

**Implementation of Partnership Work:
Key considerations and implications from the Nigerian Local
Regeneration**

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Abstract

This paper explores and explains partnership implementation for the Nigerian local regeneration. Partnership working has been associated with literature about to which extent all partners are given an opportunity to participate in the collaboration process, the accountability that partners exhibit for actively engaging in the partnership process and the degree to which trust exist between the partners. Empirical findings in Nigeria local regeneration partnerships indicate that implementation can be influenced by inadequate decision making resulting from: limited expertise and capabilities in individual organisations; the challenges relating to inadequate risk identification and allocation at the partnership formalisation; accountability and trust concerns; and challenges of the existing judicial system in the country.

Methodology-wise it is primarily depended on a qualitative approach that offers ability for conduct of semi-structured interviews as well as accumulation of secondary data. The impact of these findings are comprehensively analysed and discussed and advantages and challenges are recognised.

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Introduction

Partnership arrangements have been flourishing in the African context in recent years after a number of years of implementation in the Anglo-saxonised world during the 1990s and 2000s. It is evident from literature that the collaboration process from the formation stage through to the evaluation stage can be a difficult journey for public and private sector partners. Although, collaborations are usually taken to be a good thing, Asthana, Richardson and Halliday (2002) argue that it is significant to determine the conditions or factors that increase the probability of successful collaborations emerging. Himmelman (1996, p.28), defines collaboration as “exchanging information, altering activities, sharing resources and enhancing the capacity of another for mutual benefit and to achieve a common purpose”. In the context of PPPs, Gray (1996) offered a framework conceptualised along two dimensions in which she classified different inter-organisational collaborations; the factors that motivate partners to collaborate and the type of outcomes expected. According to this framework, collaborations involving collective strategies on how partners can implement a shared vision can be labelled as partnerships, whereby through their collaborative capacity, the partners gain appreciation of their interdependence.

Furthermore, the value of collaboration could be identified within the capacity of partners from different organisations to combine their resources and expertise in order to create and sustain successful partnership working; this notion has been termed collaborative advantage (Kanter, 1994; Huxham 1996). Apostolakis, (2004) and Kanter (1994) further argue that, collaborative advantage defines a high value and ambitious form of collaboration and it is vital to the growing practice of partnerships. Consequently, when partners are encountering challenges in operationalizing their strategies, according to Huxham and Vangen (2004), the main values of the concept of collaborative advantage can raise the profile of collaboration and legitimise it as an activity worthy of resource investment. Partners therefore need to engage in a continuous process of encouraging the collaborative processes within the partnership working.

This paper explores and explains the key considerations of partnership working at the implementation stage of Nigeria local regeneration partnerships. Partnership working at this stage has been associated from literature with the extent to which all partners are given an opportunity to participate in the collaboration process, the accountability that partners exhibit for actively engaging in the partnership process and the degree to which trust exist between the partners within the partnership. The subsequent sections in this paper discuss the following themes: :

- Limited expertise and capabilities as constraints to implementing Nigeria local regeneration partnerships
- Issues with risk management: risk identification, allocation and risk mitigation
- Accountability and trust concerns in the implementation stage of Nigeria local regeneration partnerships
- Concerns about the judiciary procedures in addressing PPP disputes

Implementation of Partnership Work

Partnership implementation stage

In the commencement of the partnership, the determinants of a successful performance of the collaboration is associated with the process of partnership which include; the degree to which all partners are given an opportunity to participate in the process; the level of transparency and accountability that partners exhibit for actively engaging in partnership process, and the degree to which levels of trust exist between the partners from the different sectors (Kelly, 2012). Specifically, each individual collaborative element plays a key role in contributing to the

overall effectiveness of the collaboration process and to the performance of the partnership. There can be elements of overlap between these collaborative elements as benefits which emerge from the process, such as increased levels of trust and understanding between the partners, may be viewed as the partnership outcomes.

a. Resource sharing

An important view in collaborative advantage theory is that shared resources glue both partners in a long-term collaboration (Luo, 2002). Yan and Gray (1994) observed an increasing role of trust in weakening the risky effect of self-interests bargaining on partnership operations where one partner is more reliant on the other partners' distinctive resources. This means that resource sharing can enhance the initiation of trust within the collaboration process. Min *et al.* (2005) argue that the collaborative advantage of partnerships may not be instantly visible, but that the potential long-term rewards can be appealing and strategic. Sometimes these non-tangible forms may be concerned with the relationship between partners, organisations, and other groups that give the partnerships its endorsement and legitimacy (Huxham and Vangen, 2004).

b. Risk commensuration

Risk commensuration covers the extent to which financial or operational risk, is substantially shared between the partners in the PPP arrangement. Keeping the level of risk commensurate with each partner can be more structurally stable and enhance collaboration (Wilson, 2014). This would allow increase commitment from each partner, thereby creating a more conducive environment in which trust can flourish. Should partners become concerned with risk being less commensurate, the initial attempt of establishing trust could recede (Das and Teng, 1998).

c. Collaborative commitment

Partners need to be committed to creating something new or adding new value to the partnership arrangement. According to Coote *et al.* (2003), commitment exists when partners believe the collaboration is worth working on, but warrants maximum efforts to maintain or enhance it. Furthermore, commitment counters opportunism and determines trustworthiness (Doz, 1996), as well as the willingness to collaborate, the propensity to enhance effectiveness because the partners can put their efforts towards desired outcomes (Coote *et al.*, 2003; Goodman and Dion, 2001).

d. Collaborative communications

The importance attached to opening up and ensuring wider channels of communication can affect how decisions are made and how the partnership's working is taken forward (Andrews and Entwistle, 2010). Kasper-Fuherer and Ashkanasy (2001) argue that communication of trust and transparency requires that proper attention be given to collaborative processes of the partnership arrangement. Communication is defined as the formal and informal sharing of reliable and meaningful information between partners (Goodman and Dion, 2001). In order words, the communication of transparency in partnership arrangements is as an integral part in sustaining trust in the partnership.

e. Collaborative governing and decision making

Governance refers to self-organising inter-organisational networks, characterized by interdependence between organisations, continuous interactions between partners embedded and dependent on rules negotiated by the partnership members (Rhodes, 1997). Therefore, strategies to develop effective partnerships thus involve the combination of different styles of governance in a setting where the power relations between the partners shift and this can result in dynamics that could encourage collaboration. In this sense, the public sector partners need to consider the mechanisms most appropriate to hold their private sectors partners accountable alongside how they will be accountable to their private sector partners (Forrer *et al.*, 2010). The key success however, to governance as suggested by Thompson and Perry (2006) lies in the willingness of partners to monitor the partnership and each other's adherence to the agreed-upon rules and to impose credible sanctions on non-compliant partners.

f. Local community participation

It is vital that in partnership working, partners pay due attention to, and develop appropriate mechanisms for, downward accountability; they need to allocate responsibilities to the least centralized level with the potential capacity to satisfactorily meet them, as well as represent all groups with an interest at this level (Lockwood 2010). This ensures that the partnership is close to those people who are most affected by decisions. Community participation in partnership decision-making and implementation is an ideal that partners ought to factor into partnership arrangement (Charlier, Glover and Robertson, 2009). By combining the knowledge, skills and resources of a broad array of interest groups, organisations can understand the underlying nature of these problems and develop effective and locally feasible solutions to address them.

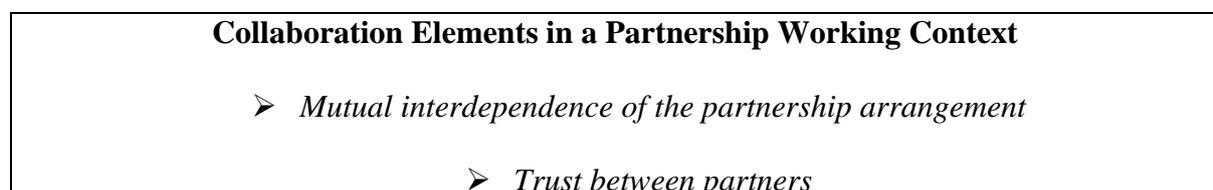
Partnership termination

Usually in these instances; at the formation stage, trust between partners often reached an all-time low in the bidding process as potential partners refused to collaborate with each other or that those involved in allocating contracts became increasingly suspicious of potential partner's claims (Camen, Gottfridsson and Rundh, 2011). According to Shortell *et al.* 2002, partnerships that experience difficulties in making progress towards achieving their objectives possibly did not engage in strategies necessary for actively managing partners input or effectively focused partners efforts towards collaborative action.

Some partnerships may be able to sustain the partners' interest, but are unable to mobilize the partners to take needed action; this stresses the futility of trying to keep the partnership going without a dedicated partner organisation. In other cases after a number of years of effort, partnerships had failed to mature or go through more than one stage of their lifecycle, this could be attributed to the partnership not recognizing which partner organisations needs to take the lead on different issues and at different points in time in order to provide them with the needed strategy to take the local regeneration projects forward (Hodge, 2004). Such that they fail to make any significant progress towards their original goals and objectives and decision to reassess assets and strategies often came too late or not at all; thus leading to the partnership being stressed and eventually terminated (Lowndes and Skelcher 1998).

Implementation of the Partnership Planned Action – A Framework

The figure below explains the manner in which collaboration ideals can match with specific partnership lifestyle and implementation of partnership action. Despite the fact that the list of these collaboration elements is not exhaustive it encapsulates an ethos of organisational behaviour that could well produce results acceptable by the local community it targets. This particular framework had its application in the case of the Nigerian local regeneration and although its applicability was not wholly suitable it described the partnership process there in a more than adequate manner.



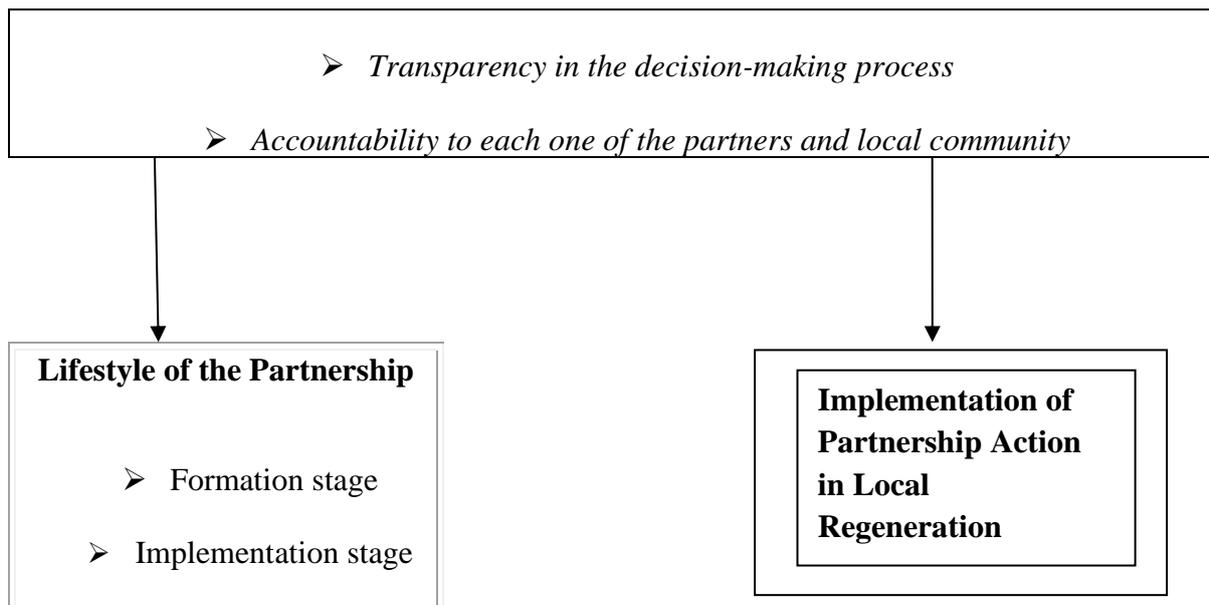


Figure 1: Explanatory framework that explains the collaborative approach into partnership lifestyle and implementation of its actual plan

Source: Produced by the authors

Methodology

To understand the notion of collaborative advantage between public and private sector partners, a qualitative case study approach is used. A case study research is extensively used to explore the opinions and behaviour of individuals and groups within organizations (Gibbert, Ruigrok and Wicki, 2008). Case study research is a beneficial approach where there is little previous empirical research and also in situations where there are complex and multiple processes, thus necessitating the use of a qualitative, explorative approach (Yin, 2009). The developing African country context provides an opportunity to study PPPs outside of the developed world and to test whether the theories developed in the developed world makes sense in this context. Forty five interviews were carried out with participants from government organizations, regulatory and advisory bodies, funding organizations, financial and investment organizations, consulting and infrastructure development firms. The selected participants were either currently or recently involved in the decision making process of the contract negotiation and in the operations and coordination of the activities of the partnership arrangement. The interviews followed a flexible thematic guide. This was to allow the participants the opportunity to freely express their views and bring up new issues which they felt were important (Yin, 2009). The interviews were conducted on the premises of each organization and they varied between 42 and 125 minutes.

Sector	Organization	No. Interviews	Position of Participants
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Public Sector	Government Institution	n = 12	Team leaders for core and social infrastructure, contract administration and contract management and an infrastructure engineer
Public Sector	Economic Reform Agency	n = 4	Director
Public Sector	Regulatory Agency	n = 3	Director
Private Sector	Infrastructure Development Institution	n = 3	Director
Private Sector	External Consultant	n = 3	PPP expert and consultant
Private Sector	Financial and Investment Adviser	n = 3	Director
Private Sector	International Funding Body	n = 17	Private sector and transport specialists, economist, disbursement and procurement officers

Table 1: Overview of the demographics of the participating organizations and participants as it came up from the research findings

The participants were asked to discuss their reasons for participating in the local regeneration partnership, their experiences with regards to the partnership collaborative processes and partnership working. Additional data was collected from some of the participants by way of documents such as policy frameworks and reports on the partnership activities. This was to enable triangulation of findings in order to elicit a better understanding of the phenomenon been investigated and to improve the validity of the findings (Gibbert, Ruigrok and Wicki, 2008). Data analysis was carried out in line with the process of engaging inductive theory with the use of case studies. A thematic analysis approach was used to analyse the primary data collected with the assistance of the NVivo software.

Research Findings – Discussion

This section provides information that serves as baseline data from which the local regeneration partnerships can be compared on the basis of their individual characteristics and structure. Three local regeneration partnerships had been selected as cases studies for the research into how collaboration processes work in these partnerships and the implications from these partnerships.

The three local regeneration partnerships are:

- a) Toll Road Partnership initiated for the construction and operation of a toll road in Lagos State.

- b) A Federal Housing Partnership initiated for the construction and maintenance of affordable housing units in a residential district in Abuja.
- c) A State Housing Partnership initiated for the design, construction and development of a district within Abuja.

Limited expertise and capabilities as constraints to implementing Nigeria local regeneration partnerships

The empirical findings revealed that there is limited availability of expert knowledge not only in the preparation of partnership arrangements, but in their implementation as well. Participants asserted that some of the government institutions and affiliated agencies did not have the ‘in-house’ capability, the knowledge or experience required to implement or manage PPP contractual agreements. According to participants, the limited expertise and capabilities is more evident at lower levels of government, for instance, at the local government level which is the third tier of government in Nigeria. The resultant effect of this situation as stated by participants from the public sector was that there was the tendency for private sector companies to have an undue advantage during the contractual negotiations. Participants were also of the opinion that because the partnership arrangements had not been negotiated by people with the right expertise and competence especially from within the government institutions. For instance, a participant from the Kappa Federal Housing Partnership made the following comments:

“There is a destitute of expertise in most affiliated ministries, departments and agencies, consequently, sometimes the wrong staff without the appropriate training take decisions on PPPs.”

This research discovered that across the partnerships investigated partner institutions, especially public sector ones, are beginning to work with consultants and experts with PPP skills, experiences and competences and more partnership arrangements are getting better representation from external legal and financial consulting organisations especially during the implementation stage. The aim of this is to get on board the required expertise in implementing PPP arrangements in order to improve on the quality of PPP execution as well as in managing partnership working. While these might be the general picture, a participant, who consulted on the Gamma State Housing Partnership, however stated that there had been instances, where the government had failed to heed advice given by these consultants.

“I think it is all a lack of understanding, when one would have explained the implication of certain actions to the partner and you expect them to take certain decisions; the next thing they say is ok, let not do that, let’s go in a different direction, but it does not always happen that way.”

In the partnerships investigated, various strategies were employed to mitigate against the limited expertise and capability experienced in the individual partnerships and to implement the partnerships. One of such strategies indicated that at the federal level the government had begun to set up PPP departments and units in most of the ministries and key staff had begun acquiring training to guide these staff through implementing standard procedures for PPP arrangements and in managing partnerships. Some of the participants interviewed were of the opinion that such training are considered important to understand partnership arrangements and how the various partners can benefit from the partnership working. They are also of the opinion that it is a learning process and that organisations involved in PPPs would learn from each other over time and be in better position to ensure successful partnership working.

For instance, in the Kappa Federal Housing Partnership, a PPP committee was set up which included a number of departments such as the legal, finance, engineers, architects and audit departments. Another strategy employed as recommended by the regulatory agency for PPPs in Nigeria who the Housing Authority working closely with was to engage the expertise of consultant organisations for a project cost consultant and an independent engineer to join the PPP committee. Working alongside with these consultants, led the Housing Authority to identify that it was not only important for the Housing Authority to look out for partners with the technical expertise and financial capabilities, but those with management capabilities as well in a bid to minimise the risk of forfeiting “*Land Titles*” to financiers in cases of repayment defaults. The expertise and skills of the project cost consultant and the independent engineer also came into use not only during road shows but also on the housing site during marketing and sale shows. A participant who acted as consultant to the agency pointed out that:

“To further ensure that they [the housing agency] have the right expertise going into partnerships, there are plans proffered to government to use a project advisory team or a project delivery team, consisting of specific expertise from within and some external moderators so that they can as one team deliver on the project.”

In the Toll Road Partnership, international technical advisers and consultants were involved in providing specialised services and support key processes of the partnership implementation. The involvement of these consultants was to ensure that the implementation of the partnership arrangements were in accordance with international best practices as well as assuring potential lending institutions that there was a direct stream of cash flow to repay the project finance. As asserted by one of the participants:

“...to help achieve this, what we try to do is make use of skills, we have some people who are really skilled in this matter and we bring them in as consultants to work with us”.

The partnership however faced certain challenges in implementing the contractual agreements even with the consultants being brought on-board. One of such issues was not carrying commuters along in terms of determining the appropriate fares that commuters would be willing to pay at the toll gates. This led to civil protests by local residents and other commuters using the roads.

In the Gamma Housing Partnership, different communication strategies were also employed to aid the decision making process in the partnership working. Meetings were held once or twice a month to engage and update all stakeholders about the stages of development of the district as well as discussion the challenges at the different stages. The agency began communicating with the potential off-takers at the commencement stage. A participant who was a financial adviser raised an interestingly view that from her experience there were also individuals working in some private sector organisations with limited experience and competence in managing and operating partnership arrangements. The participant cited an example about the involvement of local financial banks in partnership arrangements:

“So you have people managing the transactions [financial arrangements] within the financial institutions who do not have a full understanding of the transactions and when it comes to making informed decision, they cannot make informed decisions and they cannot even advice their management to make appropriate decisions, so for some these steps they [the consultants] have taken them up.”

Issues with Risk Management: Risk Identification, Allocation and Risk Mitigation

Empirical findings indicated that partnership working had been inundated with challenges which had resulted from not adequately identifying, allocating and mitigating the risks in the local regeneration projects. Two key concerns were raised about proper risk mitigation across the various partnerships investigated during the interviews. One of these concerns indicated that there had not always been proper identification and allocation of risks as an important part of the partnership formation and contractual negotiations. Usually, the risks associated with the infrastructure projects should have been identified at the feasibility study stage and decisions on how to mitigate them are decided at the planning stage.

In the Gamma State Housing partnership, certain risks were identified and allocated according to the partner presumed to be the best to mitigate against the risk. For instance, the construction risk and the design risk which were allocated to the private sector and the political risk was taken up by the government. A consultant with the Partnership asserts that:

“Overtime partners are beginning to learn more about the allocation of risk, especially as the government is beginning to see that there are certain risks that need to be considered to ensure that the partnership succeeds”.

According to another participant:

“The best partnerships are those where partners make sure that they are able to bring to the table what they have agreed to do”

The second challenge faced came from the private sector expectation that the government would offer some form of guarantees as a way to mitigate against certain risks associated with PPP arrangement in Nigeria, such as foreign exchange guarantees, operation period guarantees and project service guarantees. This expectation comes from the private sector’s opinion that the government needed to provide guarantees up to a level where the PPP market in Nigeria becomes mature because PPPs in the country is still an evolving policy and the country has a short history of their successful implementation. In other words, the investing sponsors and funding institutions wanted the assurance that their investments would be secured.

During the data collection, participants from the Regulatory Commission and from the Lagos State PPP Office were asked to shed more light on the reasons for the government’s decision not to give guarantees, the position of the government presented by these key participants are that: firstly, if the government gave guarantees, it could create contingencies that could fall back on the government; secondly, if the government provided guarantees it could also create a culture where potential partners became lazy and would not consider innovative ways of resolving issues that could lead to the government taking up all the risks; thirdly, the business environment in the country is stable enough, therefore concerns such as political instability should not be an hindrance as it may have been years ago and lastly, if the potential partners believe they could deliver on the project they needed to show commitment towards successful partnership working. One of the public sector participants from the Kappa Federal Housing Partnership was of the opinion that:

“It has been observed that by not giving guarantees, it could serve as a deterrent for investors because Nigeria is viewed as an economy where there is high level of uncertainty and would not engage in unsecure investment.

In three of the partnerships investigated, various reconsiderations were given to mitigate the challenges facing the existing implementation activities in the partnership working. For

instance, in the Toll Road Partnership, an SPV was created and structured to bear any risks or liabilities that could result from the partnership with the intent of protecting the individual partner organisations. The creation of the SPV did not however protect the partnership from civil protests resulting from the decision to construct a tolled road. Three toll gates had been planned to be constructed however, the affordability of fees to be charged at these toll gates and the willingness of the local residents and commuters to pay these fees had not been taken into full account during the projects feasibility and planning stages.

The aftermath of the protests was that the partners had to come to an agreement that toll fares would only be charged at the first of the two toll gates and because the State Government was eager to see the success of the partnership, the fees at the second toll gate was covered by the State Government through shadow tolling payments. The decision was afterwards made by the Federal Government to provide a partial risk guarantee. An addendum was then included to the contractual agreement to protect the funding institutions against the risk of the partnership failing to meet up loan re-payments.

In the Kappa Federal Housing Partnership, the partnership agreement had been structured such that the Housing Authority provided the hectares of land at a discounted value to the developer. The aim of this was to enable the developer borrow less from the bank, such that it would be reflected in the selling prices of the housing unit, in line with the objective of the partnership which was to build a certain number of affordable low and medium cost housing units. The successful execution was to lead to profit sharing among the private sector developer and the Federal Housing Authority at a sharing ratio of 60:40 respectively. An important view in collaborative advantage theory is that shared resources glue both partners in a long-term collaboration (Luo, 2002). Yan and Gray (1994) also observed an increasing role of trust in weakening the risky effect of self-interests bargaining on partnership operations where one partner is more reliant on the other partners' distinctive resources.

The researchers infer that the resource sharing might have been an indication to enhance trust within the partnership working. Risk commensuration covers the extent to which financial or operational risk, is substantially shared between the partners in the PPP arrangement. Keeping the level of risk commensurate with each partner can be more structurally stable and enhance collaboration (Wilson, 2014). This would allow increase commitment from each partner, thereby creating a more conducive environment in which trust can flourish. Should partners become concerned with risk being less commensurate, the initial attempt of establishing trust could recede (Das and Teng, 1998). However findings indicated that, in the actual implementation of the partnership arrangement, there was cost overrun, delays in the construction of the housing units and reduction in profit targets. However, a participant [FH T3] admits that there have been situations whereby the developer had stated that the housing project was done at a loss such that there was no profit to share.

Other findings indicated that it was not always the case that such partnership arrangements turned out successful, some of the participants acknowledged that there had been partnerships whereby the developers had gone into defaults in delivering the agreed number of housing units due to diminished funds and loan re-payments could also not be made. In these instances, the agency had to forfeit their "Land Title" to the banks. One of the objectives of the re-structuring of the Kappa Housing Authority is to see that PPPs are arranged in such a way that there is appropriate allocation of project risks. One of the proposed strategies is that the leasehold titles agreement had to be structured in such a way that the developer was not taking lesser risk than the Housing Authority. The new structure is to ensure that there are more equitable and commensurate contributions from partners. A participant from the agency also acknowledged

that they would also be soliciting the help of external consultants in better identifying the risks and determining which partner to best allocate the risks in future partnerships.

Accountability and trust concerns in the implementation stage of Nigeria local regeneration partnerships

According to Forrer *et al.*, (2010), public sector partners need to consider the mechanisms most appropriate to hold their private sectors partners accountable alongside how they will be accountable to their private sector partners. The Kappa Federal Housing Authority provided an insightful case of the challenges faced with issues of accountability which affected its capability to fully implement partnership arrangements. Sometimes governors want the housing projects to be sited in the states they govern, to give the impression to the local electorate that the State Government is investing in infrastructure development. According to the participant:

“Location matters as the decision that goes into this is such that there must be a guaranteed market for the houses in the location and the design meets local preferences. Even middle class people, they still have those cultural issues, they would not buy certain type of houses, and those types of issues have to be taken into consideration”.

A reason was given by participants about why there seemed to be the heavy influence of the government in the decision making in the partnerships. The first concern was that the private sector infrastructure developers usually did not want to get into the bad books of government. According to these participants, private sector access to large scale and highly financed projects in Nigeria is based on access to contacts and connections within the government, for instance, being politically connected, also locally termed ‘*who you know syndrome*’. This is especially so in traditional procurement methods of awarding contracts.

Suggested by participants is that the situation illustrated above may have led the private sector partners to become complacent to the actions and decisions of the institutions representing the government, in what is locally termed ‘*a wait and see attitude*’. The researcher infers that these situations which typically characterise the traditional procurement method of infrastructure development are evidently seen to be seeping into partnership arrangements, thereby defeating the very purpose of partnership working.

The above evidence presented does not reflect the statements made by participants in the partnership about the usefulness of implementing PPPs:

“The advantages of the PPP are that we transfer the risk and we also avoid some of the inefficiencies and corruption that may be in the public sector traditional procurement method”.

“With the traditional contracts using funds from the government, it could cost the agency much more to constantly send monitoring teams to the constructions sites to ensure that the developer does not take longer to delivers on the contract due to cost implications”.

According to Coote *et al.* (2003), commitment exists when partners believe the collaboration is worth working on, but warrants maximum efforts to maintain or enhance it. Furthermore, the show of commitment should counter opportunism and determine trustworthiness (Doz, 1996), as well as the willingness to collaborate, the propensity to enhance effectiveness because

the partners can put their efforts towards desired outcomes (Coote *et al.*, 2003; Goodman and Dion, 2001).

It does not come as a surprise that at the time of the data collection, strategies were being put together as part of the attempt to increase accountability within the Kappa Housing Authority with regards to its operations, especially, as it concerns PPP arrangements. As part of the restructuring and recapitalisation of the agency, the new structure of the agency aims to change the nature of the ownership of the Housing Authority to bring in more accountability and good corporate governance. The restructuring would also see the use of SPVs in implementing partnership arrangements. An audit committee would be established within the PPP unit and mechanisms are to be put in place for assessing the SPV's performance and for holding it accountable. It is also the aim that the new structure of the Kappa Housing Authority would enhance investment interest from the private developers. Jointly agreed decisions are to be championed going forward so as to ensure that the private sector developers are not building in remote locations that could hinder the recoupment of investment. It also ensured that activities that allowed parallel benefits from interests outside of the housing agency's own objectives could be curbed. A participant from the reform agency commented that:

“There is going to be an internal process that would ensure that they have good corporate governance, as the management and board of directors that can sit down and make proper business decisions, objectively with no one would forcing them to do otherwise”.

The participant further attributed the issues of accountability and some corrupt practices to the extent of political interference in the operations of the agency to the constant changes in the leadership and management of the Housing Authority. Another participant stated that:

“It would no longer be business as usual and PPPs are going to be used as a vehicle for enhancing the issues of reform are met”.

Concerns about the Judiciary Procedures in Addressing PPP Disputes

The lengthy judicial procedures in practice within the country were indicated as another major concern for both the public and private sectors participants. At the time of data collection, none of the partnerships investigated had on-going judicial proceedings. However, concerns were expressed by some of the private sector participants that the current legal system could not properly protect the investors' rights and guarantee fair judgement. These participants commented that when disputes arise and partners go to court, for the right procedures to take place through the legal system, the court case could get tied up for a long time and sometimes up to ten years. This is evident from one of the controversial PPP arrangements in the country, the Murtala Muhammed Airport Terminal II concession where the legal case has so far dragged on for about 4 years (The Eagle Online, 2015).

A participant emphasises these concerns regarding the lengthy judicial process and enforcement of outcomes:

“The difficulty we have is that the judicial processes in the country take a significant amount of time. Even in cases when there is a judicial outcome, there have been situations where the partners do not always necessarily respect the legal judgement and sometimes when that happens they have to result to the police to enforce the judgement.”

The participant further stated that from his experience as a financial consultant that:

"Nigerian courts are not very efficient; it tends to be time consuming so you don't want to end up in court and banks in particular. If you give a loan to somebody and they don't pay up, in Nigeria it is a very long and torturous process to actually seek redress with the court, to foreclose an asset that tends to slow things down."

Consequently, from these experiences, participants were of the opinion that it was best for partners to avoid litigation and it is now a common procedure that conflict resolution clauses are included as part of the negotiated contract to give structure to dispute resolution proceedings. For instance, if the contract says that the project should be delivered at a certain time and if that does not happen, then the provisions within the contract should provide for the process that the partners may have to go first into arbitration proceedings to resolve issues. The prescribed conflict resolution structure starts with an initial arbitration proceeding using an independent arbitrator, if the individual partners come out of that process unhappy they can then decide to go through to the judicial processes of the court.

Participants from the private sector asserted that to avoid issues leading to conflict resolution, legal enforcement should be based on contractual provisions, such that partners adhere to the terms of contract negotiated. As a participant commented:

"Dispute resolution in whatever form, should be the last point of call, partners need to solve their problems among themselves if the partnership needs to grow."

A participant from the Lagos State PPP office stated that it had been decided that:

"Every contract would have a dispute resolution clause, we start with meetings, it sets out exactly what the party, would do in the event of a dispute, depending on the contract and the people involved we can say... there could be 30 days in which to remedy the dispute, then 7 extra days which is the final notice, or we go to mediation or arbitration, or what so ever dispute process, court."

Prior to data collection a couple of the partnerships investigated had previous challenges that resulted in dispute resolution. The Toll Road Partnership had its fair share of legal disputes, one of such disputes occurred during the start of the construction stage of the toll road, as a result of land owners seeking court injunctions over the 'Right of Way' on some of the routes. This was a risk the State Government had overlooked and had not mitigated against before constructions had begun.

A legal counsel to the housing agency commented that a new procedure of dispute resolution structure that begins with arbitration is being proposed. The new structure is to allow the partners to exercise their best efforts in arriving at an amicable settlement of the dispute which may arise between them with respect to the contract agreement. If no settlement is reached in connection to the agreement, then upon notice with either partner, they could finally settle in arbitration with accordance with the Arbitration Law of the State were the project was being constructed. The decision of the arbitrator rendered in writing would then be final, conclusive and binding on the partners. In order words, the judgement from such decision must be complied with.

A participant from the Kappa Housing Partnership stated his opinion from an experience involving a dispute between the Housing Authority and an infrastructure developer partner.

“It is usually better to try to find a way around dispute resolutions. Resolutions through the courts are considered as a time wasting process as it could tie the developing partner’s money and the work on the project sites.”

The partnership arrangements had to be terminated because the court proceedings dragged on for years, the uncompleted housing units are now been reverted to one of the agency’s other models. The researcher infers that the expected role of the Regulatory Commission should be one that not only serves as an independent regulator but as an enforcer in order to impose certain penalties for failure to comply with the contract agreement or compliance of the judicial outcome.

Concluding Remarks

Theory-wise the essence of this paper relies on the assumption that partnership working is associated with opportunity for participation, accountability for enhancing active engagement and significance of trust created amongst partners. As a result: limitations of expertise and capabilities is identified as well as risk management’ issues; moreover accountability and trust are identified as focal points as well as the importance of concerns about the judiciary procedures in addressing PPP disputes.

Findings indicate that the challenges faced in the implementation of PPP arrangements is more evident in the public sectors due to limitation of expert knowledge, even more so at the lower tiers of government. This scarcity of expert knowledgeable necessitated government institutions to solicit advice from private sector consulting organisations. It is evident that the main contribution of the private consulting organisations was to support the decision making processes as well as to encourage continuous communication among the partners in making key decisions towards the implementation of the partnership arrangements. Inadequate risk identification and allocation decisions during the negotiation process at the formation stage led to renegotiations of contractual agreements, with a direct consequence of the offer of some form of guarantees by the government as a way to mitigate against the risks faced during the implementation of the partnership arrangements. Findings also indicated that private investors did not view the existing legal system has been protective of the investors’ rights and to guarantee fair judgement. Specifically, findings indicated that for the right procedures to take place through the legal system court cases could get tied up for years and partners, especially private sector partners usually at all costs try to avoid lengthy litigation procedures that could led to cost overrun or delivery delays.

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