line, the minister had said the CCECC would "commence the construction of the first segment with Calabar-Uyo and Aba-Port Harcourt, and this will include all the seaports on this route. But the entire contract covers Calabar, Uyo, Port Harcourt, Yenogoa, Otuoke, Ughelli, Warri, Benin, Agbor, Asaba, Onitsha and back to Benin, Ore, Sagamu, and Lagos . The rebuilding of Northeastern Nigeria by Etisalat is also another PPP arrangement.The Northeastern Nigeria, particularly the three states of Borno, Yobe and Adamawa have played host to some of the worst violence seen in Nigeria's history as terror group Boko Haram ran riot for half a decade. The group's onslaught has left over 10,000 dead, rendered many homeless, grounded businesses, and closed many schools. In recent weeks, the Nigerian military has made significant gains in the fight against Boko Haram, leading to concrete talks about rebuilding the region. A few forward thinking companies are already on the front foot with regards initiatives that will jumpstart socio-economic activities. Etisalat identified investment in education as one fundamental way to secure a progressive future while advancing the cause of the larger society and moved quickly to launch its community school initiative. The initiative featured donation of Back-to-School kits, including school uniforms and bags, to pupils drawn from 10 primary schools in the states and forms part of the company's multi-faceted Community Support Programme that is committed to giving value to communities through various intervention programmes covering sectors that affect Nigerians.

Criticisms, Challenges and Barriers of PPP

Public–private partnerships have seen a large increase over the years in part because local and state governments rely heavily on the growing number of non-profits to provide many public services that they cannot. Entering into a public–private partnership can be rewarding as well as destructive if not done with caution and education. Partnerships need balance from both parties as well as continuous maintenance. If entered into lightly, one can find its organization falling in various areas proving to be one of many partnership failures.(Aribigbola, 2012).

The Need for Political Accountability

There is a concern of political accountability of public services. As more responsibilities and functions are delegated to more independent and private business bodies, it becomes practice that these independent and business bodies, rather than the central government, are made answerable for their policies and decisions to the elected politicians and legislatures. To some politicians, PPP and corporatization is perceived as an evasion of political responsibility and accountability by the central government. There is a belief among the people that the government intends to shift the political burden and responsibility of providing public services to independent and corporate bodies. Consequently, it is feared that the government will be held less politically accountable for public policies and decisions (Ibem, 2011). As there are constitutional constraints and legal limits to control and to monitor corporations, private business bodies, and non-departmental public bodies, public control can be lessened and, therefore, political accountability declined.

The Need for Legitimacy

Increasing public-private partnership without a proper system of accountability leads to another concern on legitimacy. As more decisions on public policies are made by corporate and private bodies, the general public and elected politicians may not recognize these policies. As the government is held less politically accountable for public policies, the general public and elected politicians might think the government is retreating from its commitment and responsibility. There is a concern that the government intends to shed its social commitment to and to shift the social responsibility to the private sector and corporate bodies. A more serious worry is that the private sector and corporate bodies do not involve a high degree of public participation in the decision-making process. Elected politicians and general citizens are not involved in the business board meetings which however make important decisions on public policies. As a result, recognition of the policies and decisions made by these bodies may not be high among the general public. Further, these private and corporate bodies are not subject to close scrutiny by both the government and the Legislative bodies. Consequently, both the public policies and the government are subject to certain degree of legitimacy crisis.

As the Nigeria economy is deteriorating during a painful process of economic restructuring as been experiencing today , a careful balance between business and social values has to be drawn in the provision of public services. In times of economic prosperity, the public sentiment against the use of business practices in public services may not be visible. Yet, in a time of economic depression, when most citizens cannot afford expensive public services based on economic calculations, the entrepreneur approach will be problematic. This scenario could be extended to a wider context in developing societies like Nigeria where there is a wide gap in income distribution. If most of the people could not afford to buy the expensive public services formulated according to the private business model, social problems can be aggravated and social instability can be disrupted.

Flexibility: Between the two partners as the contract and staff involved throughout the process. If one party feels they are losing some of the control they may work on adopting more rules and regulations throughout the process instead of working together to be flexible and mediate an issue.(Linder,2009)

Timeline: Non-profits are working on a long-term timeline. Many of their goals can only be achieved with long-term commitment; this is where their focus will lie. For-profit organizations are more short-term oriented because of short-term goals focusing primarily on profitability. Finally, government agencies' timeline depends a lot on election timelines and therefore can change regularly (Bekker,2012)

Focus of the Project: Partners may not have the same focus when entering into a partnership even though they think they might.

Funding Priorities: When parties cannot agree on where funding should go this can sometimes lead to losses in time, resources, and the overall funding for the project(Schwartz, 2008). Funding priorities for government bodies looks typically at where the public's funds were spent in relation to the contract made. This then typically is looked at as in how many hours of participations, forms filled out, meals served, etc. Neighborhood organizations or small and local non-profits saw a broad source of funding during the early years but there has been a shift in funding more recently reducing the overall funding and seeing more of it go to larger agencies focusing on large grants.

Communication or Understanding:
One of the largest issues that can be discussed, communication can be a huge downfall and can contribute to many of the other risks within partnerships. It can be said that when entering into a cross-sector partnership it is difficult to understand and collaborate due to the diversity and differing languages spoken amongst the sectors. Items like performance measures, goal measurements, government regulations, and the nature of funding can all be interpreted differently thus causing blurred lines of communication(Schwartz, 2008).

Conflicts
These can arise from any of the above topics but even outside issues or forces may bring a partnership to a halt. Even though these partnerships are entered into with the best of intentions even the most trivial issues can snowball into greater conflict halting a partnership dead in its tracks (Bing, 2006). Having no understanding and communication between parties can cause conflicts with use of language, stereotyping, negative assumptions, and prejudice about the other organization. These conflicts can be related to territorialism or protectionism, and a lack of commitment to working within the partnership.

Accountability
With the rise in public private partnerships there is also a rise in the responsibility that the non-profits tend to hold. With the government relying on many more of these organizations to provide the public services they cannot it is also proving difficult for the government to hold these non-profits responsible. When responsibilities are not set to the letter this can cause some in managerial positions to take the back seat, seeing their counterparts taking the initiative to get tasks done. This leaves an unbalance of work and sometimes those with the most skills are not doing the job. This can also be brought on by undermanagement causing

more problems such as a lack of focus for the projects, mismanaged funding, and miscommunication (Schwartz, 2008). Too many projects and partnerships can also lead to a lack of accountability. When there are too many tasks they seem to all fall short of the hoped perfection, Some partners may be taking over roles of others because accountability has not been well defined. This can also lead to some taking advantage of others when they note the any weakness. This can cause a distrustful partnership.

RECOMMENDATIONS

To address the perceived constraints in the implementation and improvement in service delivery in Nigeria, we suggest the following
Fiscal benefit in terms of tax holiday to infrastructure project and tax incentives to investors should be provided by government. Systematic compilation, analysis and experiences should be made available and the same be provided on the website which has been recently launched by the government to exclusively devoted to PPPs . this will facilitate quicker assimilation and dissemination of best practices to various levels of government. A well-functioning regulatory framework and more efficient public sector should be put in place. Institutions should be created solely for the purpose of promoting PPP projects at the federal and state level. A robust transparent evaluation mechanism should be provided to ensure that PPP programme are delivering services and/or value for money.

CONCLUSION

Based on findings of the study, there is no denying the fact that Nigeria slow development is largely on consequence of its underdeveloped infrastructure, poridging the gap should therefore, be a top priority of the Nigerian government achieving the improvement in service delivery rests on certain factors; institutional and other related mechanisms that will drive the initiative will have to be put in place. Measures such as improved business environment, well-functioning regulatory framework and more efficient public sector will be crucial to the achievement of the gains of PPP.

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