Science Arena Publications
Specialty Journal of Politics and Law
Available online at www.sciarena.com
2017, Vol, 2 (2): 14-24

Addressing the Challenges to Optimization of Public-Private Partnership for Infrastructure Development in Nigeria

Rose Onah[1], Eme. Okechukwu Innocent[2] and Ogbochie. Andrew[2]
[1]Professor at Depaetment ofPublic Administration and Local Government Universitty of Igeria , Nsukka.
Email: rconah@yahoo.com; Roseline.onah@unn.edu.ng
[2] Depaetment ofPublic Administration and Local Government Universitty of Igeria , Nsukka.
Email: okechukwunncnt@gmail.com

Abstract: *The general objective of this study is to examine the operational guidelines for the adoption of PPP with the view of assessing its success in Nigeria. This is significant because infrastructure development has in recent times assumed a central importance in Nigeria's quest for social and economic stability. Dearth of infrastructure and the unavailability of adequate fund for its development are major challenges to governments. In line with the practices in other developing countries, Nigerian governments at all levels now call on private investors to come to their aid in the form of partnership for the provision of infrastructure. In order to fully reap the benefits of PPP, there are some pre-requisites or critical factors which must be present. The data for this study was generated from Focus Group Discussion and documentary sources from books, journals and online sources. Data was analyzed through the use of analytic techniques derived from qualitative research, primarily thematic analysis (Mannning and Luyt, 2011). Data analysis involved breaking up the data into manageable themes, patterns, trends and relationships (Mouton, 2005:108). Themes that emerged from the data were identified using the technique of content analysis. This article examined the critical factors that inhibit infrastructure development in the polity and analyzed the constraints to the effective implementation of PPP which include difficulty in securing credit, delay in receiving payments, and absence of effective maintenance culture, corruption and dearth of visionary leaders. It then proffers suggestions towards minimizing these challenges.*
Key Words: *Public-Private-Partnership, Challenges, Optimization, Infrastructure Development in Nigeria, Developing Countries, Infrastructural Gap and Legal and Institutional Framework for PPP.*

INTRODUCTION

Developing countries are known for chronic shortage of infrastructure. In order to address this problem, governments in these countries have directed much effort toward provision of these much needed infrastructure but little has been achieved due largely to the shortage of funds required to meet the huge capital outlay. It is in recognition of this fact that the World Bank states categorically that developing countries must embrace PPPs option to facilitate and promote transparent and accountable business conditions, if they are to raise the capital needed to finance critical infrastructure challenges (Nigerian Compass, 28 February, 2012).

In a reaction to this prevailing situation in Africa, the then Governor of the Central Bank of Nigeria, Sanusi Lamido Sanusi (2012), and advised African countries to adopt the public-private sector partnership approach to infrastructure development (Obozuwa, 2011 & Business day Editorial, 2013). Akpan Ekpo, the Director General of West African Institute for Financial and Economic Management (WAIFEM) lent his voice to that of the governor by emphasizing the need to fill the infrastructure gap to ensure sustainable and balanced development in the region and Africa in general.

The World Bank equally recognizes the private sector funding of public projects as a way of solving the increasing demand for services (World Bank, 2006, 2009 & 2011). In line with the thinking of the UN, it is now common for governments at various levels to call on private investors to come to their aid in the form of partnership between the public sector and private sector for the provision of infrastructure. Public-Private Partnership has become a key approach adopted by governments for this purpose. The need for this approach is heightened by the spiral corruption in government funded projects coupled with lack of managerial and technical expertise. Although this approach has been adopted by governments, they have encountered challenges that have impeded effective application.

The remainder of the paper is divided into nine sections. Section one explores the review of related literature. Section two highlighted on the objectives and scientific contributions of the study to literature. Section three discusses the importance of infrastructure development in Nigeria. The legal and institutional frameworks for PPP are discussed in the next section while the guidelines for its operations followed suit. The successes and challenges of the PPP implementation are discussed in the subsequent sections. The ninth segment discusses the recommendation and concludes the paper.

Objectives and Scientific Contribution of the Study

The specific objectives of the paper are: to identify the guidelines for the adoption as well as discussing the critical success factors in PPP. It will also critically analyze the constraints/challenges to the optimization of the partnership in Nigeria and proffer suggestions towards minimizing the constraints.

In view of the above, the scientific contribution of this study will assist the National Assembly, the Executive, and National Planning Commission, Trade and investment Ministry and other stakeholders in the polity. It will also contribute to existing body of literature in public procurement, Trade and Investment, Development Studies and related disciplines.

Public-Private Partnerships

Public-Private Partnership like most concepts have been variously defined depending on the scholar's orientation. There is therefore, no overarching definition for PPP. From a general perspective, Nijkamp et al, (2002) define PPP as an institutionalized form of cooperation of public and private actors, which on the basis of their own indigenous objectives, work together towards a joint target. The Canadian PPP Guide to local government defines PPP as an arrangement between government and private sector entities for the purpose of providing public infrastructure, community facilities and related services. From a similar perspective, Ministry of Finance, Czech Republic describes PPP as a partnership between the public and private sector for the purpose of delivering a project or service traditionally provided by the public sector. It adds that PPP recognizes that both the public sector and the private sector have certain advantages relative to the other in the performance of specific tasks. By allowing each sector to do what it does best, public services and infrastructure can be provided in the most economically efficient manner (PPPUE/Capacity 2015 training – PPP definitions).

The above definition is most apt in that it not only gives the meaning of PPP but also brings out clearly the most important strengths of the initiative which is creating room for expertise in services and infrastructure delivery. This article uses the term public-private partnership to refer to the ways in which government and private actors work together in the provision of infrastructure and services for the public.

Nigeria's Public-Private Partnership Task Force Report (2007) rather sees PPP as a method of procuring and delivering infrastructure and services through cooperation between a public institution and one or more private enterprises. PPP is most frequently used for major infrastructure projects. The objective of PPP is mainly to enhance infrastructure and services delivery by utilizing private sector capital, management, innovation, technology and other resources. PPP involves the use of private sector capital to fund an asset which is used to deliver outcomes for the public sector. Under a PPP, the report asserts that the asset may not be ultimately owned by the public sector, but involves a long term financial commitment by the public sector through payments to the private sector, to allow the private sector to recoup the cost of their investment. The report outlines the general features of PPP to include:

- The public sector and the private enterprise enter into a concession agreement or contract that is usually time-bound and sets out the principles for the partnership and the responsibilities and obligations of both parties;

- Provision of infrastructure services continues to be regulated by the public sector; often the core government services continue to be provided by the public sector;
- The Government is not obligated to make any payment either for capital works or

services unless and until such works or services are completed to the pre-agreed

- Standards and/or service targets stipulated in the concession agreement;
- There is substantial risk sharing or risk transfer from the public sector to the private sector;
- Generally, the private sector assumes the completion and delivery risks while the public sector will assume approval and regulatory risks. The detailed risk allocation will be determined on a case by case basis through negotiation between the Government and private sector service providers.

Against the foregoing features, the National Policy on Public-Private Partnership Report (2008) examines the difference between PPP and privatization. Thus, according to the report, in a privatization, the existing assets are transferred to the private sector. Legislation determines how services are provided to the public, often with an independent regulator set up to monitor and in some cases control prices and prevent market abuse. In a PPP, the government retains ultimate responsibility for the public service but will delegate many operational tasks to private sectors service providers under contract. The contract the report maintains determines how public policy aspects are to be dealt with, particularly if there are to be user charges.

PPP is a sustained and long-term partnering relationship between the public and private sectors to provide services and goods. Through PPP, the public sector seeks to harness public resources and the technical expertise of the private sector in order to provide services and goods to the public and to ensure value for money. Furthermore, central to PPP initiative is the identification of risk associated with each component of the project and the allocation of the risk factor to the public sector, the private sector or perhaps a sharing by both. Thus, the desire to ensure best value for money is based on allocation of risk factors to the participants who are best able to manage those risks and thus minimize costs while improving performance (Sotola and Ayodele, 2009).

The Importance of Infrastructure Development in Nigeria

Africa has a considerable infrastructure deficit (World Bank, 2009). The continent lags behind other developing regions, particularly in the areas of energy, transportation and ICTs among others. Thus, according to the World Bank Enterprises Survey (2009), 26.9 percent of sub-Saharan enterprises identified transportation and 49.2 percent identified electricity as major constraints to their business in 2009. In fact, only 30 percent of the population is estimated to have access to electricity in Africa, compared with 70 percent to 90 percent in other developing regions. Furthermore, road access in Africa, including Nigeria, is limited to about 34 percent of the population, compared with 50 percent in other parts of the developing world. Although considerable progress has been made in ICTs, as evidenced by the tremendous increase in mobile telephone connections and electronic governance over the last 13 years, the survey observes that Africa started from a low base and its Internet penetration rate is only about 6 percent, compared with an average of 40 percent elsewhere in the developing world.

Today, public-private partnerships (PPPs) are increasingly considered to be an attractive development strategy and instrument and are often being used in development programmes across the globe. This is because PPPs are increasingly envisaged as attractive theses for involving the private sector in infrastructure development. In a popular parlance, it is known as a form of cooperation between government and the private sector or voluntary organizations (NGOs, trade unions) or knowledge institutes such as universities that agree to work together to reach a common goals or carry out a specific task, while jointly assuming the risks and responsibilities and sharing resources and competences.

The importance of infrastructures in national development cannot be over emphasized. This is because of the crucial role they play in providing the bulwark upon which production and distribution stands (Haider et al., 2004). Sadly, infrastructural decay for several decades has remained a defining element of most Third World countries, including Nigeria, where, according to World Bank Enterprises Survey (2009), only 30 percent of the population is estimated to have access to electricity, good road, education, health facilities and housing accommodation.

To lessen the entrenched government monopolies in infrastructural provision and combat the growing infrastructural decay in Nigeria in order to put the country's economy on the sound track of sustainable development, Infrastructural Concessions Regulatory Commission (ICRC) Act was enacted in 2005 with a mandate to develop guidelines, policies and procurement processes for Public-Private Partnership (PPP) in infrastructural development in Nigeria. Thus, following the passage of the ICRC Act and its inauguration in

2008, a national policy statement, which identifies the key objectives of PPP comprising economic, social and environmental was developed. The national policy on ICRC sets out the various frameworks for the effective implementation of PPP, which include the review of the legal and regulatory framework created under the following existing legislations. The rationale for adoption of PPP approach in infrastructural provision in Nigeria hinges on the need to harness public resources and the technical expertise of the private sector and to ensure value for money in service delivery (Ibrahim and Musa, 2010).

Infrastructure is the set of interconnected structural elements that provides the framework that supports an entire structure of development (Wikipedia). It is the basic services necessary for an economy to function. Stressing the importance of infrastructure to the growth of a country's economy, the World Bank estimates that every 1 percent of government funds spent on infrastructure leads to an equivalent 1 percent increase in Gross Domestic Product (GDP) (Obozuwa, 2011& Oluba, 2008). This implies that, there is a strong correlation between investment in infrastructure economic growth and development of a country. In the same vein, African Development Bank (ADB) has made infrastructure development a corner stone in its development agenda with regional member countries (TMSA, 2012). According to the Bank, lack of adequate social and economic infrastructure is one of the key constraints to short and medium term poverty reduction in Africa (Ayodele, 2012). Hence, the statement of the then President of the United States J.F. Kennedy stated that "America has good roads, not because America is rich, but America is rich because it has good roads".

That Nigeria is endowed with abundant human and material resources is a truism. It is arguable that Nigeria's huge human and material resources give it the potentials to become Africa's largest economy and a major player in the global economy. In pursuit of this goal, the Nigeria government in her Vision 20 2020 document, she hoped to catapult her to be among the top twenty (20) economies in the world by the year 2020. As Obinna (2016) pointed out that using PPPs to develop infrastructure gives governments the opportunity to shift large upfront capital spending off their near-term financing commitments. For example, Oman's Energy Sector Law, in effect a PPP law, had removed billions of dollars of spending to develop power and water production facilities from the state budget. This cost was then spread across decades through a payment to a private sector company which has taken on the ownership, construction and financing of the plants.

Regretfully, the huge deficit in basic infrastructure services has been identified as a key development challenge that constrains, the growth of the Nigerian economy (National Policy on PPP, 2009). Consequent upon this fact, the state and local governments are using infrastructure as the focal points of their administrations and policy enactments. Infrastructure generally, has to do with the provision of tangible assets on which intangibles can be built. Not limited in scope, it involves the provision of housing, power (electricity), transport, education, communication, and technology. Aliyu, (2009) avers that in the past few decades, developed economies have modeled a variety of PPP for the delivery of infrastructures, public utilities and large services projects, achieving significant successes from harnessing the competence and expertise from both public and private sectors.

Emphasizing the importance of infrastructure, (Oyedele, 2011) describes them as touching on a wide spectrum of basic amenities which enhance the capacity of economic agents to conveniently engage in productive activities with less stress. He further describes infrastructure as the wheels of economic activity because of the crucial role they play in providing the bulwark upon which production and distribution stands.

People cannot access healthcare if there are no hospitals; trade cannot take place if there are no roads on which to transport goods to markets. Infrastructure facilitates transportation of resources and people, production and trade in goods and provision of essential services. It is important to note that infrastructure enables the poorest communities in the world (or in any country) to gain access to a wide array of social services, such as healthcare, and avail themselves of greater possibilities for livelihood. If structures like hospitals, schools and markets are not accessible, they cannot improve the livelihood of the citizenry. Lack of infrastructure also leads to lack of employment by acting as disincentive to investment. Companies are generally not forthcoming to set up factories and businesses that can potentially generate employment in an area with inadequate roads, electricity or water supply. To underscore the importance of infrastructure in development, Obozuwa (2011) opines that developed nations in the world jumpstarted their economic by accelerating their infrastructure and building on it. Consequently, the establishment of adequate infrastructure is an imperative for Nigeria if it must achieve vision 20 2020.

The Nigerian Legal and Institutional Framework for PPP

Following the recognition of the need to encourage and harness public sector investment and capacity to bridge the infrastructural gap in the country, the federal government established a legal and regulatory commission under the nomenclature of Infrastructure Concession Regulatory Commission (ICRC). This Commission was given the legal framework and backing by the ICRC Act of 2005. The ICRC Act provided the requisite regulatory framework within which all Ministries, Departments and Agencies (MDAs) can effectively enter into partnership with private sector in the financing, construction operation and maintenance of infrastructure projects (Dahiru, 2012). The ICRC Act (2005) developed the guidelines, policies, and procurement processes for PPP projects in Nigeria. It worked closely with the states that are developing their own PPP policies to ensure consistency, best practice and coordinated approach to the private sector supplier market.

The Public Procurement Act, 2007 established the National Council on Public Procurement (NCPP) and the Bureau of Public Procurement (BPP) as the regulatory authorities responsible for monitoring and oversight of public procurement in Nigeria (http://ppptoo/kit.icrc.gov.ng/the-enabling-environment-for-ppps/the-nigerian-federal-legislat....) The NCPP and BPP act as key stakeholders discharging important responsibilities at various stages of the PPP procurement process. The Public Procurement Act has also harmonized the existing government policies and practices by regulating, setting standards and developing the legal framework and professional capacity for public procurement in Nigeria. The provisions of the Public Procurement Act, 2007 are applicable to the procurement of goods, works and services by Federal Government of Nigeria and all of its procurement entities as well as all entities which derive at least 35 percent of the funds from the Federation share of Consolidated Fund.

Guidelines for the Adoption of PPP

PPPs do not emerge as a matter of fancy. As rightly pointed out by Peters (Pieme, 1998a), they are institutions rooted in a specific political and temporal milieu. They are adopted as a solution to public policy problems. Within the Nigeria context, the problem is inadequate infrastructure and social services. Consequently, a PPP proposal should only be considered if there is need on the part of the government for the particular project. This need can be established after taking into account the following crucial issues:

- Value for money and cost savings to government
- Quick delivery of the project and service enhancement
- Increased level of accountability, efficiency and effectiveness

The main driver of PPP programme from the public sector perspective is value for money. Supporting this thesis, Public Private Partnership according to annual publication of the Singaporean Ministry of Finance (2009) is a sustained and long-term partnering relationship between the public and private sectors to provide service and goods. Through PPP, the public sector seeks to bring together the resources of the public sector and the technical expertise of the private sectors to provide services and goods to the public at the best value for money (VFM).

In view of this, PPP Guidelines (2009) defines value for money (VFM) as "the optimal combination of whole life cost and quality to meet the users' requirements". This implies that the VFM for PPP in infrastructure development should not just be based on the immediate cost of delivery but should take into consideration maintenance cost and users' requirements. In fact, the rationale for PPP is derived from the need to establish and ensure a lasting relationship between the private sector and the public sector in provision of infrastructures and services and to reduce cost of project delivery.

To this end, NISER Report (2004) sees Public-Private Partnership as collaboration between the governments and the private sector in delivering high quality, effective and efficient services to the people. The roles of government according to the report may vary from the fairly passive role to highly active involvement in all services. Private sector firms may strengthen their supply chains, obtain better-trained workforce, contribute to political stability in the country and fulfill corporate social responsibility goals, while meeting the triple bottom line of economic, social and environmental development. For PPP to be meaningful and successful, the report upholds that the area of partnership should be highlighted and the nature of partnership between the parties should be well spelt out.

Corroborating the above thesis, Osborn (2006) and Obazuwa (2011) aver that Public-Private Partnership (PPP) denotes a government service or private business venture which is funded and operated through contractual arrangements, alliances, cooperative agreements by government and one or more

private sector companies. Implicit in this explanation is the notion of partnership between two or more parties, whether private or public for the purpose of implementing a mutually beneficial goal or objective.
To attain the objective of this partnership, the proposal submitted by the private partner is the guiding document for the project. Consequently, there is crucial information required for PPP proposal. The PPP Guidelines (2009) provided information that is required for partnership. These include:

i. An evidence of financial stability and statement of financial capability, including access to capital (ability to borrow) and letters of support from potential lenders.
ii. A statement of performance capability that includes an overview of overall experience, experience in similar projects, expertise of those staff members who will work on the project and references.
iii. Results of economic, financial and engineering feasibility studies, including socio-economic cost benefit analysis (SCBA).
iv. A business plan including: partnership structure; duration of the proposed partnership; ownership (present and future); terms of payment; maintenance costs; reserves to be kept by the private partner, risk transfer from the government to the private sector partner; benefits to the government.
v. A financial plan including: detailed cost schedule; potential partner's sources of funding; financial structure; how improvements, upgrades and modifications will be financed; pro forma financial statements (include in the submission a soft copy).
vi. The PPP modality options and the preferred option.
vii. The proposed payment mechanism based on service delivery output specifications. For infrastructure or service delivery partnerships where public user fees will be a source of revenue, a detailed year-by-year description of future user fees and their justifications (e.g. tolls).
viii. Provisions for contract re-negotiation and for adjusting contractual terms especially in countries (like Nigeria) where administrative capacity is weak.

Critical Success Factors in PPP

The acknowledgement of PPP as veritable source of infrastructure provision is based on the optimization of the benefits that may accrue there from. The success rate of PPP is influenced by the socio-political and economic milieu within which it operates. These can constitute librating or limiting factors for its successful application. Experience with PPP suggests that there are principles and guidelines that must be adhered to in order to enhance the success of the partnership (see Wallin 1997; Savas 2000; Roseneau 2000; Widdus 2000; Nijkamp et al 2002 and Sussex 2003). Specifically, the critical success factors are:

i. *Political Leadership*: A successful PPP can only result if there is commitment from the political leadership. Political office holders must be willing to be actively involved in supporting the PPP and exercising leadership role in the development of a given partnership. Political leaders must endeavour to be properly informed about crucial issues in PPP. With that, they can play a critical role in minimizing misconceptions about the value to the public of an effectively developed partnership. There must also be a statutory foundation for the implementation of each partnership as discussed in the guidelines and proposals for PPP.
ii. *Government Involvement*: After embarking on PPP, the public partner (government) must remain actively involved in the project. Ongoing monitoring of the performance of the partnership is important in assuring its success. This monitoring should be done on weekly, monthly or quarterly basis, depending on what is contained in the contract. This becomes all the more important in the Nigeria where accountability is critical and cost-shifting or variation presents a problem.
iii. *A Good Plan*: Wang (2006) identifies two key components of a good partnership plan viz: organizational policy and a detailed work plan. The organizational policy builds the foundation of a partnership by establishing the framework of the partnering and designing the way of collaboration. A detailed work plan often takes the form of an extensive and detailed contract. According to Scharle (2002), PPP does not imply "less government" but a different government role. Because of the stronger position of the private partner, more skilled government participation is often needed. A contract is indispensable in any PPP. A carefully developed plan (often done with the assistance of an outside expert in this field) will substantially increase the probability of success of the partnership. The plan spells out clearly the responsibilities of both the government authority and the private partner. In addition, the plan should contain a clearly defined method of dispute resolution because of unforeseen contingencies.
iv. *A Dedicated Income Stream*: Although the private partner may provide the initial funding for the establishment or improvement of the infrastructure, there must be a reliable means of repayment of this

investment over the long period of partnership or as stated in the contract. The income stream can be generated through a variety and combination of sources such as fees, toll, tax increment and rent among others.

v. *Communication with Stakeholders*: A given partnership does not only affect the public officials and the private sector partner. Others affected include government employees, the benefiting public, the press, appropriate labour unions and relevant interest groups. These stakeholders have opinions and sometimes, misconceptions about a partnership and its value to all the public which may impede the implementation or even establishment of the PPP. Both the public and private partners must therefore, communicate openly and candidly with these stakeholders to minimize potential frictions to establishing a partnership.

vi. *Selecting the Right Partner*: Successful partnership demands long-term relationship which can only be secured if the right partner is selected. Since one cannot give what one does not have, it is only the best partner that can give 'best value' which will sustain the partnership. A candidate's experience in the specific area of a partnership being considered is a crucial factor in identifying the right partner. This implies that the choice of the partner should be devoid of ethnic and favouristic colouration.

vii. *Procurement Principles are also Crucial to the Success of PPP:* To this effect, there must be competition so as to allow for the best partner and the best project procurement to be open and transparent and opportunities should be made public. It must be devoid of discrimination and there should be zero tolerance to corruption.

In addition to the factors discussed above, both partners must understand clearly their roles and expectations in the partnership. This is why a clear consideration and precise articulation of purpose of the partnership are imperatives. The targets and goals must be clearly delineated. There should equally be a timely and transparent mapping out of all costs, revenues and profitability aspects of the PPP (the shared rewards and burdens). The planning of the project should be jointly carried out while the risk profiles involved and the ways in which various partners are involved should be clearly spelt out. There should be measurable output performance which will form the basis for project evaluation. Specific reporting and record keeping requirements as well as transparency constitute critical factor for successful PPP. A strong central structure at the level of the central administration using private sector expertise to promote and guide project execution are equally indispensable for the success of PPP.

Challenges to Effective Implementation of PPP in Nigeria

In line with the global trend, Nigeria recognizes the crucial role the private sector can play in economic advancement of the country. Following this trend of thought, during the World Economic Forum (WEF) in May 2014, then President Goodluck Jonathan reiterated his recognition that the private sector will be the engine or propeller of Nigerian industrialization and development (Olusegun, 2014). It is however, pertinent to state that certain socio-economic and political factors constitute impediments to the effective contribution of the private sector and thus the realization of the aspirations of the president. This statement is equally germane to the application of PPP in Nigeria.

In a survey on the risks and constraints in the implementation of private foreign investment (PFI)/PPP in Nigeria, Akerele and Gidado (2003), identified securing credit from financial institutions as the major factor that inhibits private sector participation in economic development in Nigeria. This has serious implications as the success of private participation in any partnership with government depends on the private partner having a reliable access to funding. In an extensive discussion on privatization and PPP in the transportation sector, Mgbenwelu (2012) posted that given the asset/liability structure of Nigerian banks' finances, they are generally unable to extend credit in excess of five to seven years (even in local currency) and debt tenors in excess of seven years are few and far between. This implies that the findings of Akerele and Guidado in 2003 still remained relevant in 2012 and even to the present.

Another major constraint is delays in receiving payments with a severity index of 4.1. When a project is proposed as PPP, the responsibility for arranging the funds for the project typically rests with the private bidders (ICRC). This is a revenue risk. The return on investment in PPP project often generated from tolls, fees and other user charges. A decrease in Public sector demand for services may lead to reduction in payment. In fact, there may be resistance by potential users as is the case with the Lekki Toll Road concession project where those who did not want to use the road demanded an alternative road to be built by the state government. Where revenue collection is contracted out, there may be delays in remittance. In a country like Nigeria where corruption has become systemic leakages in revenue between the point of collection and remittance is also highly probable. This problem is commonly associated with revenue generation in Nigeria.

Absence of effective maintenance culture is the albatross of infrastructure development in Nigeria. Facilities are left to gradually deteriorate till they get to a state of breaking down before any attention would be given. Everyday experiences of roads less than ten years of construction being ridden with potholes, buildings dilapidated as a result of neglect and broken down government machineries are testimonies to this problem. The magnitude of this problem was clearly indicated in the high index of 4.1 recorded in the survey on constraints on PPP implementation in Nigeria (Akerele and Gidado, 2003:288).

Corruption and unethical behaviour in the Nigerian public sector have been so much addressed by scholars that they do not deserve any special focus in this article (see Ikejiani-Clarke, 1995; Lame and Odekunle, 2000; Ugwu, 2010 and Onah, 2007). The Transparency International's 2013 Corruption Perceptions Index (CPI) ranked Nigeria 144 out of 177 territories surveyed. Prominent among the various corrupt practices that impede effective public service delivery is gratification of government officials. The issue of 'ten percent' or even higher has become virtually institutionalized in contract award in Nigeria. This situation persists irrespective of the existence of anti graft Acts and agencies such as EFCC Act 2004, ICPC 2000, Due Process Office 2007, Fiscal Responsibility Act 2007, Public Procurement Act 2007, Code of Conduct Bureau and Code of Conduct Tribunal among others. This contributes significantly to contract inflation, non objective selection of contractors and poor project delivery. Gratification of government officials recorded 4.0 in the severity index of constraints on PPP implementation in Nigeria according to the survey by Akerele and Gidado.

Change in government and dearth of visionary leadership constitute constraints on PPP implementation. With the prebendal orientation which is pervasive in Nigerian political culture, elected and appointed public officers perceive their positions as instruments for enhancing their political standing. Consequently, there is the general tendency for newly appointed political office holders to embark on fresh contracts rather than continue that of their predecessors. Where the ongoing partnership project is keyed into the incumbent's programme, renegotiation often occurs. These are constraints on affective implementation and optimization of PPP.

The Way Forward

The main purpose of PPP in infrastructure provision is that financial, technical and management risks should be allocated to the party that is placed to manage it at the least cost, acceptable quality and reasonable time. Benefits derivable from PPP include: cost-effectiveness; increased investment in public infrastructure; reduced public sector risk; faster delivery of capital projects, improved budget certainty and making better use of assets (Obozua, 2011). These benefits are however derivable if necessary measures are put in place to forestall or minimize the constraining effects of those factors identified as well as promote effective collaboration between the two parties. At their best, PPPs can provide rapid injections of cash from private financiers, delivery of quality services and overall cost-effectiveness which the public sector cannot achieve on its own (Obozua, 2011). But at their worst, PPPs can also drive up costs, under-deliver services, harm the public interest and introduce new opportunities for fraud, collusion and corruption (McCarthy, quoted in Queiroz, 2013).

The above statements are not only informative but also instructive with regards to the management of PPP. Consequently, some measures considered germane to the optimization of the gains of PPP are as Follows:

i) Competitively selecting the private investor. This was earlier on referred to as selecting the right partner. Open and transparent bidding must be ensured. In an environment such as Nigeria that is prone to collusion and favouritism/nepotism, it may be necessary to invite an international bidder.

ii) Good governance is at the core of successful PPP. To this effect, transparency and accountability must be at the front burner in the partnership. This will generate the needed trust which is crucial for the success of any partnership. Mutual distrust, threats and accusation can mar any PPPs efforts as was the case with initiative in Lebanon (Jumaili, 2004). Here, the high hopes and expectation raised by PPP disintegrated into patterns of mistrust, threats and accusations. Closely associate with good governance is the issue of visionary leadership. Visionary leaders are the builders of a new dawn working with imagination and insight. They bring people together around a shared sense of purpose and though that get the best out of them. This is imperative for successful PPP in Nigeria.

iii) Corruption poses serious challenge to good governance and frontal attack on corruption in all ramifications and in every sector is imperative.

iv) Long term monitoring: The ICRC plays a central in monitoring of the operation of PPP project. A crucial infrastructure engagement in Nigeria is trunk roads. There is the real possibility and likelihood that proprietors of tolls upon a highway might neglect altogether the repair of the road, and yet continue to levy and collect high tolls. In fact, it was partly because of the failure to maintain tolled highways in Nigeria as well as revenue leakages that led to the dismantling of the toll gates by the Obasanjo Administration in 2004. ICRC must not allow this ugly phenomenon to occur again through close and long term monitoring of the operation of the tolls on the highways. Proper record keeping and accounting must be ensured.

Conclusion

The role of infrastructural facilities in development cannot be over-emphasized whether in urban or rural environments. McNeil (1993) shows that adequate infrastructure reduces the costs of production, which affects profitability, levels of output, and employment. This is because where infrastructure works, productivity and labour increases. When it does not work, citizens suffer, particularly the poor. Thus, economic renewal and societal welfare become postponed or halted. This paper has attempted to argue that the operation and maintenance of infrastructure in Nigeria are faulted due to the technocratic reformist strategy of the state. Confronted with disparities in the provision of infrastructural facilities or utilities, government and private collaboration is required.

While PPP cannot be viewed as the panacea for infrastructure development in Nigeria, its effective application can significantly reduce the dearth of infrastructure in the country. However, in order to optimize the gains from PPP, the identified challenges and others that may not have been highlighted must kept under check. Government must develop the political will not only to adhere strictly to contractual agreement but also to bring to book those who infringe on the agreement. This is crucial to ensure that PPP does not drive up cost or introduce new opportunities for fraud.

REFERENCES

African Development Fund Project Appraisal (2010), *Capacity Building for Public-Private Partnership Infrastructure,* Abuja: African Development Fund.

Ahmed, S.O. (2011), "Infrastructure development for Nigeria-The PPP Imperative". Retrieved on March 29th 2017 from: *http://www.icrc.gov.ng*.

Aliyu, B.M. (2009), "Effective Implementation of Public Private Partnership: Nurturing Partnership and Addressing Major Challenges", An opening Remarks on NEPAD Public Private Partnership Forum at Sheraton Hotel and Towers, Abuja, Nigeria, 24th -25th November.

Ayodele, A.O. (2012) "The Challenges of Infrastructure Development in Democratic Governance" TSOIC – Construction Economics and Management I, 6119, FIG Working Week 2012. Rome, 6-10 May.

Businessday Editorial (2013), "CBN Boss Says Public-Private Partnership Key to Infrastructure Development'. *Businessday* November 4, 2013.

Canadian Council for Public and Private Partnership Report (2003), *Public-Private Partnership Generate Over $51 Billion for Canadian Economy,* Canada: Canadian Council for Public-Private Partnerships.

Dahiru, A, (2012), "Assessment of Public – Private Partnership Regulatory Framework for Infrastructure Development in Nigeria". In Laryea, S, Agyepong, S.A, Leiringer, R, and Hughes, W. (eds) *Proceedings, 4th West Africa Built Environmental Research (WABER) Conference,* 24-26th July. Pp 451-461.

Ekundayo, E, (2013), "Directors Want Banks Involvement in PPP", *Weekly Trust*, 26 October.

Ikejiani – Clark, M. (1995), "Pathologies of Local Government Administration; Corruption and Fraud". In Ikejiani – Clark M. and Okoli F. (eds) *Local Government Administration in Nigeria: Current Issues and Future Challenges.* Lagos, Mangrove Publications.

Infrastructural Concessions Regulatory Commission *(2005), Public-Private Partnership Act,* Abuja: Infrastructural Concessions Regulatory Commission.

Jamali, D, (2004), "Success and Failure Mechanisms of Public – Private Partnerships (PPPs) in Developing Countries: Insights from the Lebanese Context", *The International Journal of Public Management,* Vol. 17, No. 5 Pp 414 – 430.

Lame, I., and Odekunle, F. (eds) (2000), *Fighting Corruption and Organized Crime in Nigeria: Challenges for the New Millennium.* Ibadan, University Press.

Manning, R. and Luyt (2011), *Qualitative Data Analysis: A practical Introduction*, London: Sage Publication.
McNeil, M. (1993), The Changing Nature of Infrastructure, *The Urban Age,* Vol. 1(3), Pp 1–5.
Middleton, R. (1996), *Government Versus the Market: The Growth of Public Sector, Economic Management and British Economic Performance (1890-1979)*, Cheltenham: Edward Elgar.
Mouton, J. (2005), *How to succeed in your Master's and Doctoral Studies,* Pretoria; Van Schaik.
National Institute of Social and Economic Research (*2004*), *The Need for Government to Embrace Public–Private Partnership Initiative,* Abuja: NISER Publication.
National Policy on Public-Private Partnership in Nigeria (2008), *Progress Report,* Abuja: Infrastructural Concessions Regulatory Commission.
Ndandiko C, and Ibanda S.J, (2010), *Public Private Partnerships Guidelines for Local Governments,* Uganda: Ministry of Local Governments (MOLG) and UNDP.
Nigeria's Public-Private Partnership (2007), *Gap Task Force Report,* Abuja: Infrastructural Concessions Regulatory Commission.
Nijkamp, P., Vander Burch M. and Vidigni G, (2002), "A Comparative Institutional Evaluation of Public-Private-Partnerships in Dutch Urban Land-use and Revitalization Projects". *Urban Studies,* Vol. 39, No. 10, Pp 1865-1880.
*Obinna, C (2016),*Nigeria: Adopting the Public Private Partnership Model - allAfrica.com *allafrica.com/stories/201605110803.html,* May 11, 2016.
Obozuwa, D. (2011), "PPP as a Tool for Infrastructural Development in Nigeria", *Business Day*, October 20.
Oluba, A.H. (2008), "Who Should Provide Public Infrastructure in Nigeria". Retrieved on 29th March 2017 from: *http://www.martinoluba.com/publications.jsp*
Onah, R.C. (2007), "Assessment of Financial Crime Prevention Mechanism in the Local Government System in Nigeria: Problems and Prospects", *Nigerian Journal of Public Administration and Local Government,* Vol. XIII No. 1, pp 97-108.
Ouium, A, (2011), *A Guidebook on Public-Private-Partnership in Infrastructure.* Bangkok, UNESCAP.
Oyedele, O.A. (2011), "The Challenges of Infrastructure Development in Democratic Governance". A Paper presented at the FIG Working Week on the theme; Knowing to Manage the Territory, Protect the Environment, Evaluate the Cultural Heritage, Rome Italy, 6-10 May.

Oyewobi, L.O, Ibrahim A.D, Isa, S. and Ibrahim, Y.M, (2012), "Investigating Optimum Conditions for Public – Private Partnership in Health, Education and Housing Sectors in Nigeria". In Laryea, S, Agyepong, S.A, Leiringer, R. and Hughes, W. (eds) Proceedings, 4th West Africa Built Environment Research (WABER) Conference, 24-26 July. pp 1261 – 1274.
Peters, B. (1998a), "With a Little Help from our friends": Public Private Partnerships as Institutions and Instruments. Pierre, J. (ed), *Partnerships in Urban Governance*, Basingstoke: Palgrave Macmillan.
Pongsiri, N, (2002), "Regulation and Public Private Partnerships" *The International Journal of Public Sector Management,* Vol. 15 No. 6, Pp 10-34.
Public – Private Partnership (PPP) Guidelines, PPP Unit (2009), Prime Minister's Department Putrajaya. (http://www.ukas.gov.my/c/ document-library).
Roseneau, P, (ed) (2000), *Public Private Policy Partnerships,* London: MIT Press.
Sanusi, L. S. (2012), "The role of Development Finance Institutions in Infrastructure Development: What Nigerian can learn from BNDES and the Indian Infrastructure Finance Company" Keynote Address, 3rd ICRC PPP Stakeholders Forum, July 18.
Savas, E.S. (2000), *Privatization and Public Private Partnerships,* New York: Seven Bridges Press.
Scharle, P, (2002), "Public – Private Partnerships as a Social Game", *Innovation,* Vol. 15, No. 3, Pp 227-52.
Singaporean Ministry of Finance (2009), *Identifying Critical Risks in Public-Private Partnership Projects in Singapore,* Singapore: Singaporean Ministry of Finance.
Sotola, O. and Ayodele, T. (2009), "Public Private Partnership: Will it Fix Infrastructure in Nigeria? *Journal of Initiative for Public Policy Analysis,* Vol. 12, Pp 12-19.
Sussex, J, (2003), "Public Private Partnerships in Hospital Development: Lessons from the UKs Private Finance Initiative", *Research in Health Care Financial Management,* Vol. 8, No. 1, Pp 59-76.
Wallin, B.A (1997) "The Need for a Privatization Process: Lessons from Development and Implementation", *Public Administration Review.* Vol. 57, No. 1, Pp 11-20.

Wang, Yia (2006), Keys to Successful Public Private Partnerships (PPPs), University of Southern California SPPD Research. (www.eecgllc.com/Yinl.pdf)
Wikipedia – http://wikipedia.org/wiki/infrastructure.
World Bank (2006), *Report on Public-Private Partnership in Nigeria*, Abuja: World Bank Group.

World Bank (2011), *Report on Public-Private Partnership in Nigeria*. Abuja: World Bank Group.
World Bank Enterprises (2009), Survey *Public-Private Partnership in Nigeria*, Abuja: World Bank Group.
Zint, M. and Montgomery, N. (2007), *Purposeful Sample*, London: Sage Publication.