

Barriers in the Private Partner Identification Process: A Case of the Uganda Police Accommodation Project

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Purpose: The study explores the barriers in private partner identification process for public private partnership (PPP) projects in Uganda with specific reference to the Uganda Police Force (UPF) PPP accommodation project. **Methodology:** The study employs a case study design adopting a qualitative approach. The population included Uganda police stakeholders, national public private partnership unit (PPPU), senior government procurement practitioners, procurement specialists, private partner and consultants. Data were collected using key informant interview method and were analyzed using content analysis technique. **Results:** There were inception related barriers to partner identification in the UPF-accommodation project; weaknesses in development of a business case; constrain to constitute a technical team to plan, coordinate, evaluate and report at each stage of the project, inadequate political oversight, absence of pre-feasibility or market research studies to inform PPP decision making. Secondly, there were significant tendering related barriers notably development of specifications, absence of standardized PPP procurement documents and procedures and lack of an established criteria for partner evaluation, lengthy procurement processes, high costs of bidding on the side of the developer, unclear government position on guarantees, changes in design and specifications, as well as communication gaps. **Conclusion:** The data were gained from the police project team, procurement practitioners, PPP policy officials, private developers and the literature review revealed a number of barriers which were clustered as inception and tendering barriers in respect to the study. **Recommendations:** To expedite the PPP partner identification process in Uganda, the study recommends demonstrated political commitment, support to creation of local financial markets, and building local capacity as strategic interventions regarding PPPs generally. The study also recommends active stakeholder engagement, development of clear specifications, phased approach to accommodation projects under PPPs, early project marketing, and staff training in PPP operation and benchmarking PPP best practices regionally and globally. The study further recommends application of appropriate risk allocation and designing projects which are technically and financially viable. **Originality/Value:** The study provides PPP national policy enhancement to facilitate identification of private partners for infrastructure PPPs. The recommendations also enhance the role of the procurement function in contributing to partner identification and the terms and conditions for the PPP cycle. **Limitations:** Data were collected using only one method, key informant interviews. Use of other complementary data collection methods would facilitate triangulation of the study findings and enhance the quality of the study findings.

Keyword: PPP in Uganda, infrastructure private financing, public procurement

Introduction

Global Interest in Public Private Partnerships (PPPs)

On a global perspective, governments in both developed and developing countries have since 1990s adopted PPP as an initiative designed to improve cost effectiveness and efficiency. PPP modality emerged as one of the major approaches for delivering infrastructure projects in the recent years because of benefits to the public like, alleviating the financial burden on the public sector due to rising infrastructure development cost, allowing appropriate risk transfer to the private sector, increasing the Value for Money (VfM) by providing more efficient low cost and reliable services (Kwak, Chih, & Ibb, 2009). According to Muhammad, Sik, Johar, and Sabri (2016), Sub-Saharan Africa represented a 5% of projects cancelled or under distress in PPP infrastructure projects from the period 1990-2011. Eastern African countries faced with infrastructure financing deficit have for the last two decades sought use of PPP in the development of public infrastructure with mixed experiences of success and failures (World Bank, 2007).

PPPs in Uganda

In Uganda, the move towards allowing private participation started in the 1990s, however the real interest began in the mid-2000s when a PPP policy and conceptual framework were developed by the Ministry of Finance Planning and Economic Development (MoFPED) to guide the use of PPP in the country. The PPP policy was to be strengthened by an enabling law that came into force in August 2015. Uganda being a developing country encounters some shortcomings in PPP management and common among which is the difficulty in finding competent private firms for partnership. Even where the private firms exist, funds to engage them are not readily available. The administrative issues in deciding which firm to offer the PPP contract to manage and operate a public facility or put simply the red tape involved in identifying providers are also of concern (Ndandiko, 2007). PPP in many developing countries including Uganda still fail to enlist partners (Zougari, 2003) due to a set of barriers not well known to the stakeholders. Although, Klijn and Teisman (2003) point out that the challenges to develop partnerships lies in a combination of three factors namely, complexity of actor composition, institutional factors, and the strategic choices of public and private actors, this study was interested in exploring the barriers to partner identification related to project inception and tendering management with specific focus on the Uganda Police Force (UPF) PPP accommodation project.

The UPF Accommodation PPP

The UPF is faced with both office and staff accommodation challenges necessary for provision of police services and crime management. The Force accordingly undertook to use PPP to develop suitable and sustainable living accommodation in the form of family barracks and training facilities for its staff to be able to perform its mandated functions. The PPP process was sought to be a powerful tool which due to the nature and size of this project, would maximize the benefits for growing the Ugandan economy, as it introduces private sector capital and private sector practices and efficiencies, while promoting competitive markets and facilitating innovation. PPP was also sought to offer the UPF a solution which offers “VfM” and was expected to be “affordable” (UPF Accommodation Project status report, 2017).

Requests for proposal (RFPs) were issued to five firms that expressed interest and given a period of four months to submit technical, financial and project management proposals. Only two firms submitted proposals

and only one qualified to submit financial and technical proposals. Although the timelines in the RFP anticipated that the evaluation and selection of preferred bidder would be complete by October, 2011 and contracts signed by February, 2012, no partner has been selected and no awarded contract (UPF Accommodation Project status report, 2017). The management of the police force then considered the option of re-advertising the packages to attract fresh set of partners to address its accommodation problem. Still there was no success in the process. The study therefore set out to establish the barriers in the partner identification in PPP projects and specifically the UPF serviced accommodation project with a view of recommending critical success factors for PPP projects in Uganda regarding inception and tendering. The study objectives were to identify inception and tendering related partner identification barriers in the accommodation project and suggest success factors in overcoming the barriers in partner identification process of PPP projects in Uganda.

Literature Review

PPP Concept and Forms

PPP in general terms, could be defined as a long-term contractual relationship between a public and private sector, which is usually characterized by having features, such as bundling of functions, exchange of resources, shared responsibility, risks and rewards, and is arranged with the aim of providing a public service/asset (Meidute & Paliulis, 2011). According to Farquharson, De Mästle, Yescombe, and Encinas (2011), they can be simply grouped into Design, Build and Operate (DBO), Design Build Finance and Operate (DBFO) and Build Own and Operate (BOO) and Build Own Operate and Transfer (BOT) depending on the level of public/private involvement as illustrated below (Figure 1).

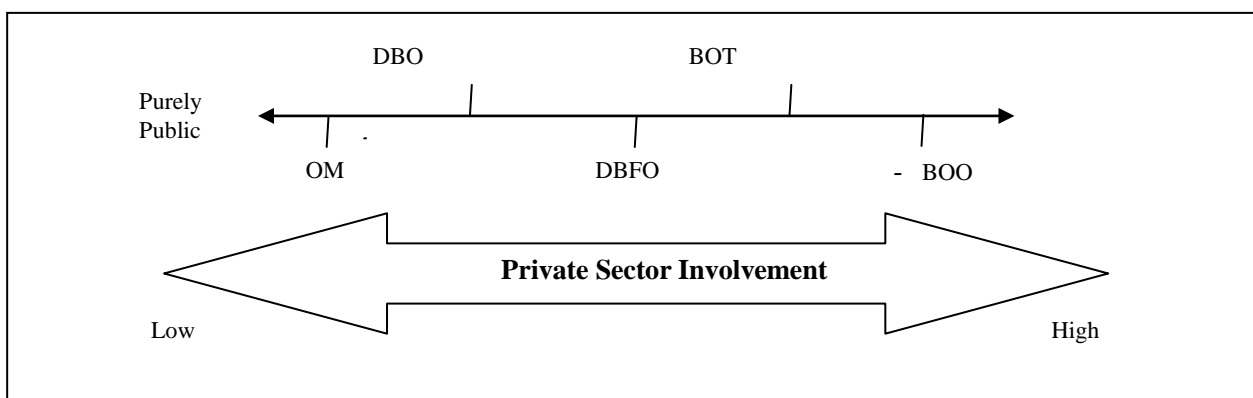


Figure 1. Continuum of main known and key forms of PPPs.

(Source: Kwak et al., 2009).

Common forms of PPPs include management support where the private operator provides the public authority with human and technical resources for a fee. It provides technical know-how on all operational and financial aspects of project management remaining within the jurisdiction of the public authority. The operation and management (O&M) is where the private operator is in charge of daily maintenance of the facilities. The private operator is paid for their services by the public authority according to specific and qualified performance criteria (Akintoye, Beck, & Hardcastle, 2003; Wettenhall, 2007). Under DBO, the public authorities entrust the private operator for a fixed period of time with design, construction and

operation of new facilities which remain the property of the public authorities. The private operator assumes the risks linked to design and management of the facility. It is paid a fee by the public authorities and commits to an overall cost for the facility's construction and operation. BOT is where the private operator designs, finances and builds infrastructure. While formal ownership of the assets is assigned to the government, the private sector operates the project long enough to service any debt incurred and to earn a suitable return. The BOO arrangement is in contrast to the BOT case, the private investor retains ownership and control of the project (Wettenhall, 2007).

Inception Related Barriers in PPP Modality

A review of the existing literature on challenges revealed the nature of construction PPP to be marred with perceptual risk and Chan, Lam, Chan, Cheung, and Ke (2010) specifically focused on private sector related factors and observed that the private sector may not engage in PPP due to insufficient techniques and financial capability in building and operating the public assets. Rwelamila, Fewings, and Henjeweale (2012) however focused on the public sector and noted that the public as the principal stakeholder in PPP are often marginalized and substituted by subsequent delegated agents. Consequently, the general public had developed a healthy sceptism about the effectiveness, major shortfall in expected outcomes, VfM and affordability of such projects to the extent of frustrating prospective bidders' participation. Li, Akintoye, Edwards, and Hardcastle (2005) and Liu and Wilkinson (2011) report lack of PPP/PFI experience and appropriate skills exist not only in the public sector but also in the private sector. Chan et al. (2010) identified political risk contingent on any project including public opposition and legislative restrictions on involving the private sector in the provision of infrastructure projects while Kwak et al. (2009) note that lack of appropriate standard project procurement frameworks and poor project definition and articulation of client's requirement at the tender stage lead PPP transactions to be both lengthy and expensive.

Tendering Related Barriers

According to Marique (2013), at the heart of complex construction projects, there is a tension between competition and cooperation, which is reflected in the interplay between transparency and trust. Transparency understood in an extensive sense as a duty to inform, to provide access to information and to justify public decisions, is then a means to pursue competition, VfM and non-discrimination. The construction procurement (Hibberd, 2010) notes the need for transparency for central institutions as they seek to control PPPs and for individuals wanting to challenge these same PPPs. It is therefore necessary that management ensures transparency in the tendering process through the PPP project life. Van der Kamp (2008) in complement identifies the low motivation of the private sector to engage in PPP and pointed out that once perceived costly and uneconomic and the appeal to the private sector even with compensation would be difficult to bring the desired private partner on board.

Critical Success Factors (CSF) for Private Partner Identification Practices in PPP

Mladenovic, Vajdic, Wundsch, and Emeljotov-Salaj (2013) defined CSFs in PPP as the factors of considerable influence which are closely related to the success of PPP and may be classified into strategic and operational perspectives.

Strategic CSF

The use of national or central PPP coordinating mechanism is instrumental and Jefferies and McGeorge

(2006) reported that prior to 2008, PPP activities in Australia for example were mainly undertaken at state level in accordance with individual policy settings and guidelines but in 2008, a central institution, Infrastructure Australia, was set up to coordinate PPP activities at federal level. A national framework of policies and guidelines has been published, enabling a consistent approach towards PPPs across states. Liu and Wilkinson (2014) noted that a central coordinating authority, the National Infrastructure Unit (NIU) in Australia was set up within the Treasury in 2009, acting as a center of excellence for PPP programs. A number of policies and guidelines on PPPs have been published by the NIU, including the Guidance for PPP Projects in New Zealand, Draft PPP Standard Contract amongst others.

Operational CSFs

Mladenovic et al. (2013) identify project related CSFs to include detailed project planning and evaluation. In addition, Ibrahim, Price, and Dainty (2009) recommend establishment of a procurement process map that shows clear information flows, deliverables, approval and review points, and that identifies the roles and responsibilities and the appropriate skills mix that are required to satisfy each of the process stages at both strategic and operational levels. Selection procedure of private partner has been identified as an important factor by Chan et al. (2010) in BOT partnerships.

Zou, Wang, and Fang (2008) identifies transparency of the process, competitiveness of the bids, technical capability of the bids, developers' return commensurate with risks, credit enhancements, effective procurement, appropriate risk sharing and management. Mladenovic et al. (2013) further recommend use of competitive and efficient procurement process, appropriate risk allocation, project economic efficiency, capable public and private partners, and professional relationship between stakeholders.

Toor and Ogunlana (2009) recommend that large-scale construction PPPs need a very careful and thorough planning before the actual execution and then control while project is underway to ensure that client expectations are clearly stated in the invitations for expression of interest. The use of constant communication between the prospective partners to manage ambiguities and information gaps is vital.

Ho (2008) proposes a possible bid compensation system by the government in which the second-best bidder is paid a compensation fee to cover its bid preparation costs as it helps to attract bidders to bid anyway due to the appealing compensation. Babantunde, Opawole, and Akinsiku (2012) identify nine CSFs in PPPs in Nigeria to include competitive procurement process, thorough and realistic assessment of the cost and benefits, favorable framework, appropriate risk allocation and risk sharing, government involvement by providing a guarantee, political support, stable macroeconomic condition, sound economic policy and availability of suitable financial market. In support of the need for stakeholder's engagement, Savage et al. (2010) advocate for multi-stakeholder networks to extract the essence of collective concerns without exclusion of significant groups. Zou (2013) recommends benchmarking PPP best practices to cover key aspects of inception, scheme sizes, procurement process and key performance indicators, assessment processes and whole-life costing, auditing, VFM parameters, definitions and extent.

Methodology

The study employs a case study design adopting a qualitative approach. The population included UPF accounting officer, heads of user department, project team of UPF, public private partnership unit (PPPU), assistant commissioner procurement, principal procurement officers, senior procurement officers,

procurement officers, procurement specialists, and private partner and consultants who were purposively selected. Data were collected using semi structured interviews, which were first pretested on three respondents and adjustments made to enhance its validity. From the pilot exercise adjustments on the clarity of the interview questions were made with the view of retaining instrumental questions. A total of 16 interviews were conducted with the PPP stakeholders and the data were analyzed using a deductive content analysis technique.

Results

Inception Related Barriers

The first objectives of the study sought to establish the inception related partner identification barriers in the UPF serviced accommodation PPP project. Respondents were asked to give their experiences on PPP inception related barriers in the UPF housing PPP. Themes and subthemes from the interviews were identified and are tabulated in Table 1 below.

Table 1

Inception Related Partner Identification Barriers

<i>Development of business case</i>	A	B	C	D	E	F	G	H	I	J	K	L	N	O	P	Q	Freq.
1. The definition of the nature and model of PPP	X			X	X	X	X		X	X		X	X		X	X	11
2. The absence of pre-feasibility or market research studies to inform PPP decision making		X	X	X		X	X	X		X		X		X			9
3. Stakeholders understanding of PPP operations and processes	X		X		X				X				X	X	X	X	8
4. Establishing realistic PPP needs							X			X		X	X			X	5
5. Unattractive packaging of PPP offers		X		X		X									X	X	5
<i>Forming team-technical expertise</i>																	
6. Inadequate internal technical expertise to manage PPPs	X	X	X	X		X		X		X		X	X	X	X	X	12
7. Lack of local private sector capacity to engage in PPPs		X	X	X	X	X	X		X		X		X		X		10
8. Low capacity of PPPU to manage PPPs	X	X					X		X					X		X	6
<i>Political approval</i>																	
9. Complex legal requirements to be fulfilled	X	X		X		X		X		X		X		X	X	X	10
10. Initiation of PPP without an enabling law and regulations		X	X		X		X		X		X		X		X		8
11. Executive interference with technical decisions				X	X		X		X				X	X			6
<i>Market testing and feasibility</i>																	
12. Absence of successful local PPPs to learn from	X	X	X	X	X	X		X	X	X		X	X	X	X	X	14
13. Unrealistic allocation of risks in the PPP	X				X		X		X		X	X	X	X	X	X	10
14. Reliance on predetermined positions			X			X	X			X	X	X		X	X		8

Development of Business Case

Table 1 above showed that among the inception related barriers, a major theme of development of business case was identified. A sub-theme in the development of business case was the definition of the nature and model of PPP ($n = 11$) as a barrier in partner identification. The definition challenge themes are substantiated in the following verbatim from the key informant L, a UPF officer:

“There was uncertainty in what the police management wanted as the initial idea was to construct a police headquarters to accommodate the metropolitan police offices. However, in one meeting, the idea of using PPP was tabled by one senior officer in the police command that broadened the project to include accommodation without adequate feasibility study.”

Table 1 above equally showed that the absence of pre-feasibility or market research studies to inform PPP decision-making ($n = 9$) was a very significant barrier to police accommodation PPP partner identification. In the words of one policy level respondent A:

“PPPs in Uganda are not based on well-informed information solicited from the market research. I have observed that the few efforts to use PPPs in the country, market search is not adequately done. For example, there was no effort to benchmark with National Housing and Construction Corporation (NHCC) on cost of single unit of a house in the police accommodation PPP project which should have guided the development of an attractive business case to attract investors.”

Table 1 findings further showed that stakeholders understanding of PPP operations and processes ($n = 8$) was a significant inception related barrier. Interviewee D at a policy level put it:

“PPP is a new concept and tends to be mixed with the traditional procurement. This has resulted into poor preparations at inception stage.”

In complement, interviewee N a police officer who was on the planning team of the UPF accommodation PPP had this to say on the police accommodation project:

“Most prospective bidders do not understand what PPPs are and how they operate. This resulted into low interest among the local developers to venture in the police accommodation PPP as some would have wished ultimate life ownership of the projects. Appreciating the ideas of BOT business model was not understood by local real estate developers yet those who understood it shied away.”

A significant barrier in partner identification as indicated by the respondents in Table 1 above was the unattractive packaging of PPP offers ($n = 5$). This is supported by the verbatims of interviewee P:

“Packaging of the areas for development was a problem as some lots appeared unattractive for development. The feasibility study recommendations were too broad to implement. Two models were recommended for the two packages; one was a swap of land with the private party and the other package was to follow a model that requires unitary payments. Both were complex and required human skills and as well as financial resources and to be implemented at the same time.”

Forming Team-Technical Expertise

A major theme of lack of technical expertise was identified from the interviews. Table 1 showed that inadequate internal technical expertise to manage PPPs was a prominent barrier ($n = 12$). In the words of one interviewee H at the policy level:

“Lack of technical capacity is a standard problem here in Uganda. The capacity of local investors is equally low. Because of the PPP professional capacity gap which is acknowledged by many stakeholders, we tend to rely on internationally outsourced technical transaction advisors who are not only expensive but find a problem of reconciling the cultural differences with our national procurement culture.”

Lack of local private sector capacity to engage in PPPs was a significant barrier in partner identification

($n = 10$) and low capacity of PPPU to manage PPPs ($n = 6$).

In the verbatim of interviewee O, a procurement professional:

“At the inception of the police accommodation PPP and many others, there was no central point where PPP ideas are coordinated especially on needs, financial aspects, research, and technical guidance. The dysfunctional nature in identification of project need created a situation of moving one step forward and two steps backward due to lack of integrated PPP planning.”

Political Barriers

Political barriers were identified in the interview as one of the barriers that served to constrain partner identification in the UPF accommodation PPP project. These ranged from complex statutory/legal conditions to be fulfilled ($n = 10$), initiation of PPP without an enabling law and regulations ($n = 8$). To support the indirect in-house political barriers, one procurement professional interviewee Q retorted:

“There is indirect in-house interference in technical decisions, especially at budget/resource allocation where political interests override PPP interests. Government guarantee to recover costs before and after contract is operational is a sensitive matter to most prospective bidders who front it even before negotiations.”

Another interviewee B at the policy level observed:

“The delayed PPP legislation created a lacuna in the PPP operation. The current PPP Act 2015 as it stands only covers the public sector with no consideration of the key PPP areas, such as public sector, procurement professionalization. Furthermore, the PPP Act was also developed from the Privatization law and may therefore not be good enough to address the PPP operations. There is a mix of which law to guide the PPP processes as some implementers still rely on PPDA Act 2003 since the PPP Act is not popular among user department staff and accounting officers.”

Market Testing and Feasibility

The last subtheme at inception as indicated in Table 1 was the failure to conduct a market testing and feasibility study to guide decision making. Subthemes included absence of successful local case to benchmark with ($n = 14$), unrealistic risk location ($n = 10$) and reliance on predetermine positions ($n = 8$). The market and feasibility barrier are supported by the verbatim of interviewee A at the policy level who noted:

“Feasibility studies are constrained by the absence of successful local PPPs to learn from especially on forecasting costs at the inception stage. Besides, the credit rating of Uganda, i.e., its capacity to meet its commitments has dropped from BB to B. This scares and discourages international investors who then choose to ask for high interest rates.”

Interviewee P a procurement professional had this to say:

“Feasibility studies are done but their recommendations are not fully implemented due to misgivings on the outcomes and recommendations of the feasibility study.”

Tendering Related Barriers in PPP Partner Identification

The second objectives of the study sought to establish the tendering related partner identification barriers in the UPF serviced accommodation PPP project. Respondents were asked to give their experiences in PPP tendering related barriers in the UPF housing PPP. Themes and subthemes from the interviews were identified and are tabulated in Table 2 below.

Table 2

Tendering Barriers in UPF Accommodation PPP

<i>Procurement criteria</i>	A	B	C	D	E	F	G	H	I	J	K	L	N	O	P	Q	Freq
1. Development of Specifications for the PPP	X	X	X	X	X	X	X	X		X	X	X	X	X		X	14
2. Absence of standardized PPP procurement document/procedures		X	X	X		X		X		X		X		X	X	X	11
3. Lack of clearly established criteria for partner evaluation	X		X		X		X		X		X		X		X		8
<i>Prequalification of bidders</i>																	
4. Lengthy procurement processes	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	16
5. High costs of bidding on the developer	X		X				X			X		X	X	X		X	8
6. Lack of technical expertise to develop responsive bids among local and foreign firms		X			X	X		X			X		X			X	7
<i>Negotiations</i>																	
7. Government position on guarantees			X	X		XX		X	X		X	X		X	X		9
8. Changes in design and specification	X			X	X		X		X	X			X			X	8
9. Communication breakdown in the entire process				X		X		X			X		X			X	7

Note. Source: primary data.

Table 2 findings showed that the development of Specifications ($n = 14$), absence of standardized PPP procurement document/procedures ($n = 11$), and the lack of clearly established criteria for partner evaluation ($n = 8$) were very significant procurement criteria barriers to partner identification. The procurement criteria barriers are supported by the verbatim of interviewee B at the policy level who noted:

“At the initiation of the police accommodation PPP project, the PPP law and regulation had not been developed. We therefore relied on the PPDA Act, 2003 which in itself has limited information on PPPs. Whereas the PPDA authority had come up with various standards for public procurement of works, such as UNCTRAL, FIDIC, their use to guide partner identification in PPP were found to be appropriate given the uniqueness of PPPs.”

Interviewee L, a procurement professional noted:

“There was no predetermined criterion for identification of the partner that UPF with the help of the transaction advisor resorted to developing a rough document roughly stating the housing interest and lots from which the private developer was to develop personal technical designs and a suitable PPP approach. It was from the bid responses that we started to identify the relevant concepts that would be used to develop an evaluation criterion something contrary to the normal procurement laws.”

Table 2 shows a theme of prequalification of bidders tendering related challenge with subthemes of lengthy procurement process ($n = 16$), perceived high bidding costs ($n = 8$), and lack of technical expertise to develop responsive bids ($n = 7$). In the words of interview E a procurement official:

“A few partners would stand the lengthy/pro-longed procurement process in the PPPs as time wasted in indecisive procurements, administrative reviews or process complaints are a cost to an investor.”

Interviewee C at the PPP policy level had this to say:

“The financing ability of local financial institutions is still low and for private developers who had indicated local banks for financial guarantees were automatically dropped as no local banks by Central Bank regulations can guarantee financing above 10 million dollars.”

Interviewee E from UPF implementation team observed:

“Locally, middlemen tendered their interest with the view of developing consortia but did not have technical expertise to develop responsive bid proposals leading to their pulling out. Even when a second chance was given to bidders for some lots to improve their proposals, still a lot was missing in their documents.”

Negation was identified as key theme related to tendering and was manifested in government position on guarantees ($n = 9$), changes in design and specification ($n = 8$), and communication breakdown ($n = 7$). The negation these are substantiated with the verbatims of interviewee C, a policy level stakeholder noted:

“Lack of financial guarantee has to a great extent compromised the quality of PPPs in the country as cheap sources of funding are sourced, e.g., from WB, IMF, KOIKA, IDB, China Bank (EXIM) etc, the problem is that before government secures such guarantees the developer will not commence the works.”

On changes in design interviewee I, a police officer on the negotiation team put it:

“The choice of the form of PPP contract in the police PPP was a problem at negotiation as initially the force wanted a police headquarters, which later expanded to include unattractive serviced units and a commercial aspect for the partner to recover the investment. The repackaging of lots contrary to what the transaction advisor came up with for example removing some lots from the tender list led to protracted negotiations.”

Inception Related Barriers

The third objective of the study related to establishment of CSF for PPP partner identification. Ten critical success factors categorized under strategic, operational and projected relate themes were identified from the interviews and are tabulated in Table 3 below.

Table 3

CSF

<i>Strategic</i>	A	B	C	D	E	F	G	H	I	J	K	L	N	O	P	Q	Freq
1. Political commitment	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	15
2. Available financial markets	X	X	X	X	X	X		X	X	X		X		X	X	X	14
3. Local capacity building	X	X	X	X	X	X	X	X	X		X		X		X		12
<i>Operational</i>																	
4. Stakeholder engagement	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	16
5. Phased approaches of the PPP e.g. start with pilot project and draw lessons.	X	X		X	X		X	X	X	X		X	X	X	X	X	13
6. Intensive project marketing to inform and attract investors.	X	X		X			X		X	X		X	X	X	X	X	11
7. User training in PPP	X			X		X	X	X	X	X	X		X	X	X		11
<i>Project</i>																	
8. Project technical & financial feasibility assessment	X	X	X	X	X		X	X	X	X		X	X	X	X	X	14
9. Appropriate risk allocation and sharing	X	X		X					X	X			X		X	X	9

Note. Source: primary data.

Strategic CSF theme related to need for political commitment by the executive ($n = 15$), government promoting access to local and international financial markets ($n = 14$), and building of PPP local capacity ($n = 12$). In the verbatim of interviewee from UPF:

“Political commitment is vital since PPP projects are long-term commitments that need the sitting government support and how the developers will recoup the high capital invested in the development of the infrastructure. The fact that PPPs are heavy capital investments, they attract huge contingent liabilities that can only be guaranteed by the state. Similarly, political commitment is vital in market sounding and publicity of the PPP project opportunities by the executive. The use of international conferences or trade expos tailored to marketing of PPPs in the country has been instrumental in attracting partners in South Africa and Rwanda.”

Interviewee C, a PPPU noted:

“Developed economies have made special PPP funds to lend companies that venture in PPP project worldwide. For example, China created EXIM Bank which finances state owned enterprises for offshore infrastructure development projects. The availability of low interest rate loans from EXIM bank has enabled Chinese firms have become very competitive in PPPs locally and internationally.”

Operational CSF theme related to the need to actively engage primary and secondary stakeholder ($n = 16$), use of phased approach being with project to draw lessons ($n = 13$) and intensive project marketing to inform and attract investors ($n = 11$). In the verbatim of interviewee, A at PPP policy level:

“Many PPPs in Uganda have failed due to low involvement of grass-root parties, community, district, regional and national stakeholders. The participation of stakeholders at inception, planning, and implementation is vital in harnessing the support of key stakeholders. The police PPP needed to involve many stakeholders, like landlords/owners, government and professional agencies.”

On use of a phased approach interviewee O from UPF observed:

“PPP is a new phenomenon and the police accommodation project is the first of its type in the country. Starting with a smaller pilot housing project would have generated lessons for PPP project inception, partner identification process and contract management.”

Project CSF theme related to conducting adequate project technical & financial feasibility assessment ($n = 14$) and appropriate risk allocation and sharing to developer and government ($n = 9$). The project related considerations need to be considered future projects to foster identification of responsive PPP partners.

Discussion

One of the critical barriers to PPP partner identification is associated with inception and tendering processes inadequacies. At inception for example the inadequate PPP pre-feasibility study that should ideally produce preliminary information to guide initial decision-making on the PPP interventions. A review of different developing country experiences by The World Bank (2007) equally notes that, most PPP failures can be attributed to inadequate or non-existent feasibility studies, including unrealistic forecasts and inadequate public participation and contributions to PPPs. This study inferred that the country will continuously face adverse effects of uncertainty, poor envisioning, and inadequate development of project standards in PPP partner identification due to failure to identify PPP partners if no effort is undertaken to conduct prefeasibility studies for future PPPs.

Barriers to PPP Partner Identification

The study identifies inception related barriers to partner identification in the UPF-PPP accommodation project associated to weaknesses in development of a business case; constrain to constitute a technical team to plan, coordinate, evaluate and report at each stage of the project, at project inception; inadequate political

oversight, absence of pre-feasibility or market research studies to inform PPP decision making. This study finding on inception barriers has been pointed out from previous studies. A review of different developing country experiences by The World Bank (2007) equally notes that, most PPP failures can be attributed to inadequate or non-existent feasibility studies, including unrealistic forecasts and inadequate public participation and contributions to PPPs. Li, Akintoye, Edwards, and Hardcastle (2005) had earlier identified lack of PPP/PFI experience in both the public and private sectors.

The study finds significant tendering related barriers notably development of specifications, absence of standardized PPP procurement documents and procedures and lack of established criteria for partner evaluation, lengthy procurement processes, high costs of bidding on the side of the developer, government position on guarantees, changes in design and specifications and communication gaps. Previous studies, such as Kwak et al. (2009) equally point out the lack of appropriate standard project procurement frameworks and poor project definition and articulation making PPP transactions to be both lengthy and expensive. Success of PPP partner identification will depend on the extent to which the government of Uganda puts in place guidelines or standards for specific PPPs; a view supported by Eaton et al. (2007) who recommend that the legal framework should emphasize standardized documentation to guide the development of public physical infrastructure using PPPs.

CSFs

Strategic CSF for partner identification according to this study included, identified political commitment, available financial markets and local capacity building. Previous studies have identified the following factors of appropriate risk allocation, savings and need for finance, favourable legal framework, political support, strong private consortium, available financial market, stable economy, transparent and competitive procurement process, thorough feasibility and assessment study, and opportunities for innovation (Li et al., 2005; Jefferies & McGeorge, 2006; Toor & Ogunlana, 2009).

Identified operation CSF included stakeholder engagement. In support of the need for stakeholders engagement, Savage et al. (2010) advocate for multi-stakeholder networks to extract the essence of collective concerns without exclusion of significant groups. Toor and Ogunlana (2009) recommend the use of constant communication between the prospective partners to manage ambiguities and information. Devising means to reduce risks so as to attract investors was also suggested as key success factor a view supported by Montiero (2010) who advises that risks should be monitored during the life-cycle of the project for effective PPP project risk management.

Identified project related CSF in declining order included appropriate risk allocation and sharing, project technical feasibility, financial viability and adequate project cost benefit analysis. The study findings are supported by Hardcastle, Edwards, Akintoye, and Li (2006) who identify project technical viability and financial attractiveness as CSF in PPP projects. The World Bank (2007) equally recommends planning, financial profitability and sustainability of PPPs, avoidance of mega-projects from the outset to test the market and reduce the risk to the private sector.

Conclusions

The study concluded that the failure to identify responsive PPP partners could be traced from inception gaps in the development of business case, formulation of technical team, political support. The study inferred

that the failure to gain a responsive PPP partner in the UPF accommodation project was widely associated with inadequacies in the procurement criteria and a low negotiating power.

Recommendations of Study

To expedite the PPP partner identification process in Uganda, the study recommends that there are strategic, operational CSFs and project related intervention that will ensure successful use of PPP in partner identification for infrastructure development not only for the UPF accommodations but also for future related PPPs. Table 4 shows the level of action, required actions, responsibility centers, expected outputs and propose timelines. Future research could also be on the effectiveness of PPPU in Uganda in guiding entities in identifying private partners.

Table 4

Summary of Recommendations and Action Plan

Action level	Required action	Expected output	Responsibility center
Strategic	1. Political commitment	Developed sector wide PPP master plan Budget allocations dedicated for PPP projects	Cabinet of Uganda Central PPPU
	2. Development of financial markets	Local Development finance institutions PPP fund	Cabinet of Uganda Development partners Private sector. Central PPPU
	3. Local capacity building	Deliberate Training Program on PPP	Civil Service College of Uganda Higher education institutions and National Curriculum development center
	4. Benchmarking	Benchmarking reports and dissemination plans Benchmark implementation plan	Central PPPU Responsible entities
	5. Stakeholder engagement	Stakeholders map for each project. Stakeholder engagement reports	Entity project teams Central PPPU
Tactical	6. Specification for PPP projects	Guidelines on out-put specifications	Entity project teams Central PPPU
	7. Project marketing	Project marketing policy & Plan	Central PPPU responsible entities
Project	8. Communication	Quarterly reports on initiated PPPs Interim reports on PPP status	Project teams Central PPPU Accounting officer
	9. Design/packaging	Technical feasibility reports Financial viability report	Central PPPU Responsible entities

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