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PUBLIC PRIVATE PARTNERSHIP AND INFRASTRUCTURAL DEVELOPMENT IN NIGERIA

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ABSTRACT

Public private partnership as a development model and strategy started in Europe as a way of tackling infrastructure deficiencies and reduction of public borrowing. It involves a contract between a public sector Authority and a private party in which the private party provides a public service or product and assumes substantial financial, technical and operational risks in the projects. The drive to public private partnership in developing countries follow on the heels of successes achieved in developed countries. Like in other countries, the adoption is to bridge the finance gap in the provision of infrastructure and reduction in government finances and borrowing. It is important to note that public private partnership projects are bankable and economically viable projects while the governments should continue to provide social welfare services outside PPP considerations. Most states have established PPP Units to coordinate the scheme. The Federal Governments on its part established Infrastructure Concession Regulatory Commission (ICRC) to oversee projects under public private partnerships. So far many projects concessioned have been beset by myriads of problems which prevented some of them from taking off. There are however, some success stories. It is hoped that in due course public private partnership will assume the level of success achieved in developed countries. It will then hopefully help to ameliorate the dismal state of the nation's infrastructure.

Keywords: *public private partnership (PPP), infrastructural development, infrastructure Concession Regulatory commission (ICRC), Initiative for public policy Analysis (IPPA), public-private Infrastructure Advisory Facility (PPIAF).*

INTRODUCTION

Public Private Partnership (PPP) also called P3 or P^3 is a development process whereby the government representing the public sector and the private sector go into a business venture. The idea is that the public sector and a private sector firm provide a product or service that is normally associated with the public sector. Oranefo C. (2011) puts it picturesquely by saying PPP is like a marriage. She says that public private partnerships are "all about partnerships and it is well worth doing all the ground work before entering into that relationship in order to avoid serious fall out of the parties when things do not work out" as in case of marriages. In PPP, the private firm assumes substantial financial, technical and operational risks in the projects. In some PPP projects, depending on arrangements, the government provides funds and enabling environment while the actual execution and operation is done by the private sector firm. In some type of arrangements, the cost of the product or services is borne by the end users. In some cases the government may provide a form of subsidy such as grant and tax waivers. The aims are to make a project attractive to the private sector participant. When a public private partnership is worked out, often a private sector consortium called

"Special Purpose Vehicle (SPV)" is formed to develop, build, maintain and operate the assets for the contracted period. According to Moszoro N. and Gasiorowski P.(2008)," in cases where the government has invested in the project, it is typically (but not always) allotted an equity share in the SPV." The consortium so formed is made up of the building contractor, Maintenance Company and banks that lend money for the execution of the project. It is the SPV that signs the contract with the government and the participating sub- contractors. Public private partnerships are operated in a number of ways. Oke D.O.(2007) lists some of them as : Build-Operate-Transfer (BOT). This is where the private sector operator builds the facility, operates it for agreed period say 30 years and then transfers it to the government. We have leasing where the operator takes possession of the facility and operates it while paying agreed rentals. Concessioning to all intents and purpose is similar to leasing. Build – Own- Operate – Transfer (BOOT) refers to a type where the operator builds and owns the facility for a period. At the end of the period, the facility is transferred to government. Build-Own – Operate (BOO) refers to the situation where the private firm builds the facility, owns it and operates it. We have Rehabilitate- Operate- Transfer (ROT) where the existing facility is rehabilitated, operated for some time and transferred to government. In the case of Design – Build- Operate (DBO), the private sector firms' designs, builds and operates the facility. These variants exist and negotiations between governments and the private firms will throw up an agreement on the mode of PPP to be adopted.

Infrastructure

This paper is on public private partnership and infrastructural development. It is not then out of place for us to briefly explains the concept of infrastructure. According to online Compact Oxford English Dictionary, infrastructure is the basic physical and organizational structures needed for the operation of a society or enterprise or the services and facilities necessary for an economy to function. Generally we can say that infrastructure is a set of interconnected structural elements that provide a framework supporting an entire structure of development. The word can also be used to refer the technical structures that support a society such as roads, railways, bridges, water supply, electricity, power, telecommunications, education, health etc. Jeffrey F (2009) summaries it by saying that infrastructure is "the physical components of interrelated systems providing commodities and services essential to enable sustain or enhance societal living conditions." In a way infrastructure facilitates the production of goods and services and the distribution of finished products as well as basic social services such as schools and hospitals.

According to Wikipedia, the free encyclopedia http:// wikipedia.org/wiki/infrastructure, retrieved 30/3/2012 infrastructure can be grouped in a number ways:-

(1) **.Transportation Infrastructure**: these include, (a). roads and highway networks including structures such as bridges, culverts, funnels, street lights and traffic lights.

(b). Mass Transit systems such as mass transit fleets like the ones launched by Mr. President during the fuel subsidy removal, strike actions.

(c). Railways including terminal, rail lines, coaches,

(d). Canal and navigable waterways such as rivers

(e). Seaports river ports and light houses
(f). Airports including navigational aids systems
(g). Bicycle paths and pedestrian walkways
(h). Ferries including beaches.

(2). Energy Infrastructure: these include: (a). electricity power networks including generation plants, dams, and electrical gridlines, substations.
(b). natural Gas pipelines, storage and distribution terminals, gas well and fleets of trucks and ships for gas transportation.
(c). petroleum pipelines including associated storage and distribution terminals, depots and refineries.
(d). coal mines and mining equipment. Please note that OECD classifies coal mines ,oil and gas well as part of mining and industrial sector rather than as infrastructure.
(3). **Water Management Infrastructure**
(a). drinking water supply including pipes, reservoirs, pumps and water treatment materials
(b). sewage collection and disposal of waste water
(c). Drainage systems
(d). Irrigation systems
(e). Major flood control systems
(f). Coastal management such as seawalls.
(4). **Communication Infrastructure**
(a). Postal services
(b). Telephone Networks- telephone exchanges
(c). mobile phone networks – GSM
(d). Television and Radio transmission stations including regulations
(e). Cable Television networks such as CNN
(f). Internet Systems including backbone/ server farms, internet service providers
(g). Communication Satellites such as Nig Comsat
(h). undersea cables
(5). **Solid Waste Management**
(a). Municipal garbage and recycleable collection and disposal of wastes
(b). Solid Waste disposal e.g. incinerators
(c). Hazardous waste disposal facilities
(5). **Earth Monitoring and Measurement Networks**
(a). Metrological monitoring equipment
(b). Tidal Waves monitoring networks
(c). Seismometer networks
(d). Earth observation Satellites
(e). Spatial data infrastructure.
Harper D (2008) referred to all the above as "hard" infrastructure which refer to large physical networks necessary for the functioning of a modern industrial nation. He also talked about "soft' infrastructure which refers to all the institutions which are required to

maintain the economic, health cultural and social standards of a country, such as the financial systems of government, administration, education, health. Some aspects of soft infrastructure include:-

Economic: (a). the financial system including banking, insurance, capital markets, payment system, financial regulations

(b). Major business logistics such as warehousing and shipping management systems

(c). Manufacturing infrastructure such as industrial estate and specialized organizations such as Standards Organization of Nigeria. (SON)

(d). Agriculture, forestry, fisheries including food storage silos

Governance: (a). the system of government and law enforcement including Ministries, Departments and Agencies (MDA), Judiciary etc

(b). security / emergency services such as fire service policies, SSS

(c). Military such as barracks, weapons and commands

Social Infrastructure: (a). Health Care system such as hospital clinics, health insurance

(b). Educational and researcher systems including primary, secondary tertiary and specialized schools.

(c). social welfare including pensions, programme for the poor such as NAPEP

Cultural, Sports and Recreational Infrastructure

(a). Sports and recreational facilities such as stadia, sports clubs

(b). Cultural centers such as museums, theatres

(c). tourism infrastructure such as zoological garden, amusement parks.

Having seen what infrastructure means, then one can easily see that infrastructural development means developing various aspects of these. In other words the paper is on how to use Public Private Partnerships to develope various aspects of infrastructure.

Statement of Problem

Public private partnership as development model was first proposed in Australia in the late 1980s but was first pioneered by John Major then British prime minister under the caption of 'Public Finance Initiative' (PFI). Okenwa S. (2011) notes that "Globally there is now growing appetite for public private partnership (PPP) as a vehicle for the financing of public infrastructure". Developed as well as developing nations are now looking up to PPP to solve their infrastructural development needs. Nigeria by intentions and some actions have started in the same direction. But then how far has she been prepared to use PPP to fix its decrepit and inadequate infrastructure. How are the challenges that arise being faced? Sotola O. and Ayodele T, (2011) observe that some people "believe that it is fundamentally antithetical to the idea and philosophy that underpin public governance". Proponents of PPP on the other hand state that the level of decay and quantum of resources needed PPP "as the only means through which infrastructural challenges in Nigeria can be initiated". These are the issues this paper wants to discuss.

Objective of Study

The main objective of this study is to discuss how Nigeria can use public private partnership as a model to achieve development of her decaying and scarcely available infrastructure. It is a known fact that the nation's infrastructure is in dismal state and in some cases non existent. Olusegun Aganga (2012) was reported as saying that Nigeria needs at least $14.2 billion (about ₦ 2.22 trillion) annually for the next ten years to provide infrastructure. It is saying the obvious that the government can not afford this staggering sum from its resources. Private investors need to come in to narrow the deficiency in infrastructural development. Another objective is to find out the challenges that impede the application of PPP to infrastructure development. In other words the paper will discuss the effectiveness of the regulatory framework.

Significance of Study

It is hoped that the study will add to the growing awareness that the concept of public private partnership is attracting in the world today. The government will become more informed so that it does not regard PPP as a cure for all ills of its decrepit infrastructure. The paper will throw some light on the controversies that trail public private partnership models.

Methodology of Study

The study is essentially discursive on how Public and Private Actors can partner as extensive review of literature has been done and discussed at length.

Plan of Study

The issues discussed so far make up section I. section II deals with theoretical foundations and review of literature including empirical studies section III deals with comments and discussion of issues on public private partnership and infrastructural development in Nigeria. Section IV will be on conclusion and recommendations.

Section II: Theoretical Foundations, Review of Literature Including Empirical Studies

Theoretical Foundation

Public private partnership as a concept is not new in economic circles. It long predates its pioneering by John Major some two decades ago. The concept existed in the theory of world economic systems of capitalism, socialism and mixed (welfare) economic systems. Capitalism (Ikeora 2007) is defined as " the economic system under which the ownership of the means of production are concentrated in the hands of a class consisting of only a minor section of the society and under which there is property less class for whom the sale of their labour power as a commodity is only the source of livelihood". Some features of capitalism are: private ownership of factors of production, market- driven economy and profit maximization. It is a world of perfect competition and the government should not directly participate in business. It is only allowed to create enabling environment and provide those infrastructure that are not attractive to the private sector. Adam Smith, the father of capitalism, opined that there exists an "invisible hand" in the form of Demand and Supply that controlled the economy. The Socialist Economic System is where there is no private ownership of factors of production. Ikeora (2007 Ibid), says that a socialist system is "a political and economic system under which the production, distribution and exchange are owned and controlled by the people or society". The government on behalf of the society makes all economic decision. The third system is the mixed economy which involves blending of parts of capitalism and socialism. The degree of blending varies form one society to another. The main reason is that extreme capitalism and socialism are not easy to practice. In effect public private partnership is an attempt to operate in a mixed economic milieu. Perhaps another theory applicable in the PPP controversies is the principle of "exclusion" and "non –exclusion". Some people queried how private sector that is profit oriented can operate in the provision of public infrastructure and public goods/services. A product or services is under "exclusion" when some people can be excluded from its use by imposition of ability or willingness to pay a price. For example, the proposed 2nd Niger Bridge can be constructed under PPP and toll collected from motorists and pedestrians who want to use it. On the other hand a product or services is under "non – exclusion" when users cannot be stopped from its use. For example, if the Anambra State Government installs street lights at Awka, people who walk along the street cannot be stopped from its use. From inception public private partnership is conceived to operate under the principle of exclusion because profit motive is there to entice private partners. Private sector partners must recoup their investment while pure social goods will continue to be provided by the government.

Another controversy that came up especially in developed countries is that in some cases of PPP, operators obtained rates of return that are higher than returns of government bonds rates even though the public sector in some cases contributed fund to the projects through the SPV. The answer suggested is that the exploitation of the public can be avoided through the government during negotiation for PPP projects should keep an eye on the operators' weighed average cost of capital (WACC) vis-a-vis WACC of the industry. Appropriate pricing model should also be applied. For example, cost plus pricing method or mark- up pricing can be used. The model involves adding a fair percentage margin of the profit to the cost. The mark- up percentage is fixed so as to cover all cost and a margin for profit; Dwivedi (2008) commends the system as taking into account of what the market will bear together with the competition of the market.

Review of Literature

As stated in the introduction; public private partnership (PPP) describes government service or project which is provided by private sector firm under partnership with government. Bovaird (2004) defines PPP as "working arrangements based on mutual commitments between public sector organizations with another organization outside the public sector", Brinkerhoff (2003) had earlier emphasized that PPP involves mutuality as a part of defining the concept. He added that "equality of decision making –without dominance of one of the partners- characterizes collaboration and involves high level of mutuality". The pressure to adopt PPP arose initially from concerns about the level of public debts which grew rapidly world wide in the late 1970s and early 1980s. Governments in developed countries sought for ways to encourage private sector organizations to participate in infrastructural development of their nations. The concept was first mooted in Australia in the late 1980s. The adoption of public private partnership started in England about 1992 under John Major as British prime minister. He termed it as "Private Finance Initiative" (PFI). The aim was to use PPP reduce public borrowing and get the private sector participate in provision of public infrastructure. When Tony Blair was elected in 1997, he continued with the PPP scheme. Within two decades of its introduction, public private partnership models gained wide spread acceptance in developed countries. The European Commission in 2008 commended the adoption of PPP by member nations and observed that public private partnership occurred at a time when investments in public sector infrastructure are seen as important means of maintaining economic activities. To underscore its importance European Union (EU) established European Public Private Partnership Expertise Center (EPEC) to support the public sector capacity to implement PPPs and share timely solutions to problems across European Union members.

The adoption of PPP has spread to developing nations including Nigeria. The World Development Report in 1994 published by World Bank mentioned rightly that "the adequacy of infrastructure helps to determine one country's success and another's failure –in diversifying production, expanding trade, copying with population growth, reducing poverty or improving environmental conditions". Mody (ed 1997) collaborates "that in any modern society, infrastructure plays a pivotal role –often decisive role in determining the overall productivity and development of a country's economy, as well as the quality of life of its citizens". It is not therefore surprising that Nigeria is looking forward to public private partnership model as panacea for solving its infrastructural problems. According to Okenwa S. (2011 op.cit) "since 1999 both Federal and State governments have come to realize that investing in infrastructure can weigh down government's plan for service deliveries, hence they now partner with the private sector using public private partnership (PPP) as a platform to achieve more of a win- win situation in development". He chronicles some projects under PPP in Lagos to include 12.15MW independent power plant built together with Oando, developing Lagos into Africa's model Mega City, building a 270MW power station in partnership with AES Nig. Ltd to improve power to Lagos residents. Under PPP, Lagos State Government established Bus Rapid Transit (BRT) and the scheme transports over 200,000 people daily. Eti-Osa- Lekki-Epe express way is being constructed under PPP and will operate with toll plazas. Oke D.O. (2007) is enthused that "governments world wide have increasingly turned to the private sector to provide infrastructural services once delivered by the public sector". Like Moszoro and Gasiorowski (2008), Oke advocates the creation of SPV to cater for "the complex contractual arrangements between parties including the government, project supervisors, operators, financiers, suppliers contractors, engineers, third parties and customers". He puts a simplified structure of public private partnership as below;-

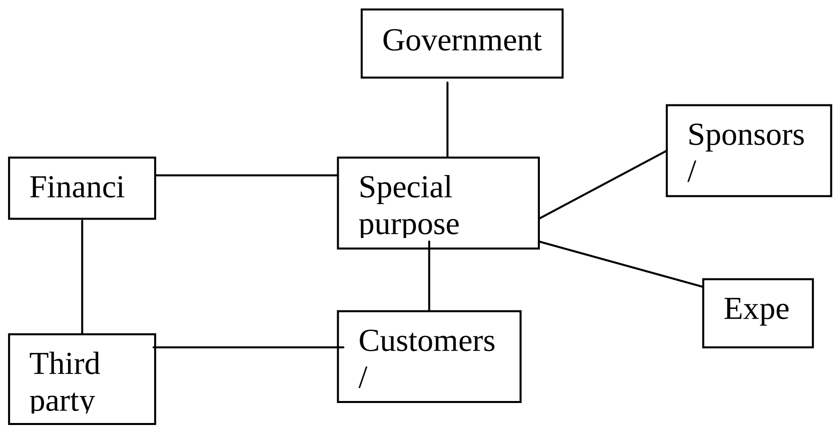

Figure I. Simplified PPP Structure
SOURCE: Oke D. O. "PPP in infrastructural development for raw martial utilization".
Sotola O.and Ayodele T (2011) shares the view that "while PPP can address infrastructure challenges, this is achievable when parties involved when equally shared responsibilities and risks". They further observe that "there is lacuna in the regulatory frame work governing public private partnership at present. This threatens projects executed under the model". The attached Table I below showing list of PPP projects by the Federal Government.

Table 1 **List of PPP projects**

s/n	Project	Concessioning Authority	Sector	Company
1	Murtala Muhammed Airport (MM2)	Federal Government	Aviation	Bi-Courtney Aviation Services
2	Lekki-Epe Express Road	Lagos State Government	Road	Lekki Concession Company
3	Lagos-Ibadan Express Way	Federal Government	Road	Bi- courtney
4	Kano- Abuja Express way	Federal government	Road	
5	Apapa container Terminal	Nigeria Port Authority	Port and Shipping	APM Terminal
6	Apapa Terminal A and B	NPA	Port and Shipping	Apapa Bulk
7	Apapa Terminal C and D	NPA	Port and Shipping	ENL consortium
8	TCIP Terminal A	NPA	Port and Shipping	Josephdam Port service Ltd
9	TCIP terminal B	NPA	Port Management	TCI Container Ltd
10	TCIP Roro terminal	NPA	Port Management	Five Star Logistics
11	Lilypond Container Terminal	NPA	Shipping and Vessels	AMPT Finance
12	Port Harcourt Terminal A	Federal Government	Port Management	Port and Terminal Operators
13	Port Harcourt Terminal B	Federal Government	Port Management	Bua Ports and Terminal

14	Onne FOT A; FOT B; Calabar New Terminal; Warri Old Terminal A; Warri New Terminal B.	Federal Government	Port Management	Intel Nig. Ltd
15	Calabar New Terminal B	NPA	Port and Shipping	Ecomarine
16	Calabar Terminal C	NPA	Port and Shipping	Addax Logistics
17	Warri Old Terminal B	NPA	Port Management	Asso Maritime Services
18	Warri New terminal A	NPA	Port and Shipping	Global infrastructure
19	Warri Terminal A	NPA	Port Management	Julius Berger
20	Ajokuta Steel Rolling Mill	Ministry of Mines and Steel Development	Mines and Steel	Global Infrastructure
21	Delta Steel Plant, Aladja	Ministry of Mines and Steel	Mines and steel	Global Infrastructure
22	National Iron Ore Manufacturing Company	Ministry of Mines and Steel Development	Mines and Steel	Global Infrastructure
23	Koko Terminal	Nigeria Port Authority	Port and Shipping	Gulfinger Ltd
24	Onne FOT Jetty	NPA	Port and Shipping	Altas Cement
25	Olokola Gas Project	Ogun And Ondo State	Gas	Consortium of Oil Company
26	Tinapa and Park	Cross River State Govt	Park and Resort	Jack Rouse Cincinnati Ltd
27	Sagamu- Ore- Asaba Express Road	Federal Ministry of Works	Road	In Bidding Process
28	Lagos- Badagry- Seme	Federal Ministry of	Road	
		ministry of Work	Road	
30	Lagos- Iseyin- Kwankwaso- Argugun- Sokoto	Federal Ministry of Work	Road	
31	Enugu-Onitsha	Federal Ministry of Work	Road	
32	River Niger Bridge (Nupeko)	Federal ministry of Work	Road	
33	River Benue Bridge at Ibi	Federal Ministry of Work	Road	

34	2nd Niger Bridge (Onitsha)	Federal Ministry of Work	Road	
35	Ibadan- Ilorin Road	Federal Ministry of Work	Road	
36	Nigeria Railway Corporation (NRC)	Federal Ministry of transport	Transportation	Under Consideration

Source: compiled from various sources O. Sotala and T. Ayodele IPPA policy paper, November 2011

Table 3:
The Unbundling of Power Holding Company of Nigeria (PHCN)

Generating Companies	Distribution Companies
Egbin Power Plc	Abuja Electricity Distribution Plc
Ughelli Power Plc	Benin Electricity Plc
Afam Power Plc	Eko Electricity Distribution Plc
Sapele Power Plc	Enugu Electricity Distribution Plc
Shiroro Hydro Electric Power Plc	Ibadan Electricity distribution Plc
Kainji Hydro Electric Power Plc	Ikeja Electricity Distribution Plc
	Jos Electricity Distribution Plc
	Kaduna Electricity Distribution Plc
	Kano Electricity Distribution Plc
	Port Harcourt Electricity Plc
	Yola Electricity Distribution Plc

Source: Chudi Ojukwu (BPE 2010) presented by O. Sotala and T. Ayodele IPPA policy paper, November 2011

Sagagi M.S. (2007) discussed Public Private Dialogue (PPD) which looks at issue of growth, poverty reduction, infrastructure development and other goals. Proper dialogue serves as a key input to policy reforms required for reducing cost of doing business, increased productivity, generating employment and fighting poverty. Sagagi (Ibid) opines that" successful dialogue, very often, result in public private partnerships (PPP) where private sector brings skill, core competencies and best practices to assist government in delivering high standard of services, products and other public goods. He adds that" this is possible because private sector tends to bring profit motive, business acumen, market orientation, management skills, access to finance, technical expertise and some level of entrepreneurship to help reform economic policies and also assist in the delivery of public goods", including infrastructure. The Central Bank of Nigeria (CBN) is not left out in the urge for adoption of public private partnership. In a release: http//africainvestor.com/article. asp? id =9764, retrieved 30/3/2012, it was stated that "CBN is advocating that government sources are not enough to finance infrastructural development, as option such as public private partnership "should be explode. It states that the "policy is expected to among others, specify infrastructure financing options, dispute resolution mechanisms, role of stakeholders, and incentive offered by relevant government Ministries, Departments and Agencies (MDAs)". The CBN further advises that "the policy is expected to leverage private finance for infrastructure development, diversify and develop the non bank resources of long term debt finance of infrastructure. It will also promote the involvement of specialized funds, multi lateral agencies and international investors to invest in infrastructure projects". Roger Gaillard etal (2010) observe that the development of infrastructure in Nigeria has primarily been through the traditional form of contract awards by federal and state governments through budgetary allocation. However they note that "recently these governments have sought to involve the private sector infrastructure development via public private partnerships".

Section III: Discussion

We cannot go on indefinitely chronicling literature on public private partnership and infrastructure development. It is sine- qua-non' for Nigeria especially now that reports are that some 75% of annual budgets are recurrent expenditure leaving only 25% for capital (infrastructural) development. PPP scheme must then be exploited to fill the gap for a nation that appears to engage in what economists may refer to as "living one one's capital". Emerging (developing) nations such as India, Malaysia and South Africa are in various stages of adoption of public private partnership models. According to Izuwah (2010) it is estimated that Nigeria requires between $12 billion and $15 billion annually for the next six years to meet its infrastructure needs. The figures are staggering and cannot be met by government resources alone. The dismal situation can be ameliorated by the adoption of public private partnerships to bridge the finance gap.

Nigeria has however, got involved with some success in some and failure in others. Table I in page 15 shows a tentative list which is not comprehensive. Sotoala and Ayodele (2011 op.cit) observe that some of the partnerships actually portray the government playing not equal partnership but leader- follower traits. They observe that "this leader-follower relationship endanger PPP practices". Again continuity at times is not there. In some cases projects started in one administration are abandoned by incoming administration. For example the Ikenne Rubber Factory concessioned under Gbenga Daniel in Ogun State was cancelled by the incoming administration of Ibikunle Amosun. This scenario is also found in Federal Government concessions such as some seaports concessions. Naturally policy inconsistencies will make investors hold off and negate the intentions of PPP Another obstacle in the practices of PPP in developing countries including Nigeria is inadequate legal frame work. Some states in Nigeria are yet to pass the enabling law and set a regulatory unit. The Federal government established the Infrastructure Concession Regulatory Commission (ICRC). The specific functions are: to take custody of every concession agreement made and monitor compliance with the terms and conditions of such agreement. To ensure efficient execution of any concession agreement or contract entered into by the government, to ensure compliance with provisions of the act. The key strategic objective for ICRC is to accelerate investment in national infrastructure through private sector funding by assisting the Federal government and its Ministries, Departments and Agencies (M DAs) to implement and establish effective public private partnerships (PPP) process. Establishing a PPP unit such as

ICRC has been done and operated satisfactorily in developed countries, but on the same he said of such units in some developing countries.

It is pertinent to note that each control unit such as the ICRC should be conscious of these functions prescribed by PPIAF viz: To promote and improve public private partnerships in its nation and attract more partners by ensuring that public private partnerships meet high quality criteria and value for money. Secondly to have a lasting mandate to manage PPP transactions such that their contracts signed with private sector partners cannot unilaterally abrogated by changes in government. All control units including ICRC should meet these minimum standards. One hopes that our Infrastructure Concession Regulatory Commission (ICRC) meets these functions and should not be hampered by politics and endemic corruption. Units operating in developing countries are not known to be effective. Sanghi A,Sinkadov A. and Hankinson D (2007opcit) studied the units in eight countries with South Africa being the only African country. Other countries are Bangladesh, Jamaica, Philippines, Portugal, Australia (Victoria State) United Kingdom and South? Korea. Their findings are summarized below. In Bangladesh much PPP activity happened without involvement of the nation's control unit called Infrastructure Investment Facilitation Center (IIFC) suggesting dormancy of the PPPs controlling unit. In Jamaica the controlling units is called National Investment Bank of Jamaica (NIBJ) had much influence. In the Philippines like in Bangladesh much of PPPs take place without the BOT centre's involvement. In Portugal the unit is called Parpublica and has served as the principal driver of PPPs in Portugal. In South Africa the units is within the Treasury and "plays central part in developing PPPs". In the UK and Australia (Victoria State) the units are very active and "are central to PPP programs". In South Korea the unit is called Public Private Investment Management Centre (PIMAC) and plays "essential part in evaluating feasibility studies and bids" for project under PPP. From their reports one can see that units of developing countries are yet to be effectively involved. We hope ICRC is not impeded like its counterparts x-rayed in this study. Part of the hindrances in developing countries including Nigeria is lack of executive capacity. Most government functionaries do not quite understand the workings of PPPs. In 2010, the Federal Government entered into a training programme with African Development Fund to help the he nation will benefit fro

PPP Success Stories

Public private partnerships in Nigeria are not all Jeremiah's prophesies of doom. There are some cheering stories. For example, Eleme Petrochemical Plant is reported to be doing very well. Private Mobile Telecommunication companies (private GSM) have happy stories. We also hear that Murtala Mohammed (MM2) airport is doing well. Stories also have it the some sixteen seaport terminals have been successfully concessioned to the private operators under PPP. UNDP and Bank of Industry (BOI) are reported to be working hard under different Public Private Partnership arrangements.

CONCLUSION AND RECOMMENDATION

Public Private Partnership scheme has no doubt become a very popular discourse especially among politicians, development economists and government officials. It is strategies that will assist countries get the private sector share the burden of infrastructure with the private sector since the public sector cannot now carry the burden alone. Nigeria is spending 75% of annual budget on consumption with 25% going to the National Assembly. The only option appears to be the adoption of PPP strategy devoid of Nigeria Factors Syndrome. Itis recommended that transparency be bought into public private partnership schemes. The Infrastructure Regulatory Commission should be strengthened to perform effectively. It should not be seen as one of the plettora of government departments and agencies that are set up to provide jobs for the boys. The population and government functionaries need to be well informed about what PPP is all about? We cannot agree less with Ngozi Okonjo Iweala (2012) who recently said that "the private sector is looking for bankable profits". A law may need to be added to the legal framework such that when there is change of government, incoming government should not have power to cancel PPP projects. The business of government, if rightly conceived, involves continuity. In the spirit of this Okonjo-Iweala (ibid) gave a caveat that "Public Private Partnerships take long time to mature even in the best of times".

Finally politician and government should understand what PPP is all about. PPP is not cure for every deficiency. Sotola and Ayodele (2011opcit) rightly observed that "on a large scale, many PPP projects are wrongful conceived and policy makers seem to think that public private partnership projects provide for all public service deficiencies". This should not be. PPP projects must be bankable and viable projects that can pass tests of Investment Analysis.

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