Towards Rethinking

Public-Private Partnership Implementation:

Insights from the Nigerian Context

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ABSTRACT

Public Private Partnerships (PPPs) continue to gain increased attention from the Nigerian government. However, since PPP adoption in the country not all have attained expected outcomes. The purpose of this chapter is to explore PPP implementation practices and implications on contractual expectations of partner organisations. A qualitative approach using data collected from 23 semi-structured interviews with key stakeholders involved in a Road Partnership and in a Transport Partnership in Nigeria was employed. Documentary evidence was also collected. The institutional nature of the PPP environment; bureaucratic practices in government institutions; disruptive actions of external actors and ineffective mitigation of project risks were main challenges faced in the implementation of the Road and Transport Partnerships. This study is based on the opinions and experiences of key stakeholders on PPP implementation practices in Nigeria, this is most appropriate to elicit data richness. Partner organizations involved in infrastructure PPPs have the obligation to ensure that they are effectively implemented. If partnerships are poorly implemented, there is no reason to expect that the partnership objectives will be achieved, and this is likely to have a negative impact on the collaborative nature of partnership working in fulfilling the contractual obligations. This study is imperative to provide an understanding of challenges inherent in achieving partnership implementation goals in a developing economy. Findings will inform practices within the PPP policy area in the Nigeria context.

Keywords Public-Private Partnership implementation, Nigeria, Public Policy reforms

Introduction

The implementation of Public Private Partnerships (PPPs) is often considered to be country and context specific. As argued by Bovaird (2004) and Bloomfield (2006), two main macro-economic drivers are at the centre of PPP implementation in most countries. The first of these macro-economic drivers are the budgetary challenges of some countries that necessitate the mobilization of private funding for investment in public services. Second, there is a growing importance to transfer the efficiencies of the private sector and effectiveness into the provision of public services, by gaining access to the specialized capabilities of private sector innovative approaches. These two macro-economic drivers are encouraged usually by national legislation (Bovaird, 2004). In countries like Germany and Austria, the principal drivers of PPPs had mainly been due to macro-economic budget factors that addressed the gap between the requirements for public expenditure and potential revenues, while in the United Kingdom; it included also improving public expenditure efficiency (Scherrer & McQuaid, 2010). Furthermore, the unique characteristics of both public and the private sector organizations afford them the advantages in particular aspects of infrastructure development and delivery of services (Babatunde, Opawole & Akinsiku, 2012).

Nigeria is a fast developing market in terms of PPP development. With recent experiences of PPP implementation mainly in the form of design, finance, build, operate, and transfer (DFBOT), the Nigerian government is paying increase attention in employing PPPs to facilitate infrastructure development and deeper reforms in local regeneration. Bovaird (2004) argues that the concept and practice of PPPs are strongly contested, but have generally been defined as working arrangements established on mutual commitment between public sector organizations that is over and above that implied in any contract agreement with organizations outside of the public sector. Despite PPPs becoming increasingly implemented around the world, considerable research have been conducted that indicate that the implementation experiences of partnerships in various national contexts have been mixed, with some partnerships able to attain set objectives, within time and budget; while others have failed to meet partnership expectations due to cost-over runs or due to challenges from inefficient tendering and bidding procedures (Liu et al., 2016; McQuaid & Scherrer, 2010). In light of this varying PPP implementation experiences, the main objective of this chapter is to explore if PPP implementation practices in the context of a developing economy, Nigeria meet the contractual expectations of partner organizations.

The chapter presents an avenue to explore and understand what issues need to be considered in implementing infrastructure PPPs and the implications on partnership working in Nigeria. Data was collected using a qualitative approach based on semi-structured interviews with key project stakeholders involved in two infrastructure PPPs and also through documentary analysis. The chapter begins with background coverage of the relevant research literature that discusses PPPs as a policy instrument and the specific institutional features that characterize PPPs in the Nigerian context. The following section details the methodology, data collection methods, the method of analysis and gives a description of the partnerships. The findings are then presented and discussed. The chapter finishes with conclusions and area for expansion of the study.

Background Literature

PUBLIC- PRIVATE PARTNERSHIP STATUS AND PRACTICE

According to reports by PricewaterhouseCoopers (2013) and Public Works Financing (2011), a total value in fees and invested capital of US$774 billion were invested in 1,970 PPP projects worldwide between 1985 and 2011. The majority of these PPP projects are extensively implemented in various sectors that comprise transportation, health care, education, infrastructure and local regeneration in countries such as the United Kingdom, Canada, the US and Australia (de Bettignies & Ross, 2009; Kwak, Chih & Ibbs, 2009; Okwilagwe & Apostolakis, 2016). The cost of maintaining and expanding existing infrastructure in developing countries has been estimated at about US$600 billion, this figure represents 7% of developing countries GDP (Idris, Kura & Bashir, 2013; Kateja, 2012).

With emphasis placed on PPPs and the benefits to be reaped through access to alternative sources of capital; access to expertise and innovation; growth in the development of infrastructure; risk sharing; efficient management of services and improvement in services delivery (Babatunde et al., 2012; Loosemore & Cheung 2015), it is significant that empirical literature on PPP implementation have continued to be evident from emerging and developing countries such as, South Africa, India, Brazil, China, Turkey, Philippines, Ghana and Nigeria (Babatunde, Perera, Udeaja & Zhou, 2013; Okwilagwe &Apostolakis, 2016; Sanni & Hashim, 2014; Wanke & Barros, 2015). Despite this worldwide uptake, Hodge & Greves (2007), argue that this optimism for PPPs is often a colourful way to disguise the true nature of operations in partnerships.

In line with this, Bovaird (2004) criticism of partnerships indicate that they have not been marriages based on love neither have they been based on respect for the complementary strengths and capabilities each partner brings to the collaboration, but rather they are marriages for financial gratification. It is also acknowledged that the in-house skills required to manage these partnerships are often lacking (Devkar, Mahalingham & Kalidini, 2013; Loosemore & Cheung, 2015). This suggests that partnerships are prone to unfavourable conditions resulting from opportunistic behaviours from partner organization and inadequate allocation of risks in the partnership working. Kwak et al. (2009) criticized PPPs based on the high costs involved in tendering which limits the competition for PPP projects; complexities in the negotiation processes; and public opposition that are causes of delay in the implementation of PPP arrangements. This brings about the debate on if PPPs achieve expected benefits in terms of significant infrastructure development and efficient service delivery. It could be argued that this will depend on the ability of national and local authorities to engage in the capacity for effective partnerships between public and private sector organizations.

PUBLIC- PRIVATE PARTNERSHIPS IN NIGERIA: SETTING THE SCENE

In certain developing countries, institutional and economic reforms have been initiated to improve, strengthen and supplement the existing infrastructure facilities as a means to promote economic growth within these countries (Sanni & Hashim, 2014; Wanke & Barros, 2015). Within the context of Nigeria, adequate funding towards physical and social infrastructure development has been for decades a major challenge in Nigeria. Consequently, the Nigeria government has been faced with demand from citizens to increase the provision of public infrastructure and social services. Nigeria began witnessing a decline in its capacity for expenditure on social and infrastructure provision way back in the early 1980's after the collapse of the global oil markets which brought about a steep reduction in the country's oil revenue (Iloh & Mukar, 2013). Various economic reforms were introduced to cope with the budgetary shortfall, one of such reforms was the Structural Adjustment Program (SAP) introduced in 1986 which was characterized with economic adjustments to generate export surplus to pay debts and to restructure the country's economy.

The mismanagement of the country's resources has also impeded Nigeria's economic growth and development such that the infrastructure challenge in Nigeria is considered huge, a 2011 country report by the Africa Infrastructure Country Diagnostic (AICD), suggested that in addressing Nigeria's infrastructure challenges a sustained expenditure of around US$14.2 billion per year (about 12% of GDP) is required over the next decade, of which about US$10.5 billion is needed for federal infrastructure alone. In 2011, US$5.9 billion per year was being spent on federal infrastructure, equivalent to about 5% of the country's GDP. In comparison, China has a developing country in the mid-2000s spent about 15% of GDP on infrastructure development (Foster & Pushak, 2011).

Drawing on the practices and experiences of other developing, as well as developed countries, the Nigerian government began to open its infrastructure markets to accommodate the private sector in the provision of key infrastructure and service delivery such as roads, power, telecommunications, waste management and water. The establishment of a well-structured and managed regulatory framework has been emphasised as a prerequisite for increased willingness and commitment of the private sector and the potential for the partnership to operate efficiently (Kwak et al., 2009). In recent years, economic and institutional reforms have been introduced and are argued to be in line with the country's long term plans to boost economic and social activities in the country and to enhance the living standard of citizens (Thomas & Brycz, 2014).

PUBLIC-PRIVATE PARTNERSHIP REGULATORY FRAMEWORK IN NIGERIA

Private sector confidence to participate in PPPs depends greatly on the environment in which they operate. In this regard, for successful implementation of PPPs, governments need to create an attractive and favourable investment environment characterized by stable social, legal, economic and financial conditions (Kwak et al., 2009). The Nigerian government has made some efforts in establishing mechanisms and frameworks for addressing current challenges facing PPP practice in the country, by way of establishing the ICRC Act in 2005 and the subsequent creation of the Infrastructure Concession Regulatory Commission (ICRC) (ICRC, 2009; Okwilagwe & Apostolakis, 2016;). The National Policy on PPPs was also enacted in the year 2009 and the formulation of Public Private Partnership Regulations in the year 2011 (Mudi, Lowe & Manase, 2015; Ozohu-Suleiman & Oladimeji, 2015).

ICRC has full authorization in developing the appropriate legislation and procedures for PPP projects and this applies to investment and development projects relating to any infrastructure partnerships that federal government ministries, agencies, corporations or bodies undertake (African Development Fund (ADF), 2010; ICRC, 2009). As indicated in the ICRC PPP Manual for Nigeria, the success or failure of PPPs can be traced back to the initial design of PPP policies, legislation, guidelines and other forms of institutional frameworks (ICRC, 2012). This suggests that within a favourable institutional environment, adequate investments through the deployment of PPPs could enable Nigeria promote the infrastructure development and service delivery much needed in the country. PPPs have thus become a policy response to a wide range of social and economic issues particularly at federal and state levels.

Related regulatory and legislative framework to support PPP projects in Nigeria include (Nwangwu, 2012; Soyeju, 2013): *The Public Enterprises (Privatization and Commercialization) Act 1999 (Privatization Act)* – this Act provides the legal framework for the privatization and commercialization of several government assets in Nigeria. The National Council of Privatization (NCP) was established with the responsibility to set and administer the federal government’s policies on privatization and the Bureau of Public Enterprises (BPE) was also established as the head office of the NCP, as well as to carry out the day to day operations of privatisation. The Tafawa Balewa trade fair complex and the National Theatre were concessions approved under this law. *The Public Procurement Act 2007* – this Act is applied to the procurement of goods and services that receive at least 35% of the funds appropriated from the Nigeria’s Consolidated Revenue Fund. The Act does not however apply to procurements carried out by any state in the country.

The Debt Management Office Act 2003 - the Debt Management Office was established under the law for the efficient management of external and domestic debt and to set guidelines for managing risk and currency exposure in terms of all loans obtained. *The Fiscal Responsibility Act 2007* – this Act promotes greater accountability and transparency in the prudent management of Nigeria’s resources. *The National Planning Commission Act 2007* - the Act provides a legal framework for all projects designed, coordinated and monitored in respect of the country’s infrastructure Master Plan. This means that all infrastructure projects taken up by ICRC needs to be part of the Master Plan.

The process of establishing Public Private Partnerships (PPPs) in Nigeria is thus usually associated with collaborating with different affiliated government agencies at various stages of a partnership life cycle. At state levels, an approach that has been employed to address the capacity gap for implementing infrastructure projects and dealing with multiple government institutions is the establishment of specific PPP dedicated agencies. These are established to assist in identifying PPP opportunities, carry out feasibility studies, to obtain approvals and to coordinate the different stakeholders associated with the partnerships. This is particularly the case in Lagos, Oyo, Rivers and Cross River States. It is argued that having a decentralized approach to PPP policy increases the efforts and accountability of government institutions as they would have more focused set of objectives (McQuaid, 2000).

Methodology

Against the backdrop of the literature review, the primary objective of the chapter is to gain an understanding of PPP implementation practices in Nigeria and if these meet the contractual expectations of partner organizations. Data was collected from twenty-three key stakeholders from the public and private sector organizations who were involved in the negotiation and implementation stages of a Road Partnership and a Transport Partnership. The semi-structured interviews followed a flexible thematic guide (Yin, 2009) and the length of the interviews varied between 40 to 125 minutes. The interviews were recorded, transcribed and the data was coded inductively using a thematic analysis approach (Braun & Clarke, 2006) with assistance of the NVivo software. The semi-structured interviews included questions oriented to gaining in-depth opinions of participants regarding: the adequacy of regulatory and legal frameworks for PPPs in Nigeria; the current level of community participation encouraged in the partnerships; and what the experienced challenges and drivers in the partnerships had been. Data was also collected through primary documentary analysis of specific contract documents and secondary documentary analysis of government policy frameworks and reports, private sector reports, journal articles and newspapers. This process enabled the identification of set milestones, partnership activities, main outcomes achieved at the end of the partnership process as well as challenges faced.

PUBLIC-PRIVATE PARTNERSHIP DESCRIPTION

Research Context

The geographical location of the Road Partnership and Transport Partnership is Lagos State, a South-western state in Nigeria. The state is considered the fore runner in implementing PPP policy in various core and social infrastructure projects at state level in Nigeria. These two partnerships for empirical study are the first huge infrastructure projects established based on PPP models in the state. Furthermore, Lagos State has benefited from various economic reforms which are often cited the most competent and effective at state level (Mobereola, 2006). Historically; the state has been termed one of the largest cities in Africa with a projected population of about 10 million in 2011 that is growing by a projected base of 3% annual growth rate (National Bureau of Statistics, 2012). It is the economic base of Nigeria with over 65% of all business activities and is a favourable location for trade, tourism and industry (Mobereola, 2006; Smith, 2013).

Partnership 1: Road Partnership

The Road Partnership was established due to the population growth in Lagos State, to tackle daily traffic congestion and security concerns, among road users (Office of Public-Private Partnership [OPPP], 2014). The existing road had long been due for a major upgrade for it had been built in the 1980's and had exceeded its technical design life span of 25 years. Toll roads tend to be funded through private capital, and transport concessions offer the opportunity to transfer traffic, operational and financial risk to the private sector and the cost of risk transfer borne by the road users (Chung, Hensher & Rose, 2010). The project utilised the design, finance, build, operate and transfer (DFBOT) PPP model to construct and maintain the road. The 30-year concession agreement was signed in 2006 and a Special Purpose Vehicle (SPV) was established consisting of the project sponsor and a consortium of both local and international investors, alongside the state government and a consortium of local and international funding institutions (OPPP, 2014). The construction of the 6 lanes toll road (3 lanes in opposite directions) was scheduled for completion between January 2007 and March 2012 (BrockleBank, 2014).

Partnership 2: Transport Partnership

The Transport Partnership was initiated by a dedicated Transport Authority affiliated with Lagos state government. The partnership was proposed with the support of the World Bank as an initial pilot scheme to regulate transportation within the state; to alleviate the problems with high demand for transport services by increasing accessibility; and to ensure the reduction in social exclusion. Transport systems are increasingly been promoted as ways of addressing protracted and escalating traffic congestion in developing countries and for quality public transport provision (Rizzo, 2014). Years of inefficient and ineffective public transport management had given rise to traffic congestion, deterioration of the existing roads, a rise in the levels of road accidents and increasing rates of atmospheric pollution in the state. The

Transport Partnership was championed by the leadership of the state government, the management of the Transport Authority and the World Bank to address the unbalanced supply and demand of transport services across the state; to organize, regulate and control the transport sector; and to protect the public from the incessant increase in the cost of transport fares (World Bank, 2012) (Table 1).

The following sections discuss the findings from the data collected and from the analytical

Table 1: Chronological description of the partnerships

Partnership Details	Name of Partnership	
	Road Partnership	**Transport Partnership**
Partnership Objective	To draw private funds to expand and upgrade 49.4km of existing road. To construct a further 20km coastal road	Alleviating the problems of high demand for transport services and the reduction in traffic congestion within the state
Year of Award	October, 2008	March, 2008
Type of PPP	Design, Finance, Build, Operate and Transfer (DFBOT)	Operate and Maintain (O&M)
Concession/ Partnership Period	30 years	5 years
Partners	State Government, project sponsor and a consortium of banks	State Government, World Bank and two private sector transport operators
Sector	Road	Road, Transport
Type of Work	Expansion and upgrade of 49.36 km of expressway from a 4-lane dual carriageway to 6 lanes, the construction of 20 km of coastal road. Provision of facilities (street lights, road signs, pedestrian bridges and drainages)	Construction of 22km of road and 3.3m wide lane; segregated bus ways, 28 bus shelters and lay bys at 26 stops. The construction of 3 bus terminals and bus depots; provision and maintenance of road infrastructure, traffic signs, road markings as well as other traffic management measures
Project Cost	Estimated amount of 50 billion naira	4.5 billion naira for the construction of bus lanes and 1 billion naira for acquisition of buses

Notes: **Created by the Author (2017)**

(Office of Public-Private Partnership, 2014; World Bank, 2012)

process presented above, using the Road Partnership and Transport Partnership as the basis of empirical findings, but first general findings with regards to the implication of the Nigerian institutional environment on PPP implementation are presented.

Findings and Discussions

The main objective of this chapter was to explore PPP implementation practices and implications on contractual expectations of partner organizations. Extant literature on Nigerian infrastructure development indicate that the high cost of executing public utilities through traditional procurement, mismanagement practices of existing infrastructure and incessant corruption - whereby funds made available or revenues generated are embezzled by public officials had led to abandoned, uncompleted and substandard infrastructure (Idris et al., 2013; Olaseni & Alade, 2012). Consequently, the adoption and implementation of Public Private Partnerships by the Nigerian government since 2001 is mainly due to three conditions; first, budgetary constraints for the provision of infrastructure and public services which need to be available and delivered efficiently to the citizenry, i.e. an expenditure of around US$14.2 billion per year (about 12% of the country's GDP) is required over 10 years to address infrastructure needs (Foster & Pushak, 2011); second, to take full advantage of private sector expertise in the development and management of infrastructure projects, for instance, the restructuring of the transport sector in Lagos State was to a great extent dependent on the expertise and investment of private sector infrastructure organizations and funding institutions; and thirdly, a means of improving the existing inefficiencies in public sector practice that is heavily laden by excessive bureaucracy in government institutions and self-interests of some government officials.

BUREAUCRATIC PROCESSES IN GOVERNMENT INSTITUTIONS

According to a procurement officer (private sector organization), previous opportunities had been missed to partner with the private sector in trying to resolve transport problems in Lagos State. Partnership arrangements were considered by participants interviewed to be hindered by bureaucratic issues, consistent delays in project execution that led to high costs, inconsistent flow of funds, ineffective project management practices and in some cases project abandonment. This perception of private infrastructure development organisations is attributed to the existence of a number of transport agencies in the state involved in executing contractual arrangements thus leading to bureaucratic issues and poor institutional arrangements being made. As reported in Mobereola (2006), there are 7 agencies with transport responsibilities at the state level and 22 agencies at the local level within the state.

The tangled web of various organizations involved in the decision-making processes that go into the feasibility studies; the planning, negotiation and the signing-off on all necessary documents in the case of traditional contracts, often led to delays at the implementation stages. In essence, previous collaboration efforts led to lengthy bureaucratic processes in trying to obtain certain approvals from the different government institutions before moving on to the next stage of a partnership's operations. Such bureaucracy is indicated to arise from various procurement and procedures set up by affiliated government institutions (Nwangwu, 2012; Soyeju, 2013). This lengthy process has been indicated to be a put off to private investment and infrastructure development organizations, and the lesser likelihood of the contract arrangements to commence based on trust and transparency.

CONCERNS OVER UNFAVOURABLE PPP REGULATORY ENVIRONMENT

There was scepticism expressed by some participants about the value and the effectiveness of the PPP policy and the value it offered over traditional procurement. Tang, Shen & Cheng, (2010) and Bazzoli *et al.* (1997) stated that the political, legal, and economic environments in which partnerships are formed needs to be adequately understood, as the partnership models need to be carefully selected to adapt to local context situations.

The ICRC Act which was drawn from the PPP policy as the primary legislation that enables public sector institutions at the federal level to enter PPP agreements or to grant concession agreement to a private sector partner does not give ICRC the mandate to enforce regulatory proceedings on partner organizations should judicial issues arise (Soyeju, 2013; Nwangwu, 2012). Furthermore, some state governments in Nigeria that are actively implementing PPPs for infrastructure development and service delivery have passed state PPP laws and also established PPP offices. These states with established PPP laws have the mandate to approve PPP negotiations and implementation at the state level without seeking prior approval from ICRC. This practice causes uncertainty for private investment and development organizations; especially, as it concerns issues with uniformity in the regulatory environment of PPPs in the country.

In Nigeria, government officials can only hold political offices for four years at a time and only returning to office if re-elected. The premise of infrastructure development in the states they govern is often an indication that the interest of the citizenry is at the heart of government officials. A deputy general manager (public sector organization) stated that usually there is reservation from government officials for infrastructure development contracts that would take more than four years from start to finish. PPPs projects tend to be longer than 4 years and even up to 30 or more years. On the other hand, when new government officials come into office they do so with new agendas and priorities for their tenures, with partial or limited agenda to continue previously on-going projects. A direct consequence of this is that in the states where long termed partnerships are being implemented, the sustainability of such partnerships and projects are not always assured. In certain situations, the partnerships either gets terminated or abandoned. In few cases, the new government would usually choose to renegotiate the terms of the existing contractual agreement of the partnerships, but the downside of this is that partnerships still have to be meaningful for the individual partner organizations involved for them to implement the new terms of contract.

ROAD PARTNERSHIP: INEFFECTIVE RISK IDENTIFICATION, ALLOCATION AND MITIGATION

As partners try to learn and adjust to each other at the formation stage, they need to be able to form modest expectations about desired outcomes, the more modest the desired outcomes expected and the lower the level of risk, the greater the chance that expectations will be met when contractual terms are implemented (Das & Teng, 1998; Huxham & Vangen, 2005).

During the contractual stage of the Road Partnership, the potential lenders requested further documentation to provide confirmation that adequate feasibility studies had been conducted. Such documentation as pointed out by a project leader (public sector organisation) included ‘Proof of Concept’ that indicated timely delivery of the road project and the tariff which would serve as the source of debt repayment. These concerns were raised especially in the light of past PPP failures such as the Murtala Muhammed Domestic Airport Terminal II (MMA II) concession which had to be suspended on various occasions because of political interference and the Lagos-Ibadan Expressway partnership which was terminated and then contracted out through traditional procurement (Okwilagwe & Apostalakis, 2016; Oluwasanmi & Ogidi 2014). According to a report by CEPA (2015, p.28) in the Road Partnership, “the negotiations between the concessionaire and the government around the project had to take place on an ad hoc basis”. This was due to the perceived high level of risk resulting from the economic and political environment in Nigeria and at the time of partnership formation there were no appropriate PPP legal and regulatory framework in place in Lagos State.

The effectiveness of the partnership implementation operations was also inundated with challenges caused by the over-optimism of the willingness and affordability of the local residents and other commuters to pay toll fares. It was a general consensus of participants that communication with local residents was not properly managed, hence the unwillingness to pay the toll fares. A director from one of the reform institutions (public sector organization) emphasized that this placed a major challenge for the partner organizations, as citizens perceived the road to be a public good which needed to be provided by the government and felt exploited being asked to pay toll fares. Civil protests resulted from the decision to set toll-fees and the unwillingness to pay the toll fares by the populace. The aftermath of the protests led to contract renegotiations and because the Lagos State government was committed to the success of the partnership, the toll fares at the second toll gate was covered through a partial risk guarantee by way of shadow tolling payments by the government.

Court litigations resulting from 'Right of Way' also led to extended periods of delays in construction; this was because compensation to land owners had not being initiated on time. As explained by a transaction adviser (private sector organization), there was the need to redesign the architectural plans to fit the challenges met with the geographical terrain where the road was to be constructed; this was despite the initial geographical surveys undertaken. The combination of these delays led to the eventual debt default resulting in the lenders calling on the federal government partial guarantee. These series of events were contributory factors to issues of cash flow for the project operations and the inability to recover the costs of the investment at the appropriate time, leading to more delays experienced in the partnership operations. According to a report by (OPPP, 2014), there were concerns that the constraints in cash flow had been kept constant for 5 years in the midst of the Naira devaluation and inflation, despite the concession agreement that allows the project sponsor to index tariffs to inflation every three months. This cash flow constraint had also led to the delay in construction of the third phase of the toll road.

The eventual termination of the 30-year concession agreement of the Road Partnership in its sixth year had been a concomitant of various strategic oversights. Despite best efforts from both partner organizations, challenges continued to tamper with the effective implementation of agreed decisions and this led to the termination of the partnership and the buying back of the shares of the SPV by the Lagos State government. After consultation with key stakeholders; the SPV, the funding institutions and the Lagos State House of Assembly; the state government reached the decision to enter a settlement option with the SPV and to gain control in the determination of the toll fares and its affordability for road users. The decision to buy back the concession rights is linked to the inability of the SPV to meet its debt obligations because of inadequate cash flow generation, the fluctuations in exchange rates on international loans, as well as increase in interest rates from local banks. A settlement option of 15 billion Naira was negotiated with the shareholders of the SPV and was paid out in November, 2013 (OPPP, 2014).

TRANSPORT PARTNERSHIP: SURVIVAL OF PARTNERSHIP AND DELIVERY OF PARTNERSHIP GOALS

In a bid to promote private sector investments needed in the formation of PPPs, dedicated organizations that promote PPPs in Nigeria have been established at the federal level and within certain states. One of such dedicated organization in Lagos State is the Transport Authority tasked with reforming the state's public transport sector. It is primarily responsible for the creation of integrated public transport systems and the creation of the transportation Master plan for Lagos State. The Transport Authority passed an enabling law for PPPs within the state in 2007. A deputy director (public sector organization) interviewed acknowledged that the law grants power to the Transport Authority to enter partnerships with private bus operators. It also clearly states the role of the organization in the state's public transportation reforms in relation to other affiliated institutions within the transportation sector. In other words, no partnership arrangements in transportation can be implemented without the Transport Authority's involvement. Countries that establish dedicated organizations for PPP policy have been suggested, to indicate an apparent top-down drive for PPPs and a need for clearer separation of policy support from the preservation responsibilities for public funds (Hodge & Greve, 2007).

The findings indicated that the survival or termination of partnerships were determined if the partnership implementation led to the achievement of the desired outcomes in line with the contractual agreement and 'Memorandum of Agreement' (MOU) set up at the formation stages. This was the case with the Transport Partnership. It was further explained by a legal adviser (public sector organization) that in implementing the agreed actions of the Transport Partnership, the activities of the partnership were monitored by a project monitoring team on behalf of the Transport Authority. An infrastructure specialist (private sector organisation) stated that the monitoring team looked at the milestones set for each year to determine if the operations were well under way and on time, specifically, in meeting the terms of set milestones. In addition, they considered the quality of service and then made their report at periodic meetings. The meetings took place monthly or bi-monthly with all stakeholders involved to discuss key issues or challenges which needed addressing. Successful delivery of desired outcomes results from the ability of a partnership to deliver its goals; a partnership must progress in any environment, turbulent or otherwise and to reposition assets, competencies and resources to address changing needs and priorities (Hudson & Hardy, 2002).

The World Bank being a co-sponsor, working alongside the Lagos State government on the Transport project also embarked on monitoring procedures called 'Missions'. The team from World Bank consisted of financial, engineering, procurement and environmental experts who worked with the Transport Authority to determine what had been achieved at each stage. They reviewed the reports and embarked on physical inspection of the project sites, after which meetings were held to discuss how to mitigate against challenges faced. The effectiveness, perhaps eventual success of the partnership working can be inferred to come from the partnership's strict adherence to the terms of the 'MoU' and the setting up of these monitoring teams from the onset which helped move the partnership along.

The Transport system was successfully completed in 15 months and was launched in March 2008 and to some extent the partnership had been able to achieve some of the objectives set out in the partnership. About 220 Ashok Leyland (11.7m high floor buses) ply dedicated routes between 6:00 am to10:00 pm daily with a workforce of about 900 bus officers and 57 inspectors. The operation of the bus service is guided by a set of regulations and this restricts them to the dedicated service lanes to reduce travel time and make them faster than conventional buses, especially during traffic congestion. The buses carry an average of 180,000 passengers per day and about 800 passengers per bus daily. Traffic congestion is indicated to have reduced from 78 to 50 minutes on certain routes (World Bank, 2015). Overall, in terms of the operation of the bus transportation services, passengers get a reduction of 30% in average fares, 40% in journey time and 35% in average waiting time (World Bank, 2015).

Managerial Implication

The findings of this study provide valuable information for both practitioners and academics. The Road and Transport Partnerships are investigated from the context of a developing economy, Nigeria. Despite the urgency for infrastructure and public services to be made available and delivered efficiently to the citizenry, the context of the institutional environment within the Nigerian context has been indicated to have challenged the implementation of PPPs. The challenges posed by the institutional nature in the context of Nigeria complicates the tasks of promoting meaningful transparency in contractual arrangements; the fair allocation and appropriate mitigation of project risks and the partnership guidance towards meeting set implementation targets. To address the challenging Nigerian PPP policy area, it becomes imperative to recognise that PPPs in Nigeria are still young policy vehicles for infrastructure development and service delivery.

Adequate attention needs to be paid to the Nigerian PPP market; this is because the wider PPP policy context in the long run determines the Nigerian government's will and capacity to intervene; more specifically, in steering partnerships towards fairness and in terms of downwards accountability to the populace. Consequently, there is the need for accountable and transparent mechanisms that should be promoted as government institutions enter into partnership arrangements with the private sector. Government ministries, departments and agencies unwilling to make such commitments or not having clear and responsive governance structures are not likely to attain sustainable partnership arrangements. In order words, strong competent and committed dedicated PPP organizations are required to monitor and enforce the legality of partnership contracts. This places emphasis in accordance with the ICRC Act for the Infrastructure Concession Regulatory Commission to be further empowered as the accountable organization that evaluates the performance of partnership activities across all governance levels in the country.

According to Bloomfield (2006, p.409) "governments that hope to garner the theoretical benefits of long-term contracts with the private sector will continue to confront daunting management and governance challenges". Therefore, new accountable and transparent structures are needed in place as effective mechanisms for informing, ensuring commitment and engaging the public and private sector organizations. All decisions made in going into PPP arrangements, therefore need to be sound and be effectively implemented over the concession periods in order to meet the expectations of partner organizations. The advice for governments to be more trusting in their dealings with the private sector or the suggestions to eliminate bureaucracy in partnership arrangements, will not on their own effectively help to mitigate against challenges faced, instead appropriate information systems to evaluate and monitor implementation of partnership contracts and performance needs to be developed. The impact of such information systems is to effectively coordinate activities across partner organizations. Measures however must be taken to ensure that the development and maintenance of these information systems do not distract from the implementation of partnership activities as it requires time and effort to successfully put them in place (Bazzoli *et al.,* 1997). This would also provide a foundation for evidence of the value of the partnerships to partner organizations as well as to investors, the populace and other external groups.

Conclusion

Due to the institutional nature of the PPP environment in Nigeria, both partnerships experienced varying levels of success attributed to challenges from bureaucratic practices in government institutions; the disruptive actions of external actors; and ineffective mitigation of project risks. The operations of the Road Partnership experienced delays, renegotiation of contracts, time and cost overruns, however, the Transport Partnership experienced better success due to strict adherence to partnership arrangements and institutional monitoring of set performance targets. This emphasizes the need for a thorough understanding of the political economic environment where partnerships operate and the implications on the operations of partnership working, as evident in the Road Partnership.

In the Transport Partnership, the private sector investors and development organizations could cut through the institutional bureaucratic red tape, especially in terms of getting the partnership operations fast tracked by engaging with the Transport Authority. This is due to the degree of autonomy in its operations as an established organization dedicated to PPPs. Governance not only presents a challenge for the public and private sector partners, but it also provides a means for creating partnership strategies towards promoting partnership working, downward accountability and achieving partnership objectives. Alexander, Comfort, & Weiner (1998) identified the need for partner organisations to shift from their convectional approach from institutionally focused governance to an approach of collaborative, community-oriented governance. Further research could therefore investigate Nigerian partnership governance models that cover the necessity for effective governance structures and broad inclusion in Public Private Partnerships.

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