A Review of Public-Private Partnership for Building and Infrastructure Procurement in Nigeria

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Abstract
The shortcomings of the traditional method of procuring buildings and infrastructure projects led to the adoption of the Public-Private Partnership (PPP) in Nigeria. This study undertakes a review of the practice of PPP with a view to explicating the key issues that are associated with its use in the procurement of public buildings and infrastructure projects. A wide range of secondary source material including reports, policy statement, journal articles and textbooks were collected for analysis. The analysis conducted reveals that the procurement process within government Ministries, Departments and Agencies (MDAs) is cumbersome; one important source of this cumbersomeness arises from the funding arrangement. In this regard, MDAs were seen to accord less priority in approving counterpart funds for PPP projects under their control. The evidence indicate that the process of approving PPP budgets are in no way different from other capital projects of less priority within the MDAs. As a consequence, PPP projects are experiencing undue bureaucratic bottlenecks and delays. To address this concern, it is recommended that MDAs should prioritize the funding for PPP projects and equally fast tract the process of its approvals. This can potentially eliminate the bottlenecks and delays that are currently affecting the procurement of buildings and infrastructure through PPP. Overall, therefore, though PPP is found to be poorly practiced among MDAs, it remains a scheme that can be employed to address the procurement problems experienced in Nigerian public bureaus.
Keywords: Public-Private Partnership, Procurement method, building and infrastructure, funding, Nigeria

1. Introduction

Most countries in Africa including Nigeria adopted socialist policies after independence. In line with this, the provision of social amenities, services, utilities and physical infrastructure was considered to be a sole responsibility of the government. In Nigeria, this model of development was based on direct provision of services by government agencies as opposed to engaging private actors to provide the service through a structure relationship such as the PPP. The direct provision approach is now becoming unpopular in Nigeria owing to its failure to give the desired results. Some factors that were found to negatively influence its used unrealistically high cost of infrastructure, improper planning, poor execution of projects, political interference, unclear objectives, limited operational autonomy by government departs, inadequate managerial, human and technical, conceptual and design skills and lack of accountability and transparency. Other factors include heavy and cumbersome bureaucracy, inappropriate economic settings, inadequate capital and lack of appreciation of free inter-play of market forces of supply and demand (Taiwo, 2013).

These factors necessitated the search for alternative methods of procurement. It was this search that brought the idea of PPP in the procurement of public building and infrastructure projects in Nigeria. The concept of PPP is relatively new in Nigeria and other developing countries; however, its application gaining popularity in among developing countries (Adeogun & Taiwo, 2011). In Nigeria, PPP as a method of procurement became a more attractive option in the wake of privatization of major public sector infrastructure and dwindling oil revenue, which affected the mobilisation of funds for public infrastructure development difficult (Shwarka, 2012). It has been adopted in the provision of urban infrastructure such as the Lagos-Ibadan expressway and the new terminal at the Murtala Mohammed Airport both handled by Bi-Courtney Limited (Essia & Yusuf, 2013); housing estate development in states such as Adamawa, Ogun, Ondo, Bauchi, Lagos, Federal Capital Territory among others (Abdullahi & Abd Aziz, 2010; Adeogun & Taiwo, 2011; Ibem & Aduwo, 2012; Taiwo, 2013,). PPP has also been widely applied in road construction in the FCT as the Federal Government pursues the implementation of the Abuja Master plan.

The adoption of PPP did not come without its own challenges. The practice of PPP in Nigeria is plagued by various issues that have affected the success of scheme. As a result, PPP in Nigeria is not too glooming though at the same time not doomed. This is because while some of the PPP projects were successfully executed, some failed to be actualized. PPP infrastructure projects implementation in Nigeria is characterized with controversies, failures, delays, litigations, revocations among others (Oyewobi, Isa & Ibrahim, 2012).

The aim for this article therefore is to critical review the practices of PPP in Nigeria. To achieve this aim, two broad objectives are pursued: One, to examine the regulatory framework for implementation of PPP in

Nigeria, two, to scrutinise the challenges associated with the deployment of PPP in the procurement of public buildings and infrastructure in Nigeria. It is hoped that by pursuing these objectives, the study will bring to fore the challenges bedevilling the practice of PPP in Nigeria and useful recommendations will be offered. Prior to the examination of these objectives, the concept of PPP and PPP delivery models will be reviewed. This will be covered in the succeeding section.

2. The Concept and the Models of PPP

2.1 The Concept of PPP

The Canadian Council for Public Private Partnership (2005) defines PPP as a cooperative venture between the public and private sectors, built on the expertise of each partner that best meets clearly defined public needs through the appropriate allocation of resources, risk and rewards. PPP is a contractual arrangement between a public authority and a private entity for the provision of infrastructure and/or services in which the private partner assumes the responsibility for financing part or the entire project. In this arrangement, the public partner seeks to transfer the project risks to the private partner who has the ability to manage those risks better and the arrangement usually extends beyond the initial capital construction of the project (The City of Calgary, 2008). PPP can therefore be described as a contractual agreement between a public sector authority and a private party, in which the private party provides a public service or project and assumes substantial financial and operational risk for a fee usually, based on predetermined service performance criteria.

In a PPP arrangement, the contribution government may take the form of capital for investment, provision of social responsibility, environmental awareness and an ability to mobilize political support by employing its expertise in commerce, management, operations and innovation to run the business efficiently. The private partner may also contribute investment capital depending on the form of contract. Equally important in any PPP arrangement are the stakeholders, which are usually non-profit organisations and other interest group. These stakeholders may not be privy to the contract arrangement but may have strong opinion on the project's value to the public and public resistance can be very detrimental to the success of any project. As such, maintaining transparent and accountable communication channels with stakeholders and including them in decision-making process in very important.

2.2 PPP Delivery Models

There is a broad spectrums of possible organizational models under which PPP projects can be implemented. The common models are presented on Figure 1. They are most often characterized by the degrees of participation and risks allocation between the public and the private partners.

Farquahason, De Mastle, Yescombe, and Encinas (2011) simply grouped the various PPP arrangements into user-fee and availability-based partnerships. In user-fee PPPs, a public authority grants a private party the right to build (or refurbish, or expand), maintain, operate, and finance an infrastructure asset owned by the public sector. The private partner recoups his invested capital and profit by charging members of the public a user-fee. Thus, the private partner bears the user demand risk in addition to the risk of design, finance construction and operation. In the availability-based arrangements, the private partner also designs, finance, build, rebuild, operate and maintain the necessary infrastructure but the public authority, not the end users, makes payment to the private party. The payments are usually made when a service is made available. Figure 1 presents the different PPP delivery models. However, it this should not be considered an exhaustive listing because the PPP process is extremely dynamic and the particulars of most arrangements are determined by the specific circumstances involved.

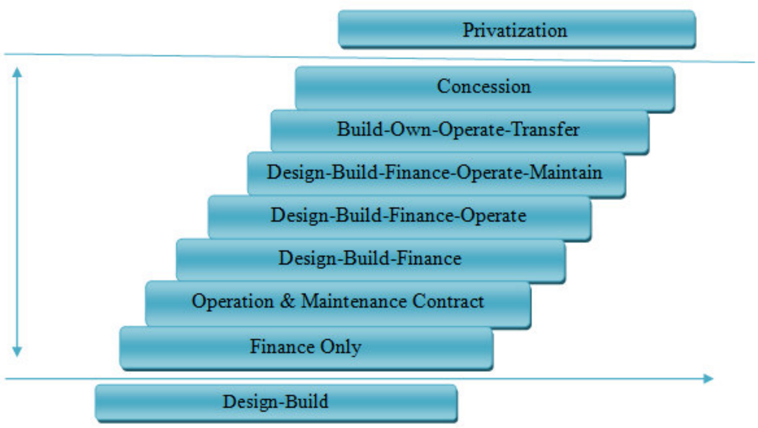

Figure 1: Illustration of PPP Delivery Models (Adopted from the Canadian Council for PPPs, 2011; UN-Habitat, 2011)

As illustrated on figure 1, there are nine models of PPP which will be explained briefly.

1 *Design-Build*: Under this approach, the public partner contracts with the private sector to design and build an infrastructure in accordance to the public sector performance specifications. During the construction phase, the general contractor/sub-contractor carrying out the construction is monitored by the public sector afterwards the public sector assumes the ownership and is responsible for the operation and maintenance of the facility and is paid for in full after the defects liability retention period (UN-Habitat, 2011).

Design-Build is considered by many to be outside the PPP spectrum (The City of Calgary, 2008; UN-Habitat, 2011) for the simple fact that, the role of the private sector is limited to design and construction of the project only. While others such as the European Commission (2003) regard it as a true PPP model since it entails a collaborative effort between the private sector and the public sector, an arrangement under which risk and responsibilities are either transferred or shared between parties.

2 Finance-Only: Under this arrangement, a private entity, usually a financial services company, funds a project directly or uses various mechanisms such as a long-term lease or bond issue. The private party finances the construction or expansion of a public facility and may operate the facility under the oversight of the government. The developer gains the right to use the facility and may receive future income from user fees (Idris, Kura & Bashir, 2013). With financing risk routinely transferred to the private consortium, any delays in meeting the agreed upon timelines can lead to additional costs for the private partner as it alone carries the debt for a longer period of time. Therefore, the private sector has a direct financial interest in ensuring that projects and services are delivered on-time, if not sooner (Idris, Kura & Bashir, 2013).

3 Operation & Maintenance Contract: The operation and maintenance model is a comprehensive service contract that covers all of the management and operational components of the public utility or service provider. Although the ultimate obligation for service provision remains with the public sector, daily management control and authority are assigned to the private partner (ICRC, 2012). In this form of arrangement, the role of the private partner is limited only to the operation and maintenance of the asset while the public entity retains the ownership of the asset. Operation and maintenance contracts often provide a good opportunity for increased future private sector participation in public service delivery, particularly sectors undergoing transition from public ownership where existing regulatory and legal frameworks may not allow greater private participation. The major disadvantage of these systems of procurement is that, it reduces public control over the projects and responding to changing public demand becomes increasingly difficult (British Columba, 1999).

4 Design-Build-Finance: Under this model, a public agency contracts a private partner(s) to design, build and finance a facility to provide a public service. The responsibility of the private partner ends at the completion of the development while the public agency retains ownership and takes charge of the project operation. The responsibilities and associated risk of design, construction and financing of the asset in question is transferred to the private partner. The payment for this forms of contract is tied to the successful completion of the project as a result, the private sector partner bears the risk of time and cost overrun (CCPPP, 2011). The distinguishing factor between this arrangement and the Design-Build is that, the private sector takes the risk of financing the asset until the project is completed and handed over to the public party.

5 Design-Build-Finance-Operate (DBFO) / Design-Build-Finance-Operate-Maintain (DBFOM): Under these models, a private sector designs, builds, finances an asset and operates it under a long-term term arrangement after which the facility reverts back to the public sector (UN-Habitat, 2011). In this form of arrangement, the private partner retains ownership during the contract period and recovers its invested funds through public subvention. The DBFO requires that, the private partner operates the facility for the contract period which makes it an important consideration in this form of procurement model. The features of the DBFOM are similar to those of DBFO contracts; the only difference being that, in the former, the private partner assumes the responsibility for managing the asset in addition to the design, construction, finance and operation.

6 Build-Own-Operate (BOO) / Build-Own-Operate-Transfer (BOOT): In these arrangements, the private sector finances, builds, owns and operates the facility or service in perpetuity where the public constraints are stated in the original agreement and through on-going regulatory authority (The City of Calgary, 2008). While in BOOT is a contract with the private sector contractor to design, finance, build, own and operate a facility (and to charge user fees) for a specified period after which the facility is handed back to the public sector. The major difference between the BOO and BOOT is that, in the former, the private contractor owns and operate the facility in perpetuity while in the later, the facility is owned and operated by the private party for definite period. The two terms are sometimes used interchangeably owing to private sector's assumption of investment risk.

7 Concession: This form of contractual arrangement has similar features with the DBFO where a public authority contracts a private sector partner to design, build, finance and operate the facility. The major difference between the DBFO and concession is that, under DBFO the private sector contractor recovers its capital and operational cost through series of unitary payments made by the contracting authority over the duration of the contract while under concession, the private party recovers capital and operational cost form user charges (European Commission, 2003).

Having explained the various models of PPP and their operational arrangements, the next section will give a general overview of the practice of PPP in Nigerian.

3. An Overview of Public Private Partnership Practices in Nigeria

Nigerian government ventured into various forms of partnership with the private sector with the view of ameliorating most of the challenges associated with public projects and service delivery in Nigeria. Since the Federal Government is moving increasingly into a private sector economy (Babatunde, Opawole & Akinsiku, 2012), it became necessary to facilitate the effective implementation of such policy by putting in place enabling laws to regulate the PPP contractual arrangements. This led to the establishment of the Infrastructure Concession Regulatory Commission (ICRC) Act, 2005 and the Procurement Act, 2007 to regulate PPP practices in Nigeria.

The Infrastructure Concession Regulatory Commission (ICRC) and its Governing Board were then established to regulate, monitor, and supervise the concession and development projects. The Commission is responsible for setting forth guidelines to promote, facilitate and ensure implementation of Public Private Partnership (PPP) Projects in Nigeria with the objective of achieving better value for money. The ICRC Act therefore seeks to provide for the participation of the private sector in financing, construction, development, operation, and maintenance of public projects through concession or contractual arrangements.

Under the Act, the Federal and State Governments can initiate and manage PPPs only that, some state projects may require the Federal Government to guarantee in order to earn confidence of project financiers. The Act provides that, the PPP projects would be initiated by a government Ministry, Department and agency (MDA) who are expected to process the application up to when approval is obtained. The MDA should also ensure that funds are available especially where counterpart funding is required (ICRC, 2012)

The mode of operation of PPP in Nigeria is similar to those obtain in other developing countries. In his study of Lagos State Development and Property Company (LSDPC), Asegiemhe (2007) as reported in Adeogun & Taiwo (2011) identified the following operational modes and development process: Conception/demand for demand for the project; Site identification; Preliminary development appraisal – feasibility and viability analysis; Development programme; Appointment of professional team; Contract award; Actual construction; Completion and disposal of the project; and Profit sharing. The private developer is expected to perform all the development tasks, such as design, finance and construction of the project. The public sector (that is the government agency) on the other hand, would normally contribute the land, provide counterpart funding (where necessary) and determine the type of services to be provided.

Though the concept of PPP is relatively new in Nigeria and other developing economies, its application in various sectors of the economy is becoming increasingly popular (Adeogun & Taiwo, 2011).While adaptation of PPP in Nigeria cannot be termed a success story, it cannot be regarded as total failure because experience has shown that, PPP in Nigeria not too glooming and at the same time not doomed (Oyewobi, Isa & Ibrahim, 2012). This is because while some of the PPP projects were successfully executed, some failed to be actualized owing to problems bothering on inadequate legal framework, lack of development finance and inadequate skills required to handle PPP projects on the part of the public sector (Babatunde, Opawole and Akinsiku, 2012). As a result, PPP infrastructure projects implementation in Nigeria is characterized by controversies, failures, delays, litigations, revocations among others. Other problems militating against the successful implementation of PPP in Nigeria include failure of leadership (Egboh and Chukwuemeka, 2012); Lack of enabling environment, inadequate monitoring of PPP projects, inadequate budgetary allocation, corruption (Dahiru *et el*, 2013); Delay in either project negotiation or approval, high risk to the private sector partner (Owoyebi *et al,2012)* among others.

In other to tackle the challenges bedeviling the successful implementation of PPP in Nigeria, Essia & Yusuf (2013) advocated for reforming the PPP framework through decentralization of PPP planning and implementation, establishment of specialized PPP agencies for key infrastructures like highways, gas pipelines and sustainable long term finance. In the same vein, Dahiru, et al, (2013) suggested development of long term policies that will support PPP, transparent rule-based administrative process and arrangement that improves dispute resolution in order to prevent failure of projects.

Public private partnership can be an important tool for delivering public services; however certain factors need to be considered for PPP to be successful. Various success factors have been identified by different researchers. These include among others, adequate regulatory environment, transparent process, risk capital financing, performance-based approach, sound economic policy good governance, availability of suitable financier market (The City of Calgary, 2008; Babatunde, Opawole and Akinsiku, 2012)

In the same vein, when applying the PPP approach to the urban sector to try and meet the needs of the rise in population, governments around the world are facing a range of challenges. Some of the most common challenges facing PPP arrangements today include care free attitude to government properties, lack of experience in PPP arrangements, engaging projects that do not suit PPP, lack of basic infrastructures, Political bottlenecks, wrong selection of partner among others (Dahiru, Abdul'azeez and Bala, 2013; Idris, Kura and Bashir, 2013;

Onuorah, 2014)

4. The Study

This research critically evaluates PPP as a procurement method for the delivery of public buildings and infrastructure in Nigeria. The methodology used was basically the review of documented evidence. The first objective is aimed at examining the regulatory framework for the practice of PPP in Nigeria. In achieving this objective, documentary evidence were collected and examined in order to determine the number and efficiency of available legislations governing the practice of PPP. The policy framework for regulating the practice of PPP (ICRC, 2012) is also studied in order to determine the procurement processes of PPP projects. The challenges as well as the critical success factors associated with PPP are equally identified through the examination of information collected.

5. Regulatory Framework(S) For PPP in Nigeria

This section examines the regulatory framework for PPP in Nigeria with view to analyzing the availability of legal instruments created for the effective administration of procurement processes.

5.1 Legal and Regulatory Framework for PPP

Project procurement, regardless of the method adopted is guarded by the legislation(s)/policy backing the said method of PPP inclusive. Legislation and policy serve as the framework for regulating and guiding the practice of PPP. In Nigeria, a number of documents were produced and circulated starting with an initial country procurement assessment that was carried out by the World Bank in 2000. Following the World Bank assessment, a number of regulatory and policy documents came into effect as tabulated on Table 1.

Table 1 Regulatory and Policy Documents for PPP in Nigeria

S/No	Regulatory and Policy Documents	Year Published
1	Nigeria: Country Procurement Assessment Report, Volume I	2000
2	Country Procurement Assessment Report, Volume II	2000
3	Privatization and Commercialization Act	1999
4	The Infrastructure Concession Regulatory Commission Act	2005
5	The Fiscal Responsibility Act	2007
6	The Public Procurement Act	2007
7	Standard Request for Proposal for the Selection of Consulting Firms (Complex Time-Based)	2011
8	FRN (2011). Standard Request for Proposal for the Selection of Consulting Firms (Complex Lump Sum)	2011

Sources: Federal Republic of Nigeria, 2000, 200 2007, 2011, 2011; Dahiru, Abdul'Azeez & Bala, 2013

So far, a number of legislation have been passed in connection to procurement such as the Privatization and Commercialization Act, 1999; the Infrastructure Concession Regulatory Commission Act, 2005; the Fiscal Responsibility Act, 2007 and the Public Procurement Act, 2007. Other regulatory documents that have been circulated include the Standard Request for Proposal for the Selection of Consulting Firms (Complex Time-Based and Complex Lump Sum). Suffice to say then, that projects implementation under the PPP arrangement in Nigeria is governed by relevant policies. For instance, one of the agencies that play a crucial role in overseeing the practice of PPP is the ICRC. This agency came into operation in 2012 and is for setting forth guidelines to promote, facilitate and ensure implementation of Public Private Partnership (PPP) Projects in Nigeria with the objective of achieving better value for money. The ICRC Act therefore seeks to provide for the participation of the private sector in financing, construction, development, operation, and maintenance of public projects through concession or contractual arrangements.

Under the Act, the federal and State Governments can initiate and manage PPPs only that, some state projects may require Federal government guarantee in order to earn confidence of project financiers. The Act provides that, the PPP projects would be initiated by a government Ministry, Department and agency (MDA) who is expected to process the application up to when approval is obtained. The chief role of the government is to provide enabling environment such as making land available, policy framework and granting of incentives. The MDA should also ensure that funds are available especially where counterpart funding is required (ICRC, 2012) but the funds are seldom available which have slowed down the success of PPP in Nigeria.

5.2 The procurement Processes

The need to determine the processes of project procurement under the PPP arrangement led to the study of the ICRC (2012) which is the official document regulating the practice of PPP in Nigeria. The ICRC stipulates nine stages in the procurement of projects as shown in Table 2.

Table 2: Processes of PPP Project Procurement

S/No	Processes
1	Identification and prioritization of the project
2	Obtaining clearance from the National Planning Commission (NPC)
3	Submission of the spending plan to the Ministry of Finance (MoF) and the Debt Management Office (DMO) for appraisal
4	Review of the cost and contingent liabilities of the proposed project by the MDA
5	Inclusion of the accepted spending plan in the budget
6	Approval of the budget by the Legislature
7	Permission to move spending between different budget heads
8	Disbursement of funds to MDAs and preparation and auditing of annual accounts
9	Consolidation of contractual payments under PPP projects into national accounts

Source: Infrastructure Concession Regulatory Commission (2005).

The Act provides nine stages for packaging a PPP project. These include identification and prioritization of the project; obtaining clearance from the National Planning Commission (NPC); Submission of the spending plan to the Ministry of Finance (MoF) and Debt Management Office (DMO) for appraisal; review of the cost and contingent liabilities of the proposed project by the MDA; inclusion of the accepted spending plan in the budget; approval of the budget by the Legislature; permission to move spending between different budget heads; disbursement of funds to MDAs and preparation and auditing of annual accounts. After these are done, contractual payments under PPP projects are consolidated into national account (ICRC, 2012). The acceptability of any PPP proposal by the MoF and DMO is dependent on the credibility of the private partner, ability of the project to attract long term development fund, government priority, expected cash flows from the project and availability of third-party support.

The ICRC Act seems adequate enough to regulate the practice of PPP in Nigeria yet, it is not without flaws. In a critical examination of the ICRC Act, Essia & Yusuf (2013) posited that, the budgets for counterpart funds for PPP projects are in no way different from other capital projects of the MDA; the ICRC Act fail to address the funding challenges faced by PPP projects; it also fails to address the issue of dispute arising in the process of the partnership because it neither has a dispute resolution mechanism nor explains how private investors can be protected in the event of disagreement with MDAs; there is no provision for receiving and examining unsolicited PPP proposal from prospective investors; the Act merely gives approval but is not empowered to package its PPP projects. Hence, they concluded that, the critical institutional platform for nurturing PPP projects to maturity is lacking in Nigeria and the entire institutional architecture for capital budget execution is warped. These suggests the need for improvement as regard the legal framework for PPP in Nigeria so as to empower the public authorities to enter into agreement with the private sector and as well protect the interest of the private sector partners (Dahiru, Abdul'Azeez & Bala, 2013).

Similarly, Onuorah (2014) reported that, there is consensus of opinion that there is room for improvement as regards to the legal framework that need to be put in place so as to empower the public authorities to enter into agreement with the private sector and as well protect the interest of private sector. Major part of the major constraints has to do with absence of guide to public authorities on the procurement of PPP and drafting of contract. Besides, there is the lack of effective dispute resolution machinery.

6. The Implementation of PPP in Nigeria

This section reviews the arrangement for the implementation of PPP in Nigeria with reference to the sourcing for finance for PPP projects, types of projects that can be procured under PPP and the most commonly used PPP model in Nigeria.

6.1 Sources of Funding for PPP projects

Funding remains a key determinant of the success of any development project regardless of the procurement system. The availability or otherwise of development fund makes or mar the success of any project. The study of sources of fund for PPP projects in Nigeria reveals that, most PPP projects are funded by private parties other than the government. Dada, Oyediran & Okikiolu (undated) on the sources of fund for PPP projects in Nigeria and they posited that, most PPP projects in Nigeria are funded by the participants. This shows that, most PPP projects are funded by parties to the projects other than the government. The government therefore is limited to providing enabling environment for the private sector to thrive.

The issue of finance was not properly addresses in the ICRC Act; hence financing PPP projects is extremely difficult as the private sectors are left on their own to fend to project funds. This has not helped the success of PPP because accessing development fund is very difficult to come by especially to the private sector given the weak nature of the capital market. As a result PPP has performed relatively poor. For example, Ibem (2010) reported that PPP has produced a relatively low quantity of affordable housing for the low income earners owing to poor funding of PPP projects.

6.2 Types of projects Procured using PPP.

In Nigeria, PPP has been used in areas such as transportation, water and waste water, education, health, housing, land and area development, information technology, justice/prisons and defense (Dahiru, Abdul'Azeez & Bala, 2013, Onuorah, 2014). The choice of project type depends on the need at hand and the suitability of PPP as a procurement option.

Several researches have been conducted in attempt to determine the areas in which PPP is mostly applied and the success achieved so far. Dada, Oyediran & Okikiolu (undated) reported that, out of 21 projects executed through PPP 14(67%) were housing projects, roads and shops/markets accounted for 3(14%) each while 1(05%) were hospitals. This indicates that, PPP is mostly used in housing projects. This is in line with the provisions of the National Housing Policy 2006 in which PPP was adopted by the government as the recognized procurement option for public housing delivery in Nigeria. This therefore informs why housing takes the lead as the area in which PPP has found most application in Nigeria. Ibem (2010) stresed that, evidences of PPP housing projects are found in other states of the Federation such as Rivers (Trans Amadi Housing Estate),Ogun State (DN, Meyer Housing Estate), Akwa-Ibom Stata (APICO-SA Estate).

Again, in terms of success, PPP has achieved more in housing projects than in other areas. This is supported by Dahiru, Abdul'Azeez & Bala (2013). In their study on measures of enhancing public private partnership for infrastructure development, it was reported that out of 52 construction projects studied, PPP has recorded more success in public housing, land and area development with a mean score of 3.56, transportation 3.54 and education 3.52. This success is attributed to the rate of change and innovation in technology (Onuorah, 2014).

6.3 Model of PPP used in Project Procurement

There is a broad spectrums of possible organizational models under which PPP are typically implemented. Depending on the public sector's requirement and the project characteristics, a variety of different project procurement models can be employed. These models are most often characterized by the degrees of participation and risks allocation between the public and the private partners. This necessitated the investigation into the models of PPP used for project procurement in Nigeria. Related literatures revealed that, the most applied PPP models are the Joint venture and BOT (Dahiru, Abdul'Azeez & Bala, 2013; Onuorah, 2014; Okikiolu, undated). The choice of model is a function of partnership understanding of the concept, the complexity of the model and attitude to risk. In joint venture, responsibilities and risks are shared between parties hence parties prefer to reduce their exposure to risk by adopting less complex arrangements more so that most developers lack the requisite experience in PPP.

7. Challenges and Prospects of PPP in Nigeria

This section examines the challenges and prospects of PPP as an option for procuring building and infrastructure in Nigeria. Discussions are sectioned into three key themes as follows:

7.1 Challenges of adopting PPP as a procurement Option

There is no doubt that PPP has gained global recognition and acceptance as a method of procurement which resulted in a paradigm shift from the usual direct approach to what is obtainable today. Yet, like any other method of procurement, PPP is not without flaws and challenges. These challenges are numerous ranging from the contract arrangement to the implementation of same. Studies have revealed array of challenges bedeviling PPP in Nigeria (Taiwo, 2013; Koleoso, Soyingbe & Alabi undated; Dahiru, Abdul'Azeez and Bala, 2013; Idris, Kura & Bashir, 2013). The studies agree with each other in confirming that corruption and inconsistent government policies are the leading challenges to adopting and implementing PPP in Nigeria. This has become a cog in the wheel of progress in many sectors in Nigeria. This was the position of a survey conducted by Dahiru, Abdul'Azeez and Bala (2013) on the challenges of PPP practice in Lagos. In the findings of this research, corruption and inconsistent government policies and care-free attitudes to government properties ranked among the top three challenges of PPP in Lagos, the commercial centre of Nigeria. In addition, lack of experience in PPP and lack of basic infrastructure were also highlighted as some of the challenges. This therefore shows that, corruption, inconsistent government policies and care free attitudes to government properties are the major challenges to PPP in Nigeria. These problems raise a need for more enlightenment and awareness campaign about the concept and the need for government to do more in the area of providing basic infrastructure.

7.2 Critical success factors of PPP projects

The success of any PPP arrangement depends of the existence certain factors popularly referred to as critical success factors. In other words, the success of any PPP is a function of these factors. Most of these factors are more general in nature than being specific to a particular place. In Nigeria, several studies have been conducted on the factors needed for PPP to thrive. Professionals seemed to agree on issues concerning finance, stable economic condition, good government and appropriate risk allocation as critical success factors. Babatunde, Opawole and Akinsiku (2012) in a study on the critical success factors in public-private partnership in Nigeria, reported that, availability of suitable financier market, sound economic policy and good governance were the most influential critical factors for PPP projects in Nigeria. This therefore shows that, availability of suitable financier, sound economic policy and good governance are critical factors for the success of PPP in Nigeria. This point to the need for stable financial market where development fund will be readily available for private parties to draw from and the government to be committed meaningful development that touché on the lives of the citizens.

7.3 Prospects of PPP as a Procurement option in Nigeria.

PPP has a high prospect of succeeding in Nigeria regardless of the critical success factors above. The success factors cannot be termed as impossible; they are attainable if parties are totally committed to make it work. Koleoso, Soyingbe & Alabi (undated) reported that, there is a general agreement among professionals that government should adopt PPP schemes in order to forestall abandonment and wastage of public buildings and infrastructures. Given the advantages as well as benefits of PPP, it is safe to conclude that government should use the concept for the procurement of public infrastructures in the future while making conscious efforts to make it work through providing the enabling environment as enshrined in the ICRC Act.

8. Conclusion and Recommendations

The preceding discussions clearly indicate that there are no adequate legislations to govern the practice of PPP in Nigeria and the limited available ones are full of flaws thereby making them unworkable hence giving room for sharp practices by parties in the PPP arrangement. Regarding housing and public infrastructure procurement, it has been observed that government authorities have limited their role only to providing land and policy framework. In some instances, government authorities have been found to negate their own part of PPP agreement thereby affecting the success of the projects being procured. Furthermore, the process of procurement is too cumbersome and approval of budgets for counterpart funds for PPP projects are in no way different from other capital projects of the MDA. This has resulted to delays in obtaining approvals due to administrative bottlenecks.

Under Nigeria's PPP Act, 2007, there are provisions for counterpart funding by the government but the funds are seldom available and this has made participants to rely on funds from other sources. This problem is greatly affecting the funding of PPP in Nigeria. The bulk of the PPP projects are in the area of housing, and because government authorities are often unwilling to counterpart the funding, this has resulted to the use of a less complex and riskless arrangements such as the Joint Venture Model of PPP. As noted earlier, the major challenges bedeviling the practice of PPP in Nigeria are corruption, inconsistent government policies and care free attitudes to government properties. Lack of basic infrastructure, lack of experience in PPP and high cost of social amenities were also highlighted. The top three critical success factors for smooth practice of PPP in Nigeria are availability of suitable financier, sound economic policy and good governance. Worthy of mention also were strong political support and the need for sharing authority between the private and public sector. PPP has a prospect of success in Nigeria if the right things are done right and efforts are concentrated on the positives rather than the negatives.

In view of the problems affecting the practice of PPP in Nigeria, the following recommendations are offered for the its improvement: one, the process of procurement should be streamlined / simplified and concerted effort should be made by governmental agencies towards eliminating the administrative bottle-necks delaying the approval of PPP projects as well as the counterpart budgets. Two, a well-functioning and workable regulatory framework should be provided for the purpose of promoting PPP both at the Federal and State levels. Third, government in Nigeria should go beyond provision of land and enabling environment to provision of basic urban infrastructure as this will increase the level of infrastructure thereby reducing the cost of same. Four, there is the need to guard against incessant policy changes by formulating long term policies in support of PPP in order to boost the confidence of stakeholders to participate in PPP projects. Five, efforts should be made towards improving transparency in PPP arrangements by providing workable evaluation mechanisms so as to eliminate corruption in PPP practice in Nigeria. Six, there is the need for the creation of a sustainable long term financing mechanism dedicated for PPP projects so as to facilitate access to long term funds by developers. Seven, Government should create an accessible data bank on stakeholders' experience in PPP in order to educate partners and to facilitate quicker assimilation and dissemination of best practices among stakeholders. Finally, adequate consideration should be given to the identified critical success factors by both parties (public and Private) to ensure successful implementation and to boost the prospects of PPP as a procurement model.

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