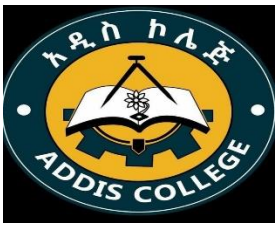


SCHOOL OF POST GRADUATE, DEPARTMENT OF CONSTRUCTION TECHNOLOGY AND MANAGEMENT

# Assessment on Public private partnership implementation driving factors and framework development for public building projects in Addis Ababa.

Prepared by Alemayehu Ido

Advisor; Bahru Bewuket (PhD) Assistant Professor

August 2023 Addis Ababa, Ethiopia

ADDIS COLLEGE**,** SCHOOL OF POST GRADUATE,

DEPARTMENT OF CONSTRUCTION TECHNOLOGY AND MANAGEMENT

# Assessment on Public private partnership implementation driving factors and framework development for public building projects in Addis Ababa

Prepared by Alemayehu Ido

A thesis submitted to Addis College School of post Graduate in partial fulfillment of the requirements for the Master of Science in Construction Technology and Management.

August 2023 Addis Ababa, Ethiopia

# DECLARATION

I hereby declare that this thesis entitled, **"Assessment on Public private partnership implementation driving factors and framework development for public building projects in Addis Ababa".** It was composed by myself, with guidance of my advisor, that the work contained herein is my own except where explicitly stated otherwise in the text, and that this work has not been submitted in whole or in part for any other degree.

Name: Alemayehu Ido Benti

Signature: _____

Date: _____

August 2023 Addis Ababa, Ethiopia

# STATEMENT OF CERTIFICATION

This is to certify that Alemayhu Ido has carried out his research work entitled "**Assessment on Public private partnership implementation driving factors and framework development for public building projects in Addis Ababa".** This work is original in nature and is suitable for submission for award of a Master of Science in Construction Technology and Management

Advisor: Bahru Bewuket (PhD) Assistant professor _____ _____

Name signature Date

August 2023 Addis Ababa, Ethiopia

# APPROVAL PAGE

The following examiners have approved this MSc thesis entitled with **"Assessment on Public private partnership implementation driving factors and framework development for public building projects in Addis Ababa"** after the presentation session.

Date of presentation: 22/12/2015

Advisor

1. Bahru Bewuket (PhD) assistant Professor _____ _____
   Name signature date

Members of the examining board:

1. Chairperson: Mr. Belayhun Tensay (MSc) _____ _____
   Name Signature Date

2. Internal examiner: Biruk Tibebu (MSc) _____ _____
   Name Signature Date

3. External examiner: Belete Ejigu (PhD) _____ _____
   Name Signature Date

4. School of Post Graduate Dean: Biruk Tibebu (MSC) _____ _____
   Signature Date

August 2023 Addis Ababa, Ethiopia

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# LISTS OF ACRONYM

| | |
|---|---|
| AACCSA | Addis Ababa Chamber of Commerce and Sectoral Association |
| BOT | Build-Operate transfer |
| CBO | Community Based Organization |
| GDP | Gross domestic product |
| MOF | Ministry of Finance |
| NGO | Non- Government Organization |
| OECD | Organization for Economic Co-operation and Development |
| PPPDG | Public Private Partnership Directorate General |
| PPP | Public Private Partnership |
| PSC | Public Sector Comparator |
| RFP | Request for Proposal |
| SSA | Sub-Sahara African |
| USAID | United State Agency for International Development |
| VfM | Value for Money |
| WBG | World Bank Group |

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# *ABSTRACT*

*There are many positive reasons for the governments and the private sector to welcome with long-term contract arrangement, rather than continue involving in the traditional procurement methods. The objective of this study is to identify public private partnership implementation driving factors, develop conceptual framework for public building project and to recommend possible solutions forestalling obstacles that possibly will occur during the adoption and implementation of public private partnership. The researcher tried to strengthen the quantitative data with qualitative (primary data and secondary data) and just to make use of the benefit of method triangulation. Institutions selected to respond the research were urban planning and construction minister, ministry of finance, Addis Ababa house development and administration and stakeholders are purposively selected using criteria that they should possess a hands-on experience in PPP related issues. This study relied mainly on descriptive and exploratory research design, which enables to meet the objective. Data collected from both primary and secondary data sources. Data were analyzed using descriptive statistics like frequencies, mean, relative importance index (RII) and Excel. The major findings of PPP implementation driving factors in public projects are; competitive public private partnership procurement process with RII=0.91; favorable legal framework with RII=0.9; political will and bankable projects with RII=0.89 and Political support for private sector who engaged in PPP with RII=0.89 respectively.*



***Key words: Public Private Partnership, Implementation-driving factors, conceptual framework***

# CHAPTER ONE

## 1. Introduction

From many Public Private Partnerships literatures, it can observed that there is no single internationally accepted definition for Public Private Partnership (Dantala, 2014): World Bank (2017), UNDP (2015). As per the World Bank definition, Public Private Partnership is long-term contract between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility and remuneration linked to performance. The reasons for establishing such partnerships vary but generally involve the financing, design, construction, operation and maintenance of public infrastructure and services, World Bank (2017).

It also, Public Private Partnership (PPP) is define as a risk sharing and long-term contract agreement between a public and a private entity for the delivery of public goods and services with remuneration linked with performance (Maria et al, 2015). With Public Private Partnership as a tool for infrastructure financing, a mechanism has provided to better harness the strengths and exploit the benefits of the comparative advantaged for the public and private sectors of the economy (Tadese, 2021).

## 1.1 Background of the study

In modern society, Public infrastructure and services are imperative for day-to-day living and the long-term development of communities. Infrastructure, though not an end in itself, helps ensure the delivery of goods and services and enhances prosperity and growth, which in turn, brings the quality of life including the social wellbeing, health and safety of citizens, and the quality of their environment (Megersa, 2016).

The overall significance of infrastructure to livelihood is undebatable such that, it has become a significant component for promoting and sustaining growth and development across all regions (Calderon and Serven, 2010). With globalization and trends of urbanization increasing, the demand for adequate infrastructure to promote development and sustain livelihood is rising (Flores, 2013). Globally, governments have faced with the challenge of providing adequate infrastructure in terms of quantity and quality. This situation is rather prevailing in developing economies and emerging

markets that are particularly constrained with financing these infrastructures from traditional government finances using the annual budgets. Consequently, Public Private Partnerships (PPPs) evolved and became a preferred mode for delivering public infrastructure projects to achieve value for money (Gunnigan and Rajput, 2010).

While (Jamali, 2014), has established that the determinants of Public Private Partnership include government commitment, a sound regulatory framework and equitable allocation of risks, (Cheung et al., 2012) has further established that fulfillment of key formation requirements, favorable market, and macroeconomic conditions define the level of private sector investment in PPP. The basic principle underlying risk transfer is that the public authority should transfer risks to the private sector as far as the private sector can handle the risk, and doing so is cost effective (Edward, 2017).

In enacting Public Private Partnership legal and regulatory frameworks, governments do have different approaches and experiences. Thus, there is no specific Public Private Partnership legal configuration working for all. This can attributed to the common law-civil law dichotomy. Common law countries are less interested to enact a specific or stand-alone public private partnership legal and regulatory framework than civil law countries since they relied much on legal precedents, judicial rulings, or contracts to govern public private partnership projects. Nevertheless, practically, there is little difference in their frameworks among these economies from different legal systems World Bank (2018).

However, over the past years, most of the developing countries including Ethiopia have failed to attract significant private investments in infrastructure as realized in the developed countries. Research findings also suggest that the unique characteristics of public private partnership in each country influence its attractiveness in the country (Ismail, 2014).

To utilize the advantages of public private partnership implementation, the Ethiopian government need to have thorough understanding of the drivers' factors of public private partnership implementation, and to cognize the applicability of international experience to Ethiopia. Thus, the objective of this study is to identify the public private partnership implementation driving factors and framework development for public building projects provision in Addis Ababa. These are important because private sector engagements in public private partnership continue to remain low

in developing countries in spite of the growing demand underpinned by rapid population growth coupled with the increasing budgetary constraints in financing the provision of these infrastructure projects from governments' traditional financing sources. Public private partnership has thus, become an important financing tool in reducing infrastructure gap in the city.

## 1.2 Statement of the problem

Public Private Partnership is a cooperative arrangement between a government and a private institution that created to finance, construct and manage infrastructure projects (Dykes & Jones, 2016). PPP is a means for governments to gain much-needed private sector investment and expertise for economic development (Dykes & Jones, 2016). Different mechanisms have employed by Governments to mobilize financial resource to pay for projects required by the public. Nevertheless, lack of financial resource because of growing demand by the society to public goods exerted a challenge for Governments to fulfil the demand (Costantinos, 2014). Lack of professional expertise and inefficient management practices are some of the other limitations of the government for not delivering the expected public services to the society. PPP is one of a right model of partnership between the government and the private sector in order to meet the increasing demand of the public goods and to gain private management competency for efficient use of resources (Costantinos, 2014)

Ethiopia has a goal to expand PPP in the country and continuously discusses and raises PPP as a key to the development of the country because private sector is critical driver for resource mobilization. The Government of Ethiopia understands the need for mobilizing resources from different sources other than the traditional government financing in order to meet the growing demand for public services. Particularly, involving the private sector in partnership with the government has used to fill the gap in infrastructure financing. Despite the government's interest and goal to develop PPP, the progress and status of PPP is very slow. (UNDP, 2015). In addition, the few studies conducted in Ethiopia revealed that in spite of a growing interest in the use of the PPP model around the world, its adoption in Ethiopia remains limited and at its infant stage (Hafte, 2017a; Teshome, 2015). As of 2018 the Government of Ethiopia has enacted the first Public Private Partnership Proclamation number 1076/2018(FDRE-NEGARIT GAZETTE, 2018) and organized a Public Private Partnership Directorate General Office (PPP DG), at Ministry of Finance.

An article published on Ethiopian Business Review newspaper tried to show how the model of PPP in Ethiopia is a contested issue. On the newspaper, different experts and practitioners demonstrated different view regarding PPP. Some said that PPP will help in reducing government's debt burden and PPP will be successful in Ethiopia. PPP also open opportunities for private sector. In contrary to this, according to the newspaper some argued that PPP is not; the best model recommended for project efficiency and suggesting that PPP might be difficult to implement for weak countries like Ethiopia (Ashenafi, 2019b). On an interview with the Ethiopian business review, Teshome, State Minister at MoF, thoroughly discussed on the importance of PPP in Ethiopia by suggesting that PPP is the best tool currently the country has at hand to bridge the infrastructure gap (Ashenafi, 2019a). Framework is advisable. Among other points, the law should include the areas of investment are going to be open for public private partnership and what sort of enabling environment and incentives are devised for public private partnership.

According to (Debela, 2019) conducted a survey to examine PPP implementation driving factors in the UK and they identified 15 attractive factors. These solves the problem of public sector budget restraint; enhances government integrated solution capacity; reduces public money tied up in capital investment. And also, caps the final service costs; reduces the total project cost; saves time in delivering the project; reduces public sector administration costs; benefit to local economic development; limited recourse public funding; transfer of risk to the private partner; improves maintainability; facilitates creative and innovative approaches; improves buildability, accelerates project development and technology transfer to local enterprise.

## 1.3 Research Questions

1) What are the driving factors for public private partnership implementation in public building projects?
2) What are the main barriers for the implementation of public private partnership in public building projects?
3) What is the conceptual framework of public private partnership for public building project?

## 1.4 Objective of the Study

### 1.4.1 General objectives of the Study

The general objective of the study is to identify public private partnership implementation driving factors and develop conceptual framework for public building project.

### 1.4.2 Specific Objectives of the Study

1) To explore the driving factors for public private partnership implementation in public building projects.
2) To identify the main barriers for the implementation of public private partnership in public building projects.
3) To develop conceptual framework of public private partnership for public building project.

## 1.5 Significance of the study

Different studies show that Public private partnership is a relatively new experience in most developing countries of the African, Asian and Pacific region. There is no uniform method of Public Private Partnership implementation as each country adopts the process as appropriate for its own culture, economy, political climate and legal system. The capital intensive nature of basic infrastructure and competition for limited government budgetary resources have prompted governments to invite private investors to fulfill the widening demand-supply gap for efficient public service while the governments are trying to meet the social commitments within the financial constraints. Although Ethiopian government has given an attention to adopt Public Private Partnership approach in country to overcome financial capacity, ensure public service investment efficiency and efficient customer service delivery. Therefore, adaption of Public Private Partnership approach to public building projects is one of major steps in realizing and addressing efficient public service and mobilization of financial resources for public development. So that, exploring key driving factors to implement Public Private Partnership in public building will have the following significance:

The findings of this study will be interesting to policy makers in the City to identify alternative financing tools for adequate public building. In addition, this study may be of use as input to understand key-driving factors to implement Public Private Partnership and solve problem faced

private sector entities that are interested in project financing in the city as well as the academia, seeking to broaden the knowledge available on the subject matter. Also will use as supportive materials to establish institutional arrangement, develop manuals and resources in support of Public Private Partnership. It will give a clue to further study on Public Private Partnership approach of the city.

## 1.6 Scope of the Study

### 1.6.1 Thematic scope

The study deals with the identification of key driving drivers to implement public private partnerships in public building projects in Addis Ababa. For this purpose, different countries Public Private Partnership operational (the legal and Institutional framework) challenge and practices of certain experience was considered. Consequently, the study will identify the improvement area of Public Private Partnership adoption and implementation arrangement. The researcher was purposively selected public organizations (Ministry of finance, Ministry of construction, Addis Ababa house development and administration and other stakeholders from the representatives of PPP candidate sectors) to establish experience for Public Private Partnership implementation.

### 1.6.2 Spatial scope

Addis Ababa city, capital of Ethiopia situated in the plateau of central Ethiopia in the North-South oriented mountain systems neighboring the Great Rift-Valley. It is located between the geographical coordinates of 09°02‟N latitude and 38°44‟E longitude, with an elevation ranging from 2000-2800msl and it is the highest capital in Africa and the third highest capital in the World. It has total population of 3,384,569 according to the 2007 population census, with annual growth rate of 3.8%.

The city has a decentralized system of municipal government that is composed of 11 sub city administration ten sub cities, which are, Arada, Addis ketema, Lideta, Kirkos, Yeka, Akki-Kality, Nfas Silk –Lafto, Kolfe Keranyo, Lemi Kura and Gulalle.

The target population of the study was organized that includes Urban Planning and Construction Minister, Addis Ababa House Development and Administration and Ministry of Finance. The

number of organization and respondent. The total population of urban planning and construction minister, Ministry of finance and Addis Ababa house development and administration are

## 1.7 Limitations of the Study

The major limitation of this study was lack of knowledge among the professionals while giving the questionnaire paper and lack of similar research done on implementation of Public Private Partnership in public building projects with Ethiopian country contexts. However, recognizing these limitations, the researcher attempted to overcome them by suitable use of primary data through administered questionnaire and interviews with PPPDGs.

## 1.8 Organization of the Paper

The study was consists of five main chapters. The chapter's organization details and explanation for each chapter discussed below: Chapter one introduction, this section was introduces the study topic and background of the study. It consists of the study background, research problem, research questions, research objectives, research scope, and research significance. Chapter two literature review, this chapter reviews adoption and implementation, driving factors to implement Public Private Partnership, challenges and practice of Public Private Partnership adoption and implementation framework in public building projects. The chapter also focused on identification of the research gaps that have not discussed by former researchers. Chapter three Research methodology, this chapter discussed on research approach and strategies, and the procedures to adopt in conducting the research. This includes; research approach and design, data collection techniques used. It also discussed data analysis and interpretation techniques. Chapter four data analysis and interpretation, this chapter presented data obtain from questionnaires, make analysis and interpretation of data and discussed the result from the survey conducted. The chapter also discussed on the findings obtained from the analysis, which forms the basis of recommendations for future research. Chapter five conclusion and recommendations. This is the last chapter in the research and summarized the entire research work was conducted where conclusion was made. The recommendation also gave based on the research subject matter for possible action taken.

# CHAPTER TWO

## 2. Literature Review

### 2.1 Introduction

This chapter contain and discuss about framework for public private partnership, guidelines for public private partnership, approaches n public private partnership, forms and models for public private partnership, barriers of public private partnership implementations in public projects, benefits of public private partnership in infrastructure development, public private in Ethiopia and Addis Ababa in detail.

Literature review used to identify relevant driving factors of Public Private Partnerships implementation, which then incorporated into the design of a questionnaire. According to (Ismail, 2014) previous studies on driving factors to adopting Public Private Partnerships are two types. The first type refers to literature that discussed the reasons or motivations for adopting Public Private Partnership without carrying out specific analysis on the reasons. The second type is research that empirically examined the driving factors for Public Private Partnership implementation. In this study, literature based on theoretical and empirical studies used to identify the driving factors that affect Public Private Partnership implementation. This information used to design a questionnaire that sent to potential respondents to gather primary data in Addis Ababa Public Private Partnership sector.

### 2.2 Theoretical Literature Review

Traditionally governments mobilize resource from public in the form of tax and levy to provide public service and operate public service delivery institutions and development projects (Teshome, 2015). Nevertheless, the ever-increasing disproportion between the capacity of the public sector to generate resources and the public demand for new infrastructure facilities and quality public services has forced governments to look for new funding methods and sources. Public Private Partnership as a new funding method is an increasingly popular phenomenon and a global trend (Behailu, 2020).

A working definition for partnership which incorporates a policy perspective has been provided in (Osborne, 2005), which states that, partnership is a collaboration between business, government

and or non-profit organization where resources, skills and risks are shared in a project to benefit each partner and the community as well (Osborne, 2005). For (Holland, 1984) as cited in (Behailu, 2020), partnership is to work or act together and in a public policy can be defined as cooperation between people or organizations in the public or private sector for mutual benefit (Osborne, 2005).

However, forms of partnership may have changed significantly overtime, according to (Wang, 2009), the purpose of partnership has not changed that is public and private parties cooperate and share resources to achieve mutual benefit (Wang, 2009).

According to (Osborne, 2005), there are three assumptions for defining partnership. First, the potential for synergy of some form, so 'the sum is greater than the parts'. Second, the partnership involves both development and delivery of a strategy or a set of projects or operations, although each actor may not be equally involved in all stages. Third, in public private partnerships, the public sectors are not pursuing purely commercial goals. So a criteria of partnership is the presence of social partnership (so excluding purely commercial transactions) (Osborne, 2005).

(Osborne, 2005) explains the main advantages of partnerships by grouping as resource availability; effectiveness and efficiency; and legitimacy. Regarding the resource, the nature of the problems facing local economies are multifaceted requiring a combined response from a number of private and public key actors in order to be effective and efficient. The author argues that partnerships between key actors are therefore, essential in order to tackle the various causes (as far as these can tackled locally) as well as the symptoms of the problems of the local economy (Osborne, 2005).

According to (Webb, 1991) as cited in (Aimero, 2020), depending upon the nature of the problem, partnership can greatly increase an individual organization's effectiveness and efficiency, especially through improved coordination between (and within) organizations. (Osborne, 2005). Similarly, the author also noted that partnerships could also allow greater legitimacy for policy as they may involve participants from the local community directly rather than through the representative democracy of central and local government.

### 2.2.1 Defining Public Private Partnership

From many Public Private Partnerships literatures, it can observed that there is no single internationally accepted definition for Public Private Partnership (Dantala, 2014): World Bank (2017), UNDP (2015). As per the World Bank definition, Public Private Partnership is long-term contract between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility and remuneration linked to performance. The reasons for establishing such partnerships vary but generally involve the financing, design, construction, operation and maintenance of public infrastructure and services, World Bank (2017).

For Urio, Public Private Partnership may defined as the partnership between the public sector and the private sector for the purposes of designing, planning, financing, constructing and/or operating projects, which would have been traditionally regarded as being in the sphere of competence of the public sector (Urio, 2010).

(Peteres, 1998) as cited in (Behailu, 2020), has identified five general defining features of partnerships. Firstly, a partnership involves two or more actors, at least one of which is public and another from the private business sector. Partnerships between non-profit organizations and local governments should also counted as Public Private Partnerships. Secondly, in a Public Private Partnership, each participant is a principal, i.e. each of the participants is capable of bargaining on its own behalf, rather than having to refer back to other sources of authority. In some instances, the public sector has to set up a special agency capable of entering into partnership before collaboration becomes possible. A third defining feature of partnerships is that they establish an enduring and stable relationship among actors. Fourthly, in a Public Private Partnerships, each of the participants brings something to the partnership. Therefore, for the partnership to be a genuine relationship, each will have to transfer some resources (material or immaterial) to the partnership. The transfer of material resources (money or land, etc.). The transfer of other resources, such as authority and any other symbolic values, can constitute a less obvious form of partnership. Finally, a partnership implies that there is some shared responsibility for outcomes or activities. This differs from other relationships between the public and the private sectors in which the public sector retains control over policy decisions after receiving the advice of organizations in the private

sector. In contrast, actual partnerships produce mutual shared responsibility, which can make accountability for these decisions difficult to ascertain (Ankntoye and Hardcastle, 2013).

### 2.2.2 Framework for Public Private Partnership

Public private partnership can undertake in a one-off manner without setting specific policy, legal and institutional frameworks. However, the experience of many counties shows that successful PPP projects have relied on sound frameworks. That is why many countries were striving to adjust their frameworks through learning by doing since the experience of setting PPP frameworks was sparse. However, now there is ample global experience helpful for designing and implementing PPP frameworks that promote sound project selection, fair and competitive procurement, effective delivery of public services, and the ultimate success and sustainability of PPP projects, World Bank Group (2017)

Public Private Partnership frameworks also guarantee selected projects aligned with the government's development strategy, generate the greatest economic returns for society as a whole, and protect the government from excessive fiscal risks. Moreover, frameworks guarantee a consultation with stakeholders will be systematically undertaken, and fair compensation can awarded to those qualified to receive it. This can get greater private sector interest and public recognition of PPP programs. Preparing standalone frameworks brings credibility to stakeholders; helps to achieve expected outcomes; builds trustworthiness for the project company; especially in the eye of lenders and attracts serious bidders (Tadese, 2017).

According to (Gebeyehu, 2021), While working without a framework have gone wrong, having a PPP framework is a key to address many risks and increase the likelihood of PPP success through; increasing the capability of government agencies to deliver PPPs; providing a structured way of reconciling disparate objectives; making sure that whole of-government risk is limited; and generating market interest.

Public Private Partnership can implemented as a series of ad hoc projects or as a program of projects coordinated and enabled centrally. One of the challenges for governments wanting to implement a conducive PPP framework is the variety of models and approaches put forward by different countries, advisers and commentators. A common approach is to try to adopt the fully

functioning framework used by a country that has been very successful in developing a Public Private Partnership program, in one fell swoop (Jeffrey, 2014).

Public Private Partnership is a platform where private and public sectors meet together in long-term contractual agreement to produce a required infrastructure like roads, airports, port and social service like health, education, sanitation, water systems, etc. Here private entity is responsible for financing, design, construction, operation and maintenance of the facility of PPP projects for agreed duration known as concession period and at the end of the period transfers the ownership of the operational facility to the government at no cost. In return, the private entity generates revenue either from the levying of tariffs on users or the receipt of periodic service payments from the government over the life of the according agreement. Infrastructure demand is targeted $1 trillion under India's 12th Five-Year Plan (2012- 2017).

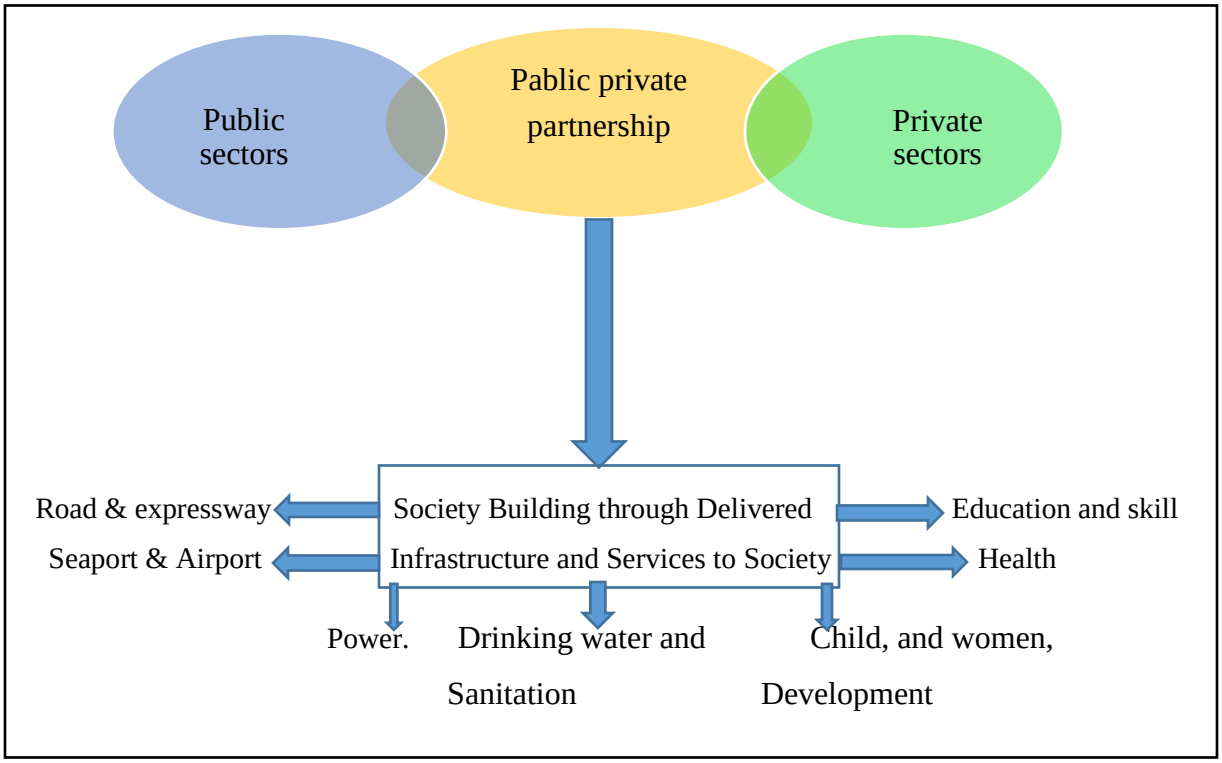


Figure1: Framework of PPP in society development, (Source: Autumn, 2015)

A similar study done by (Cheung et. al, 2009) reported that the top three attractive factors for PPP in Hong Kong include "providing an integrated solution for public services", "facilitating creative and innovative approaches", and "solving the problem of public sector budget restraint". The top three attractive PPP factors for Australian respondents were "providing an integrated solution for

public services", "facilitating creative and innovative approaches", and "saving time in delivering the project". The findings of the above studies reveal that factors perceived by respondents from different countries are not the same. This implies that factors attracting adoption of PPP may differ based on the specific objective condition of the study area or country. Therefore, the unique characteristics of PPP in each country influence the PPP attractiveness in the country (Ismail, 2013). Because of this, the case in Ethiopia can expected to be different, not only because of the unique characteristics of the prevalent PPPs, but also because of the undeveloped conditions for PPP (Teshome, 2014b).

### 2.2.3 Public private partnership Guideline

According to (Megersa, 2020), establishing guidelines on how PPP arrangements planned, approved, and awarded creates a predictable environment in which private partners are willing to engage. Project identifications and selection, Project prioritization, Project feasibility studies, Project preparation, Project approval and process are also included. Project procurement guidelines are some of the fundamental areas where standardized guidelines have served governments in effectively carrying out government PPP projects. "Value for money" VfM is a measure of the net value that a government receives from a Public Private Partnership project. The assessment of VfM helps the government to decide whether the project should be implement as a PPP and how much support the government should provide to that project. Assessing VfM is as much an art, as a science, given the various and changing concepts of "value" that the government will want to access through Public Private Partnership.

Moreover, the country strategy paper for the years from 2011 to 2015 states that the private sector is expected to play a major role in GTP implementation. However, clearer strategies for crowding in private investment need to articulated, particularly in the context of the current weaknesses in the financial sector and the business environment. Hence, one can easily understand from this that the Ethiopian government is well aware of the benefit of involving the private sector and civil society in the form of partnership in the process of development of the country. However, issue like the importance of dedicated PPP policy, legal and institutional framework, areas of investment for partnership and the potential of PPP in the context of Ethiopian development process, remain unclear, African Development Bank (2011).

In 2017, the government of Ethiopia commenced the development of Public Private Partnership (PPP) framework in Ethiopia, in order to create an enabling environment for PPPs at the federal level. The overarching objectives of the PPP framework are to facilitate the implementation of privately financed infrastructure projects, which promote Ethiopia's economic growth; to establish a fair and transparent legislative framework to guide this process; and openly publish the specific operational and strategic procedures for the procurement and award of infrastructure projects involving Public Private Partnerships.

The Policy for the use and implementation of PPPs (the "PPP Policy"), authored by the Ministry of Finance (MOF), provided the first mechanisms to develop and implement PPPs in the country in 2017. The policy followed by a proclamation ratified by the Federal House of Representatives in January 2018 and a specific PPP directive issued by the Ministry of Finance in July 2019. To date, the actions undertaken by the government of Ethiopia towards developing this architecture of Public Private Partnership.

### 2.2.4 Approach in Public Private Partnership

According to (Tadesse, 2017), that there are five qualitatively distinct approaches in the literature: First, there is the tradition to use the Public Private Partnership concept synonymously with Public Private relations and constellations in a certain sector area; i.e. the policy approach. Second, there is a distinct literature dealing with Public Private Partnership in relation to local economic development and the local regeneration approach. Thirdly, there is the infrastructure approach, where Public Private Partnership is use synonymously with infrastructure projects involving private capital and the bundling for instance the design, construction, operation and maintenance of infrastructure projects. Much of what written on PPP in recent years does in fact deal with this type of PPP. Fourth, there is the governance approach, which is quite similar to the policy approach. No specific definition of PPP is given and instead, PPP is approach in the context of a governance perspective. It seen as a natural extension or continuation of the new public management, which has swept around the public bureaucracies the past two decades. This approach is very inclusive and it incorporates a variety of forms of private involvement in the delivery of public goods and services (for instance, contracting out, strategic partnerships, entrepreneurial partnerships and private sector ownership in state owned businesses). Fifth, there is the development approach, where PPP dealt with in relation to development and capacity

building in less developed countries. Finally, the paper concludes that in addition to placing oneself within a certain PPP approach, it is necessary to operate with approach specific PPP typologies. This will enhance analytical clarity and enable more appropriate generalizations about the functioning and the pros and cons of PPP (Tadese, 2017).

Table 1: Public Private Partnership Approaches

| | Local regeneration approach | Policy Approach | Infrastructure Approach | Governance Approach | Development Approach |
|---|---|---|---|---|---|
| Focus | Development of local economies, weak local economies | Delineating and evaluating the public private divide in policy sectors, the respective roles of the public and private sector | Infrastructure projects, predominately from a financial legal perspective | New ways of delivering public service | How to enhance development in less developed countries via public private collaboration |
| Definition of PPP | no specific definition | no specific definition | building of finance, design, construction, maintenance and operation of infrastructure projects | no specific definition | no specific definition |
| Central Issues | economic development, issue of democratic legitimacy | the optimal public private constellation in different policy sector | contract negotiations and finance aspects, ideological debates, democratic legitimacy | organizational and management issue, condition for cooperation, the movement from government to governance | development objectives such as sustainable infrastructure and alleviating poverty |
| Origin | US urban governance literature | primarily US policy literature | UK governance public private initiative 1992 | UK government PPP policy post 1997, the movement from government to governance | mixed genesis |

Source**:** (Felsinger, 2011)

### 2.2.5 Forms and models for Public Private Partnership

The usage of effective Public Private Partnership models is an effective alternative to traditional methods of managing strategically important sectors of the economy. Therefore, a comprehensive study of these issues aims to identify real opportunities for economic development at the national and interstate levels. Today the main obstacles to the development of Public Private Relations are the lack of effective methods that allows increasing the effectiveness of public policy in the active usage of Public Private Partnership, as well as weak institutional and information support for cooperation between government and business. Improving the quality of such a partnership is possible by providing the formation of a well thought out theoretical and methodological basis for Public Private Partnership, effective usage of the country's competitive potential and consideration of successful experience of the world, (Oksana, Volodymyr and Nataliia , 2020)

The history of Public Private Partnership development as a separate area of cooperation between the state and business and the development of public private partnership models begins with the formation of conceptual provisions of the theory of state regulation of the economy. Modern researchers as (Osei-Kyei and Chan, 2013), supported this point of view and believed that such a mechanism of the state and business was the most effective in the practical implementation of public policy.

Considering the essence of Public Private Partnership processes and existing models of such cooperation, USAID proposed to consider Public Private Partnership as a "new tool of economic development". Such interpretation of scholars emphasizes the importance of the Public Private Partnership mechanism as a method of influencing the economic sphere, International Budget Partnership (2018).

The peculiarities of Public Private Partnership models and their practical application reflected in the recommendation acts of the European Union. Therefore, according to the Green Paper on Public Private Partnerships and Local Legislation on Public Contracts and Concessions, European Commission (2004), the Public Private Partnership model seen as a special form of Public Private Partnership aimed at implementing certain tasks or providing services. It also provides financing, construction, or operation of infrastructure projects.

The World Bank proposed a classification where we can see one well studied approach that characterizes public private partnership models. It has been widely used in cooperation between the state and the private sector around, the World Bank, (2020). There are four models of effective partnership models. According to World Bank, (2020), management and lease contracts, concessions, agreements such as "Rehabilitate Operate Transfer", "Build Rehabilitate Operate Transfer", "Rehabilitate Lease or Rental Transfer", projects that include "key ready" building (Greenfield Projects), agreements such as "Build Lease Transfer", "Build Operate Transfer", "Build Own Operate"(commercial projects (Merchant), rent (Rental), sale of assets (divestiture) World Bank, (2020). According to (Davies and Fair brother, 2003), there are five most effective models of public private partnership: Greenfield Projects, divestiture, concessions, management and outsourcing contracts, leasing. Ukrainian legislation stipulates that the most effective models of partnership between the state and business are the conclusion of concession agreements concerning state and municipal property; property management with a mandatory condition of investment obligations of a private partner; public private partnership model based on the agreement on joint activity (Kruglov, 2018).

Table 2: Classification of Public Private Partnership models

| Broad category | Main variants | Ownership of capital assets | Responsibility of investment | Assumption of risk | Duration of contract (years) |
|---|---|---|---|---|---|
| Supply and management contract | Outsourcing | Public | Public | Public | 1-3 |
| | Maintenance management | Public | Public/Private | Private/Public | 3-5 |
| | Operational management | Public | Public | Public | 3-5 |
| Turnkey | DB | Public | Public | Private/Public | 1-3 |
| Affermage/Lease | Affermage | Public | Public | Private/Public | 5-20 |
| | Lease | Public | Public | Private/Public | 5-20 |
| Concessions | Franchise | Public/private | Private/Public | Private/Public | 3-10 |
| | BOT** | Private/public | Private/Public | Private/Public | 15-30 |
| Private ownership of assets and PFI type | BOO/DBFO | Private | Private | Private | Indefinite |
| | PFI*** | Private/public | Private | Private/Public | 10-20 |
| | Divestiture | Private | Private | Private | Indefinite |

Source: United Nation Guide book, 2011

**A management contract:** is a contractual arrangement for the management of a part or whole of a public enterprise (for example, a specialized port terminal for container handling at a port or a utility) by the private sector. Management contracts allow private sector skills to bring into service design and delivery, operational control, labor management and equipment procurement. However, the public sectors retain the ownership of facility and equipment. The private sector assigned specified responsibilities concerning a service and generally not asked to assume commercial risk. It also pay a fee to manage and operate services. Normally, the payment of such fee is performance based. Usually, the contract period is short, typically three to five years. However, the period may be longer for large and complex operational facilities such as a port or an airport, World Bank (2020).

**Turnkey:** is a traditional public sector procurement model for infrastructure facilities. Generally, a private contractor selected through a bidding process. The private contractor designs and builds a facility for a fixed fee, rate or total cost, which is one of the key criteria in selecting the winning bid. The contractor assumes risks involved in the design and construction phases. The scale of investment by the private sector is generally low and for a short-term. Typically, in this type of arrangement, there is no strong incentive for early completion of the project. This type of private sector participation also known as Design Build (DB), United Nation Guidebook (2011).

**Affermage/Lease:** In this category of arrangement, the operator (the leaseholder) is responsible for operating and maintaining the infrastructure facility (that already exists) and services, but generally, the operator is not required to make any large investment. However, often this model applied in combination with other models such as build-rehabilitate-operate-transfer. In such a case, the contract period is generally much longer and the private sector is required to make significant investment, United Nation Guidebook (2011).

The arrangements in an affermage and a lease are very similar. The difference between them is technical. Under a lease, the operator retains revenue collected from customers or users of the facility and makes a specified lease fee payment to the contracting authority. Under an affermage, the operator and the contracting authority share revenue from customers or users. Types of arrangements, the operator takes lease of both infrastructure and equipment from the government for an agreed period. Generally, the government undertakes the responsibility for investment and

thus bears investment risks. The operational risks transferred to the operator. However, as part of the lease, some assets also may transferred on a permanent basis for a period, which extends over the economic life of assets. Fixed facilities and land leased out for a longer period than for mobile assets. Land to develop by the leaseholder usually transferred for a period of 15-30 years, United Nation Guidebook (2011).

**Concessions:** in this form of PPP, the government defines and grants specific rights to an entity (usually a private company) to build and operate a facility for a fixed period. The government may retain the ultimate ownership of the facility and or right to supply the services. In concessions, payments can take place both ways: concessionaire pays to government for the concession rights and the government may pay the concessionaire, which it provides under the agreement to meet certain specific conditions. Usually, such payments by the government may be necessary to make projects commercially viable and or reduce the level of commercial risk taken by the private sector, particularly in a developing or untested PPP market. Typical concession periods range between 5 to 50 years, World Bank Group (2017).

**Private Finance Initiative (PFI):** in the private finance initiative model, the private sector remains responsible for the design, construction and operation of an infrastructure facility. In some cases, the public sector may relinquish the right of ownership of assets to the private sector. In this model, the public sector purchases infrastructure services from the private sector through a long-term agreement. PFI projects therefore, bear direct financial obligations to the government in any event. In addition, explicit and implicit contingent liabilities may also arise due to loan guarantees provided to the lenders and default of a public or private entity on non-guaranteed loans. In a PFI project, as the same entity builds and operates the services, and is paid for the successful supply of services at a pre-defined standard, the private company has no incentive to reduce the quality or quantity of services. This form of contractual agreement reduces the risks of cost overruns during the design and construction phases or of choosing an inefficient technology, since the operator's future earnings depend on controlling the costs. The public sector's main advantages lie in the relief from bearing the costs of design and construction, the transfer of certain risks to the private sector and the promise of better project design, construction and operation, United Nation Guidebook (2011).

There are a range of PPP models that allocate responsibilities and risks between the public and private partners in different ways. According to UNECE (2018), the following terms are commonly use to describe typical partnership agreements:

**Buy-Build-Operate (BBO):** It denotes the transfer of a public asset to a private or quasi-public entity usually through a contract that the assets, for a specified period, are to be upgrade and operated. Here, during the time of transfer, public control exercised using the contract. Public Private Partnership is a funding model for public infrastructure projects and initiatives such as a new telecommunications system, public transportation system, airport or power plant (Ibid).

**Build-Own-Operate (BOO):** This modality refers that the private sector finances, builds, owns, and operates a facility or service in perpetuity. In doing so, the public constraints stipulated in the original agreement and through ongoing regulatory authority. It is a project delivery model frequently used for large, complex public private partnership infrastructure projects. In a typical Build- Own- Operate (BOO) project, a government department allows a private company to finance, build, and operate infrastructure over a specified period, and the private company retains ownership of the infrastructure in perpetuity (Ibid).

**Build-Own-Operate-Transfer (BOOT):** A private entity receives a franchise to finance, design, build and operate a facility including charging user fees for a specified period, after which ownership transferred back to the public sector. In PPP, private sector has a role as engineer or constructor. Ownership, operation and financing are the public role. On the other hand, a pure private is responsible for all matter. In BOOT, final owner is public, but concession for a long period of time (25-30 year) regarded to private (Ibid).

**Build-Operate-Transfer (BOT):** Here, the private sector agrees to design, finance, and construct a new facility through a long-term Concession contract, and operates the facility during the life of the Concession, after which ownership is transferred back to the public sector if not already transferred upon completion of the facility. Such a modality includes Build-Own-Operate-Transfer (BOOT) and Build-Lease Operate-Transfer (BLOT) except for the ownership aspect of the facility. The Difference between Build-Operate-Transfer (BOT) and PPP is that a public private partnership when a private entity takes over finances and operates large-scale government projects,

such as public transportation networks, parks, and hospitals. A Build-Operate-Transfer (BOT) contract is just one of a series of potential Public Private Partnership agreements (Id).

**Build-Lease-Operate-Transfer (BLOT):** It is a model where a private entity receives a franchise to finance, design, build, and operate a leased facility including charging user fees for the lease period, against payment of rent. The private-sector partner operates the facility for the duration of the land lease. When the lease expires, assets transferred to the public sector partner (Id).

**Design-Build-Finance-Operate (DBFO):** The private sector designs, finances and constructs a new facility under a long-term lease, and operates the facility during the term of the lease. The private partner transfers the new facility to the public sector at the end of the lease term. In consideration for performing its obligations under the agreement, the private sector party may paid by the government agency (for example, availability payments) or from fees collected from the project's end users. The government or government-owned entity retains ownership of the project (Id).

**Finance Only:** 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 key difference between PPP and finance only is the manner in which the arrangement financed. While finance will utilize debt and equity finance provided by the private sector to pay for the upfront capital costs, the same is not required in a PPP, where the parties have more freedom to structure their contributions (David, 2020).

**Operation & Maintenance Contract (O & M):** A private operator, under contract, operates a publicly owned asset for a specified term. Ownership of the asset remains with the public entity. (Many do not consider O & M to be within the spectrum of PPPs and consider such contracts as service contracts). Operations and maintenance agreements may use as a means to transfer responsibilities for a single infrastructure facility or a group of facilities. These contracts transfer responsibility for ongoing activities such as snow removal and grass mowing, as well as maintenance and major repairs (Id).

**Design-Build (DB):** The private sector designs and builds infrastructure to meet public sector performance specifications, often for a fixed price, turnkey basis, so the risk of cost overruns is transfer to the private sector. (Many do not consider DB to be within the spectrum of PPPs and

consider such contracts as public works contracts). A contract in which the employer hands over responsibility for both designing and building the project to a contractor. The contractor may choose to carry out the design in-house or he may choose to sub-contract the work to his own design team, United Nations Economic Commission for Europe (2008).

**Operation License:** A private operator receives a license or rights to operate a public service, usually for a specified term. This is often use in IT projects (Id)

When we see the different PPP models under Ethiopia's PPP frameworks, the PPP proclamation, to develop the desired model, stipulate the following forms: design, construction, financing, maintenance or operation of new infrastructure facilities; the rehabilitation, modernization, financing, expansion, maintenance or operation of existing Infrastructure Facilities; and/or the administration, management, operation or maintenance of new or existing infrastructure facilities. Out of which, the contracting authority shall select the form of the contract according to the desired allocation of risks and responsibilities for each agreement, (Art. 5, The PPP Proclamation). Formerly, the Procurement and property administration proclamation, besides defining PPPs (Art. 2 (27), the Federal Government Procurement and Property Administration Proclamation No. 649/2009, has also enshrined different models (albeit the models are not directly concern PPPs).

Despite the huge recognition of PPPs and its increasing usage in infrastructure development, the experience of both the public and private sector with PPP has not always been positive (Kwak et al, 2009). A number of PPP projects either held up or terminated particularly in developing countries. This has triggered previous researchers to conduct studies on barriers to PPPs implementation across the globe.

While inquiring why the policy, proclamation, and directive have refrained from directly suggesting the different PPP delivery models, besides indicating the different forms of PPPs, David Baxter has explained that inserting a PPP model in PPP policy and laws is a very bad experience, recalling the mistake what the Philippines had committed 15 years ago. He said the Philippines had committed a mistake by designing its PPP law as Built-Operate-Transfer (BOT) law fifteen years ago. He reasoned out that while we are specifying the model or whatever, we should know that was preventing the PPP market from developing. Policy, as it is a basic guide, should never define any specific PPP model that is going to use because, PPP by its very nature, is dynamic and

very different (David, 2020), David further augmented his idea. This is plausible and seems true for the Ethiopian policy and laws to refrain from indicating the preferred PPP delivery models. By incorporating the models in the policy and laws, we are inhibiting both the private and public bodies to innovate, study, negotiate, and decide over their preferred model in their project agreements. While suggesting them in guidelines and similar other generic and sector-specific manuals, lacking a binding nature, instead would encourage and support partners to freely negotiate, develop, and write their suited Public Private Partnership modality.

### 2.2.6 Delivery method for Public Private Partnership

Public Private Partnerships are not privatization. Under Public Private Partnerships, accountability for delivery of the public service is retained by the public sector whereas under a privatization, accountability moves across to the private sector (the public sector might retain some regulatory price control). Under PPPs, there is no transfer of ownership and the public sector remains accountable, nor public procurement. PPPs differ also from public procurement. Public procurement refers to the purchase, lease, rental or hire of a good or service by a state, regional or local authority. Procurement chosen because of the simplicity of goods or service desired the possibility to choose from numerous providers, and the wish to contain costs. PPPs are more complex, frequently larger in financing requirements, and are long-term as opposed to one-off relationships. PPPs frequently provide the developer with the right to operate over an extended term, to charge fees to users and to assume key responsibilities e.g. design, construction, finance, technical and commercial operation, maintenance, degree of private Sector risk, degree of private sector involvement. However, PPPs related to traditional public procurements in that PPP providers often selected on the base of public procurement procedures, United Nation (2017).

### 2.2.7 Barriers of PPPs Implementation in Developing Countries

In an increasingly competitive global environment, governments around the world are focusing on new ways to finance projects, build infrastructure, and deliver services, CCPPP (2017). Public Private Partnerships is being considered and becoming the preferred method for delivering pubic infrastructure projects throughout the world (Gunnigan and Rajput, 2010), as exemplified by the fact that over 40 countries have adopted Public Private Partnerships RICS (2012). PPP is a tool to bring together the strengths of both public and private sectors. (Akintoye and Liyanage, 2011),

assert that PPPs commonly used to accelerate economic growth, development and infrastructure delivery, and to achieve quality service delivery and good governance. Despite the increasing adoptions of PPP based procurement systems all over the world, many countries and regions are still experiencing a number of barriers against its successful implementation particularly developing countries, thereby slow down the implementation and even diminish the interests of private sector entities.

Table 3: barriers of public private partnership implementation

| No | Authors and Year | Findings |
|---|---|---|
| 1 | (Li et al., 2015) | Lack of suitable skills and experience; lengthy bidding and negotiation process; lack of competition; and lack of well-established legal framework. |
| 2 | (Zhang, 2015) | Social, political, and legal risks; unfavorable economic and commercial conditions; inefficient public procurement frameworks; lack of mature financing engineering techniques; public sector related problems(e.g., inexperienced government and lack of understanding of PPPs); and private sector related problems (e.g., most people, including investment banks still prefer traditional procurement routes) |
| 3 | (Chan et al., 2016) | Lack of suitable skills and experience; and lengthy bidding and negotiation process. |
| 4 | (El-Gohary et al., 2016) | Public opposition. |
| 5 | (Corbett and Smith, 2016) | Lack of competition; lack of suitable skills and experience; lack of innovations in design; and lack of flexibility |
| 6 | (Chan et al., 2010) | Lengthy delays in negotiation; lack of experience and appropriate skills; and lengthy delays because of political debate. |
| 7 | (KPMG, 2010) | Barrier to competition and procurement inefficiencies. |
| Source: Literature review, 2023 | | |

Therefore, it is required to identify the barriers for implementing Public Private Partnerships in details to prevent the constraints from appearing in the future. It is important for the governments and other stakeholders to recognize likely barriers in the implementation of Public Private Partnerships and to build in strategies to cope with the constraints to allow the partnership to function effectively. The theoretical concept summarized as every system must have at least one constraint and the existence of constraints represent opportunities for improvement (Goldratt, 2008). However, a constraint is defined by (Goldratt, 2008), as "anything that limits a system from achieving higher performance versus its goal". Thus, constraints can involve people, information, regulations, policies, laws, procedures, supplies, equipment to mention a few (Dettmer, 2000). The theory involves, identify the constraints, exploit the constraints and evaluate performance among others (Goldratt, 2009).

### 2.2.9 Benefit of Public Private in infrastructure development

The main benefit of Public Private Partnership is the transfer of certain risks to the private sector counterparty. Fixed price, fixed date construction contracts mean that the public authority should not face the risk of over budget construction costs or the financial costs of delays. Many Public Private Partnerships will also contain liquidated damages clauses whereby the private party will pay pre-determined damages to the public authority if the infrastructure is not available for use as of the contracted date. These damages are often substantial and may accrue on a daily basis creating a meaningful incentive to complete the facility on time. All contractual relationships are essentially a method to assign risks between contracting parties. A core principle for a successful PPP is that each risk should allocated to the party that is best able to manage or mitigate that risk and the party that has the greatest influence over the probability that the event occurs, or if the risk event does occur, has the ability to mitigate its impact at lowest cost, OECD (2017).

Though the potential advantage of Public Partnerships in public service delivery and development process is well understood by most public policy makers and professionals around the globe, the extent in countries around the world in general and developing countries in particular is quite slow (Teshome, 2014a). Perhaps being unaware of some of the factors may preclude the enablers of the system from creating conducive environment for Public Private Partnership implementation. Particularly developing countries which, are striving hard to alleviate poverty and bring about development, should effectively mobilize their resources and use their capacities for the success

of their development goals. In light of this, Ethiopia as a developing country striving hard to develop and should work hard to mobilize its available capacities from all sectors to keep forward its development targets. PPP is one of the best potential mechanisms to mobilize resources (be it of public, private, or civil society) in the form of collective action towards development and efficient public service delivery (Teshome, 2014a).

PPP can also support and benefit countries, to increase the financial resources available for the development and delivery of infrastructure services through leveraging private sector investment and management, to capture the benefits of private sector involvement in infrastructure development through the alignment of public and private sector incentives and the use of appropriate risk transfer, where such benefits exist. These benefits may include, but are not limited to, innovations in design or service delivery approach, reduction in project delays and cost overruns, implementation of a life-cycle approach to infrastructure service costing, improved quality or efficiency, knowledge transfer to local private sector and increased asset utilization, Federal Democratic Republic of Ethiopia (2017).

According to United Nation (2017), many citizens around the world and especially in transition economies face an 'infrastructure deficit', as evidenced by congested roads, poorly maintained transit systems and recreational facilities, deteriorated schools, hospitals, and water and water treatment systems, and other infrastructure assets which are either nonexistent or in urgent need of repair. These problems in turn impose huge costs on societies, from lessened productivity and reduced competitiveness, to an increased number of accidents, health problems and lower life expectancy. Many governments have come to realize that the tax base alone cannot fund the huge needs for infrastructure. In some countries, there is an acute need to rehabilitate existing infrastructure that built decades ago. Furthermore, there is a critical challenge to find the funding for so-called 'greenfield projects' specifically the huge social projects required from rapidly growing economies and ageing populations. Therefore, Public Private Partnerships are one option to meet this challenge.

In a public private partnership, there is the public entity, which is either federal, state, or local, and they engage with a private partner. The private partner hires, pays, and supervises the contractor, as well as participating in designing, financing, operating, and maintaining the project in the construction process. Every project is different ultimately; the role of the private partner

varies from project to project. The common projects that a private partner participates include highways, roads, toll bridges, water and sewer systems, and parking facilities. Sometimes, the public private partnership is create to develop a new construction project and is necessary for repairs, upgrades, and maintenance work. This process is prevalent in many European countries, but they are growing popularity in the US because of their use in large-scale projects. The collaboration between government and private partners can result in millions of dollars in cost savings, World Bank Group (2018).

## 2.3 Empirical literature Review

Many researchers in different administrative regions have studied driving factors of PPPs implementation. Among these, (Chan et al, 2009) explored and compared the key drivers for adopting PPP in main land China and the Hong Kong Special Administrative Region through a questionnaire survey and the respondents were invited to rate their perceptions on the importance of fifteen different drivers suggested by (Li et al, 2005). The findings indicated that, respondents from China rated economy related drivers were higher. And it used to solve the problem of public sector budget restraint; provide an integrated solution for public infrastructure; reduce public money tied up in capital investment; cap the final service costs; reduce the total project cost; save time in delivering the project; reduce public sector administration costs; benefit to local economic development and limited recourse to public funding.

However, Hong Kong based respondents tended to rate efficiency-related drivers higher including: facilitate creative and innovative approaches; transfer risk to the private partner; improve buildability; improve maintainability; technology transfer to local enterprise; and accelerate project development. Hence, this finding implies that the unique characteristics of PPPs in each country influence the PPP attractiveness in the country (Ismail, 2014). In a related study, (Cheung et al, 2009) conducted a questionnaire survey to investigate the reasons for implementing PPPs in three countries namely, Hong Kong, Australia and the UK. The study discovered similarities and differences in the reasons for PPP implementation between the countries. The top three reasons for implementing PPPs in Hong Kong were private initiative, economic development pressure demanding more facilities and high quality of services required. In Australia, the three key reasons were high quality of services required, economic development pressure demanding more facilities and inefficiency because of public monopoly and lack of competition. Whereas, the main

motivations for implementing PPP in the UK were shortage of government funding, economic development pressure demanding more facilities and avoid public investment restriction.

As countries show economic progress, infrastructure demand to accelerate the economic growth becomes significant. In this regard, governments select to stretch their capacity to facilitate the required infrastructure from the public budget until deficiency of resources hold them back. In his study through a questionnaire survey of 122 respondents in Malaysia, (Ismail, 2014) confirmed three top driving forces for PPPs implementation in Malaysia. These were economic development pressure of demanding more facilities, private incentive, and shortage of government funding.

In order to identify the driving factors of PPPs implementation in the developing countries, (Osei-Kyei and Chan , 2017) conducted a questionnaire survey with international PPP experts from the academic and industrial sectors. The result indicated that the three most critical factors that attract PPP investment were political support and acceptability for PPPs, government positive attitude towards private sector investments and political stability.

One of the driving forces tempt governments around the world to adopt PPPs implementation is the involvement of the private sector expertise to project development to deliver innovate services than the public sector using the traditional procurement method. In this respect, (Almarri, 2017) attempted to draw the attractive factors through a questionnaire survey of selected participants from the UAE and the UK. The respondents ranked highest four factors, and these were private sector's skills and experience, private sector's funds, value for money, and risk transfer to the private party.

Government agencies usually prefer to pursue PPPs implementation considering different pressing strategic, political, technical, and economic motivations. (Joha and Janssen , 2010), examined the motivations of Birmingham City Council to implement PPPs and the authors claimed that the main factors for adopting PPPs were strategic and organizational, political, technical and economic aspects.

Identification of driving factors of PPPs implementation can also use for decision support of government agencies. (Cheung and Chan , 2011), through a case study by comparing the attractive and negative factors of implementing the Hong Kong Zhuhai Macau Bridge through PPPs, the

authors showed that negative factors outweighed attractive factors of the project. Therefore, the use of PPPs to deliver that project could not be justified and the decision of the government coincided with the research outcome. Based on the foregoing discussion of empirically examined papers, the positive features that influence the attractiveness of PPP in the delivery of public infrastructures summarized in below Table: 4.

Table 4: PPP implementation driving factors in different countries

| Key drivers | Country (Source) |
|---|---|
| Solving the problem of public sector budget constraint | China, Hong-Kong (Chan et al, 2009; Yuan et al, 2010; Osei-Kyei and Chan, 2018); Ethiopia (Debela, 2019); Ghana (Osei-Kyei et al 2014; Osei-Kyei and Chan, 2018); Malaysia (Ismail, 2014); Taiwan (Chou et al, 2012); UK (Li, 2003; Li et al, 2005); UAE (Almarri, 2018) |
| Providing an integrated solution for Public infrastructure | Australia (Cheung et al, 2010); Indonesia (Chou and Pramudawardhani, 2015); Malaysia (Ismail, 2014) |
| Reducing public money tied up in capital investment | Ghana (Osei-Kyei et al, 2014) |
| Capping the final service cost | UK (Li et al 2005) |
| Facilitating innovative approaches | Australia (Cheung et al, 2010); Ethiopia (Debela, 2019); Indonesia (Chou and Pramudawardhani, 2015); Malaysia (Ismail, 2014); Singapore (Hwang et al., 2013) |
| Reducing the total project cost | Australia (Raisbeck et al, 2010); China, Hong Kong (Chan et al, 2009; Yuan et al, 2010) |
| Accelerating project delivery | Australia (Raisbeck et al, 2010); China (Osei-Kyei and Chan, 2018); Ghana (Osei-Kyei and Chan, 2018); New Zealand (Liu and Wilkinson, 2011); Taiwan (Chou et al, 2012); |
| Transferring risk to the private sector | China (Osei-Kyei and Chan, 2018); Ethiopia (Debela, 2019); Ghana (Osei-Kyei et al, 2014; Osei-Kyei and Chan, 2018); New Zealand (Liu and Wilkinson, 2011); Singapore (Hwang et al., 2013); UAE (Almarri, 2018); UK (Li, 2003; Li et al, 2005; Nisar, 2007; Almarri, 2018) |
| Reducing public sector administration costs | Ghana (Osei-Kyei et al, 2009) |
| Benefitting local economic development | Indonesia (Chou and Pramudawardhani, 2015); New Zealand (Liu and Wilkinson, 2011) |
| Improving buildability | Ethiopia (Debela, 2019) |
| Improving maintainability | Indonesia (Chou and Pramudawardhani, 2015); Ethiopia (Debela, 2019) |
| Transferring technology to local enterprise | UAE (Almarri, 2018) |

| | |
|---|---|
| Providing nonrecourse or limited recourse public financing | Taiwan (Chou et al, 2012) |
| Accelerating project development | Australia (Cheung et al, 2010); Ethiopia (Debela, 2019); Indonesia (Chou and Pramudawardhani, 2015); Taiwan (Chou et al, 2012) |

Source: Literature review, 2023

### 2.3.1 Public Private Partnerships in Ethiopia

In spite of a growing interest in the use of the PPP, model around the world, its adoption in Ethiopia remains limited. Previous efforts at public divestiture and privatization were not adequate in addressing the unmet demand for infrastructure and public services. There have been attempts to tap on PPP initiatives however; these have been few and fragmented. These include the pilot projects in irrigation and the running of an exhibition center owned by Addis Ababa City Administration in the form of management contracts and service contract modality (Wakiaga, Kibret, and Mamuye, 2015).

Contrary to the belief that PPP is non-existent in Ethiopia, as illustrated in the findings that 50% of agencies in private and public sector, development partner agencies and AACCSA are piloting one form of PPP or another. The scope of the PPP initiatives covers housing, construction of side road pavements, dry waste management and recycling services, agro and food processing, irrigation for small scale farming, management of Addis Ababa City Government Exhibition Centre, textile and garment processing, prepaid metering and unified metering. Apart from the irrigation project executed through a PPP management contract and the Addis Ababa City Government Exhibition Centre managed through a PPP management agreement, the rest of the pilot initiatives are service contracts. This is not far from the normal practice in PPPs because service contracts serve as the entry points and thereafter, when partners build confidence, they take up management and lease contract agreements. The Water and Energy Ministry and the Addis Ababa Chamber of Commerce and Sectoral Associations can therefore, commended for taking up the challenge of launching into management and lease PPP agreements, which have more investment responsibilities than service contracts. The two projects actually considered as benchmarks for replication in the selection of potential Public Private Partnerships. (Asubonteng, 2011)

According to (Teshome ,2014) survey's conclusion in Ethiopia, the three main attractive factors for implementing PPP are "Prevalence of PPP specific legal framework", "Prevalence of PPP dedicated public agency" and "Government support in providing guarantee". In terms of the differences in perception between the public and private sector groups, the statistical test results indicated that there are significant differences in only three attractive factors. The study finding implies that the private sector in Ethiopia is ready to get involved in PPP arrangements if these attractive factors put in place by the government. It is also valid to conclude from this finding that the Ethiopian government may consider offering these three important attractive factors to motivate and engage the private sector in development oriented PPP projects. Potentially, other attractive factors, such as tax exemption, risk sharing and loan provision may considered by the government to expedite engagement in PPP projects (Teshome, 2014).

Generally, the collective suggestions imply that having a policy in which Public Private Partnership taken as a development strategy with its enabling legal environment would encourage potential sectors to collaborate with the government on mega development projects. With the establishment of a special government agency and the concomitant laws, regulations, and procedures, PPP projects could be properly executed thereby enhancing the development potential of the country' (Teshome, 2014).

Table 5: Data on Existing and Potential PPP in Ethiopia

| Institution/agency | Existing PPP project/types | Potential PPP projects/type |
|---|---|---|
| 1. Micro and small enterprises development agency | condominium housing, pavement of side road, textile, garment, and food (fruit) processing via service contract | Bamboo processing and bamboo parceling of houses, production and supply of concrete poles via youth and energy project |
| 2. Ministry of Urban development and construction | housing delivery service contract | Housing delivery via service contract and equality financing |
| 3. Ministry of mines | None | Kaleb Gas |
| 4. Ministry of communication and information technology | unified billing of water, electricity, telephone service on pilot basis via service contract | ICT centers (management) |
| 5. Ministry of culture and tourism | None | to be decided by tourism board |
| 6. Ministry of water and energy | irrigation project-community-public private (management contract) | Scale up small scale irrigation project |
| 7. Ethiopian road authority | None | Toll road, Road maintenance and management contract |
| 8. Ministry of industry | None | Agro processing, foot ware and garment production |
| 9. Ethiopian investment agency | None | None |
| 10. Ethiopian electric corporation | prepaid metering pilot project via service contract | Power generation and distribution may be potential after 5 years. First phase of study on reform is under review to address failed PPPs |
| 11. ministry of agriculture | none/land lease to private investors long term based on crop types | Undecided |
| 12. privatization and public enterprises supervising agency | Hilton hotel, Matador Addis tire, Ambo mineral water and a few farms-under lease management , and or joint venture arrangements | None-divestiture success rate of 90% is high so agency wants to sustain it |
| 13. world bank | None | None |
| 14. UNDP/UNCDF | waste management (but not well structured) | Road construction, waste management and recycling |

| | | |
|---|---|---|
| 15. GIZ | food processing (sun dried tomatoes) construction (enhance quality production and use of cobble stones and steel works), sustainable coffee production and marketing | To be decided after pilot review |
| 16. Ethiopian construction contractors association | road and housing service contracts | Toll road, parks and gardens, municipal waste services |
| 17. chamber of commerce- Addis Ababa/ ECCSA/ | Exhibition Centre- AACCSA, management contract with Addis Ababa city government | Exhibition Centre (replication in other cities and regions) |
| 18. chamber of commerce- Ethiopia/ ECCSA/ | None | Management of information Technology centers |

Source**:** (Asubonteng, 2011).

### 2.3.2 Public Private Partnership in Addis Ababa

Addis Ababa Chamber of Commerce and Sectoral Association (AACCSA) started administering the government owned exhibition center and market development enterprise since 2005 by signing rental contractual agreement with the Addis Ababa City Administration. The agreement gave birth to a unique PPP for mutually valuable developmental projects through the provision of standardized services to customers. Established on the basis of a cost and profit sharing arrangement, the exhibition center market development enterprise gives services to local and foreign exhibition and trade fair organizers in addition to providing services during meetings, graduation, weddings, musical festivals, etc., AACCSA, (2015).

According to head of Addis Ababa trade bureau, trade expansion is the first reason for PPP in Addis Ababa exhibition center and market development enterprise. Before the agreement of the city administration with the Addis Ababa Chamber of Commerce and Sectoral Association to manage the Addis Ababa exhibition center and market development enterprise by the Chamber, the capacity of the exhibition was not too much. However, after the exhibition center started to managed by the chamber under PPP, trade was highly expanded and promoted. This change in the capacity of the exhibition center in trade expansion shows the role of the PPP model. PPP is promoting free market and developing the capacity of the exhibition center to be one source of revenue for Addis Ababa city administration. In addition to this, private sectors have better

management capacity than public sectors. Particularly, Addis Ababa chamber of Commerce and Sectoral Association is leading the exhibition center better than that of the previous management system by the city administration. Hence, to achieve better management, partnership with the chamber is important.

### 2.3.3 Conceptual Framework of the study

It known that development of the country became challenging without participation of private firms in the form of Public Private Partnership to achieve public servicing goals. Therefore, PPP can conceived as a very important method of promoting development PPP as part of development. There are some conditions expected to fulfilled, so that PPP could take as a part of development strategy of a given country. Accordingly, these conditions can defined in three interrelated levels: strategic, contextual and operational each of them comprising a set of conditions or factors susceptible to having an impact on Public Private Partnership (Urio, 2010).

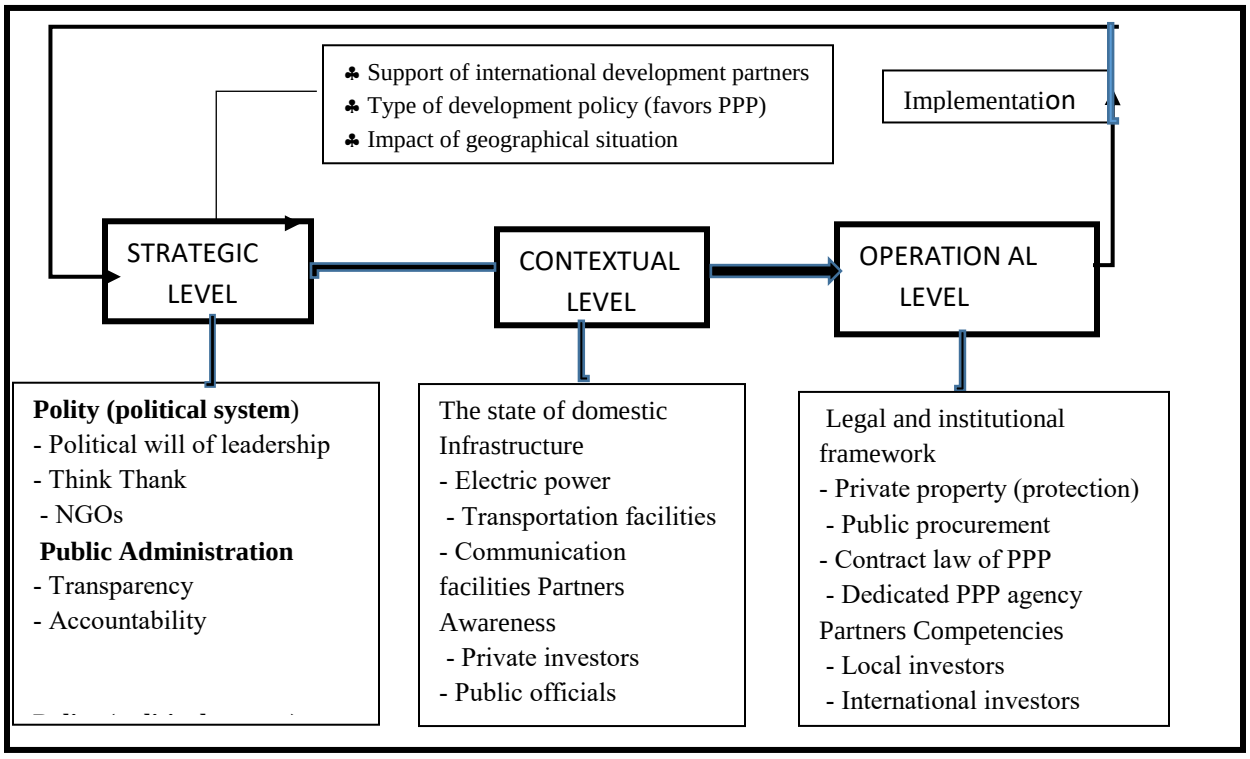


Figure 2: PPP as the Part of the Development Strategy (source: Urio, 2010)

As stated in Figure 2, in strategic level the country's political system (political will of leadership, think thank and NGOs) and Public administration (transparency and accountability) are in important factor for PPPs. In contextual level considers a condition the state of domestic

infrastructure (Electricity Power, Transportation facilities and communication facilities) and Partner awareness (private investors, public officials and civil society financiers) about PPP, impact or support of international development partners, and favorability in terms of geographical location and natural resource. The operational level includes the legal and Institutional framework, i.e., the rules governing the economy, private property, public procurement, contract law (and more specifically rules governing PPP), as well as the prevalence of PPP dedicated institution. Then, the competencies of partners to engage themselves in PPP contracts in terms of asset possession, financial capacity, legitimacy to secure loan, skills, and knowledge are factors considered in this level. This study was focus on operational level and with some element of contextual level like partner's awareness about PPP.

# CHAPTER THREE

## 3. Research methodology

### 3.1 Introduction

This chapter is discusses the research method used in data collection techniques and analysis, to answer the research question. It also describes the research design and approach and describes how collected data from different sources analyzed.

### 3.2 Research design

On other hand, research design is the overall plan for connecting the conceptual research problem to the pertinent and achievable empirical research. It is an inquiry, which provide specific direction for procedures in research, (Creswell, 2014). The research design adopted to this study was exploratory and descriptive type. The research initiated to identify Public Private Partnership implementation driving factors and attempts to find remedial measures in public building projects that are facing problem to adopt and implement Public Private Partnership so it is exploratory. On the other hand, it is also descriptive because it tries to describe the overall Public Private Partnership implementation driving factors in public building projects.

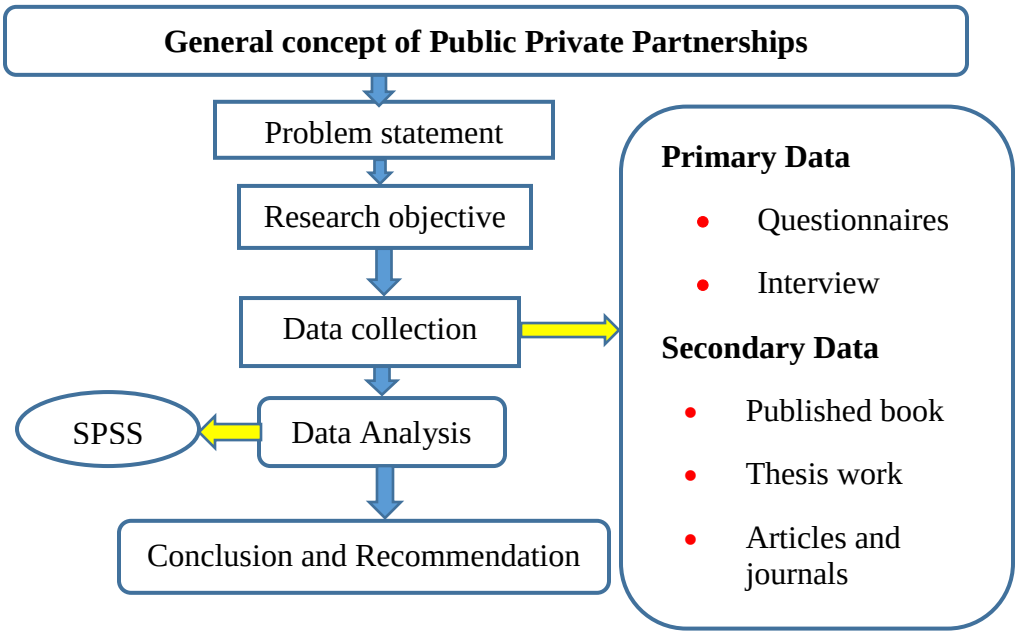


Figure 4: Research procedure

## 3.3 Research approach

Research approach is a plan and procedure that consist steps of broad assumptions to detailed methods of data collection, analysis and interpretation. It is therefore, based on the nature of the research problem being addressed (Priva and Chetty, 2016). This study used both quantitative and qualitative (Mixed) approach, because the quantitative approach tries to measure the problem by identify facts and quantify the collected data from respondents to establish relationships by using statistical tools and qualitative approach used to qualify ideas, opinions, suggestions, or different authors reflected in different books, journals, and research materials. However, dominantly quantitative nature research approach with some use of qualitative research approach formats used to test the objective by examining the relationship among the factors. These factors, in turn, can measured, typically on instruments, so that numbered data can analyzed using statistical procedures.

## 3.4 Research method

Research methods are the strategies, processes or techniques utilized in the collection of data or evidence for analysis in order to uncover new information or create better understanding of a topic. The Ministry of Urban planning and construction with collaboration of Addis Ababa city administration have studied and submitted a pre-feasibility study of the Public Private Partnership implementation under the Ministry of Finance currently for deliberation. They conducted the study over a period of 18 months along with the Addis Ababa city administration and after the completion of the study; it got a green light from the Ministry of Finance. The two authorities were formed a committee to conduct the study, dubbed the affordable housing development in Addis Ababa. It approved and launched the private developers can collaborate with the Addis Ababa housing development and administration bureau and housing development through Public Private Partnership arrangements. Consequently, the representative of Addis Ababa housing development and administration Bureau, Urban Planning and Construction Minister, and Minister of Finance were purposely selected as target respondents to fill out questionnaires.

This study included the primary data collection from respondents' specifically from directors, team leaders, chief officers, managers, administrators, and specialists. Data collections carried out by

administrated questionnaire. In order to achieve the objectives of the study, the researcher collected quantitative data through questionnaire that helps to cover target groups than the interview, given the quality and chance of no response.

### 3.4.1 Questionnaire survey

A questionnaire provide firsthand information for the subject matter of a research as it focused on issues, which further serve as a survey to understand the main concern and attitude of respondents towards the problem. The questionnaire distributed to selected representatives of government organization that believed have detail knowledge and full information about public private partnership implementation driving factors in public building.

In this study, questionnaires was used to identify professional opinion, awareness, observation, attitude about PPP driving factors and how they have perceived to developed effective framework and implement Public Private Partnership in public building project in Addis Ababa. It included the primary data collection from respondents' specifically from directors, team leaders, chief officers, managers, administrators, and specialists from Urban Planning and Construction Minister, Addis Ababa House Development and Administration and Ministry of Finance because of their knowledge and expertise in Public Private Partnership in housing sector. Data collections carried out by administrated questionnaire. In order to achieve the objectives of the study, the researcher collected quantitative data through questionnaire that helps to cover target respondents than the interview, given the quality and chance of no response.

The questionnaire in general has four sections. The first section contain demographic data, the second major factor for late adoption of Public Private Partnership project, the third driving factor for PPP implementation and the fourth one is conceptual framework development (conceptual framework is a system of concepts, assumptions, expectations, beliefs and theories that supports and informs study) for public building projects.

### 3.4.2 Interviews guide

The second type of primary data were discussions made with the high position of organization representatives (Directors and PPPDG) at Urban Planning and Construction Minister, Addis Ababa house Development and Administration and Ministry of Finance. The interview is an

important data gathering technique involving verbal communication between the researcher and the interviewee. This was aiming at knowing the attitudes and reflections of the respondents on the Public Private Partnership implementation driving factors and conceptual framework development in public building projects. In addition, it also used to cover the question did not answered in the self-administered questionnaire. Narrative analysis method was used to cluster the interview data into their similarity and summarize the firsthand information have taken from the participants for the aim of analysis and interpretation.

## 3.5 Source of the Data

The data for the research was obtained from both primary and secondary sources. Primary data was collected from respondents (directors, managers, team leaders, directorate general and chief officers) through close ended questionnaire and secondary data was obtained from literature review.

## 3.6 Target population

The target population of the study was organized that includes Urban Planning and Construction Minister, Addis Ababa House Development and Administration and Ministry of Finance. The number of organization and respondent. The total population of urban planning and construction minister, Ministry of finance and Addis Ababa house development and administration are 40.

## 3.7 Sample size

Determining sample size is a very useful issue in the sampling design (Gebre, 2013). Sample design is a definite plan determined before any data collected for obtaining a sample from a given population. Due to the population of experts are minimum in numbers all are selected to fill out the questionnaires.

Table 5: Number of organization and respondents

| Expert from | Number of sample at each organization |
|---|---|
| Ministry of Finance | 10 |
| Addis Ababa House Development and Administration | 15 |
| Urban Planning and Construction minister | 15 |
| Total | 40 |

## 3.8 Sampling Technique

Purposive sampling techniques was used to select target respondents acting in Public Private sectors ( Urban Planning and Construction Minister, Ministry of Finance and Addis Ababa house development and administration) such as ( directors, managers, directorate general, team leaders, chief officers) were identified for the questionnaire as the target population of the study.

## 3.9 Method of data analysis and interpretation

Data analysis is the process of systematically applying statistical and logical methods to describe and illustrate, condense and recap, and evaluate the data. According to (Durcevic, 2020), data analysis is a process that relies on methods and techniques to taking raw data, mining for insight and relevant. The data collected from the respondent analyzed by using quantitative and qualitative data analysis methods. Quantitative data analysis used for the data, which collected through structured questionnaire and qualitative data analysis used for which collected through qualitative data collection method. As they do represent current practices of handling quantitative data inputs, simplistic software packages such as the Statistical Packages for Social Sciences (SPSS) version 26 and Excel adopted to analyze and present primary data inputs collected through administered questionnaires of dominantly Likert scale questions.

Frequency, percentage, mean and Relative Importance Index (RII) employed to rank, summarize and draw conclusions about the sample data. For ease of analysis, the response distribution on the 5 point Likert scale of ["very high =5, high=4, medium=3, low =2, very low=1"] were used (Tebeje and Teka, 2015). Hence, the statistical tool frequency distribution has employed to see the response distributions on the 5-point Likert scale, table and charts used to display the distribution of data together with simple analysis.

The Relative Importance Index (RII) computed (Cheung et al, 2004) ; (Iyer and Jha, 2005); (Ugwu and Haupt, 2007) using the following formula;

$$\boldsymbol{RII = \frac{\sum W}{A*N}\ (0 \leq RII \leq 1)} \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \textbf{(1)}$$

Where;

W- Is the weight given to each factor by the respondents and ranges from

(1 to 5), (where “1” is “very low” and “5” is “very high”)

A-is the highest weight (i.e. 5 in this case) and;

N - is the total number of respondents.

The Relative Importance Index (RII) used to determine the relative importance of quality factors involved and calculated for each item and ranked accordingly. The points of Likert scale used is equal to the value of (W), weighting given to each factor by the respondents. On other hand, standard deviation (SD) also used to rank the items, which has similar rank when ranked with relative importance index (RII). Standard deviation is a measure of the amount of variation or dispersion of a set of value. The low standard deviation indicates that the values tend to be close to the mean of the set, while a high standard deviation indicates that the values spread out over a wide range. The findings from the analysis presented using tables, graphs and interpreted to reach valid conclusions. The principal purpose is to rank the identified factors and find out the major factors that are required to be given due attention to adopt and implement Public Private Partnership in public project and forward appropriate recommendation.

## 3.10 Validity test

Validity achieved through having objective questions included in the questionnaire. It is the extent, at which a test measures what it entitlements to measure (Lakshmi, 2013). A measure is valid if it will measures what it will supposed to measure. Content validity is the extent to which the items in an instrument cover the entire range of the significant aspects of the area being investigated (Kindy, 2016). It is the degree at which the measurement device, will measuring the questions in the questionnaire, to provide sufficient coverage of the research investigative questions.

To maintain the internal validity the researcher has developed well-structured questionnaires, and have collected valid data from the respondents. A pretest or pilot survey for each question done on four experts’ in order to check the validity and reliability of the instruments. Based on the result obtained the questionnaires have been modified before finally issued to respondents considering comments given by advisor.

Based on the 40 distributed questionnaires and 32 respondents filled and returned questionnaires. Therefore, the validity of instrument was 80%.

## 3.11 Reliability test

Reliability is the extent to which measurements are repeatable when different persons perform the measurements on different occasions under different conditions with supposed alternative instruments, which measure the same thing (Dorset, 2011). Reliability is consistency of the measurement or stability of measurement over a variety of conditions in which the same results should obtained.

The most popular method to test for internal consistency in the behavioral sciences is Cronbach's alpha coefficient. As the general rule of thumb is that a Cronbach's alpha reliability coefficient normally ranges between 0.70≤ suggest that the items have relatively high internal consistency and acceptable. In order to test the internal consistency of variables in the research instrument Cronbach's alpha coefficient will calculated for the items by using the following formula;

$$\boldsymbol{\alpha} = \frac{\boldsymbol{N} * \bar{\boldsymbol{C}}}{\boldsymbol{V} + (\boldsymbol{N} - \boldsymbol{1})\bar{\boldsymbol{C}}} \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (2)$$

(Where, N is equal to the number of items, C̄-bar is the average inter-item covariance among the items and v-bar equals the average variance.)

Table 6: internal consistency reliability analysis

| Reliability Statistics | |
|---|---|
| Cronbach's Alpha | N of Items |
| .910 | 33 |

The above table: 6 shows that Cronbach's Alpha is equal to 0.910>0.7 so, it can be concluded that the items have relatively high internal consistency and acceptable.

## 3.12 Ethical consideration

The concerned body who was participated in the study informed about the study and in addition, the respondents asked for their consent prior to the tools to gather the relevant data. Every person involve in the study is entitled to the right of privacy and dignity of treatment, and no personal harm is cause to subject in the study. Information obtain is held in strict confidential and no part

of their response is exposed to anyone without their complete consent. All assistance, collaboration of others and sources from which information drawn were acknowledged.

# CHAPTER FOUR

## 4. Data Analysis and Presentation

This chapter explains and discusses the results of findings based on the analysis done on the data collected. The data have been collected and analyzed according to the research methodology described in the previous chapter and address the research problems posed in the first chapter of this study. The discussion attempts to accomplish the objectives of the study and answer the research questions.

### 4.1 Response Rate

The total of 40 questionnaires were distributed for those purposively selected employee of urban planning and Construction minister, Finance minister, Addis Ababa house development and administration and other stakeholders, out of the total questionnaires 32 were returned and it believed that enough for this study.

Table 6: response rate

| Expert from | Distributed questionnaires | Responded questionnaire | Response rate |
|---|---|---|---|
| Ministry of Finance | 10 | 6 | 60% |
| Addis Ababa House Development and Administration | 15 | 14 | 93.3% |
| Urban Planning and Construction minister | 15 | 12 | 80% |
| Total | 40 | 32 | 80% |

Source: Own survey, 2023

As it indicate in above table 6, from the total 40 questionnaires distributed to respondents from different government organization 32 of them are filled correctly and returned to the researcher for the purpose of the analysis. According to this, 80% of the questionnaires were used for the analysis and it show that it believed enough for this research.

## 4.1 Demographic profile of respondents

### 4.1.1 Age of the respondents

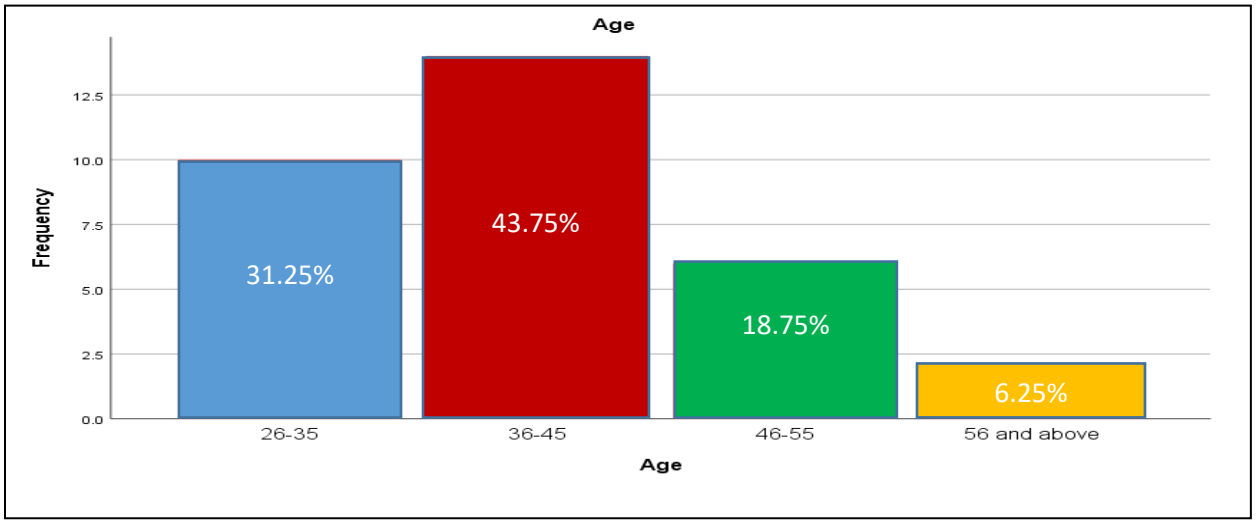


Figure 6: distribution of the sample with respect to Age

As the above Figure: 6 shows that 10(31.25%) of respondent's age was between 26-35 years, 14(43.75%) of respondent's age was between 36-45 years, 6(18.75%) of respondent's age was between 46-55 and 2(6.25%) of respondent's are was 56 and above years. The result shows that 43.75% of respondents' ages were between 36-45 years. This means the majority of the respondents familiar with the subject matter and show that different respondents' age categories were involved.

### 4.1.2 Education background of the respondents

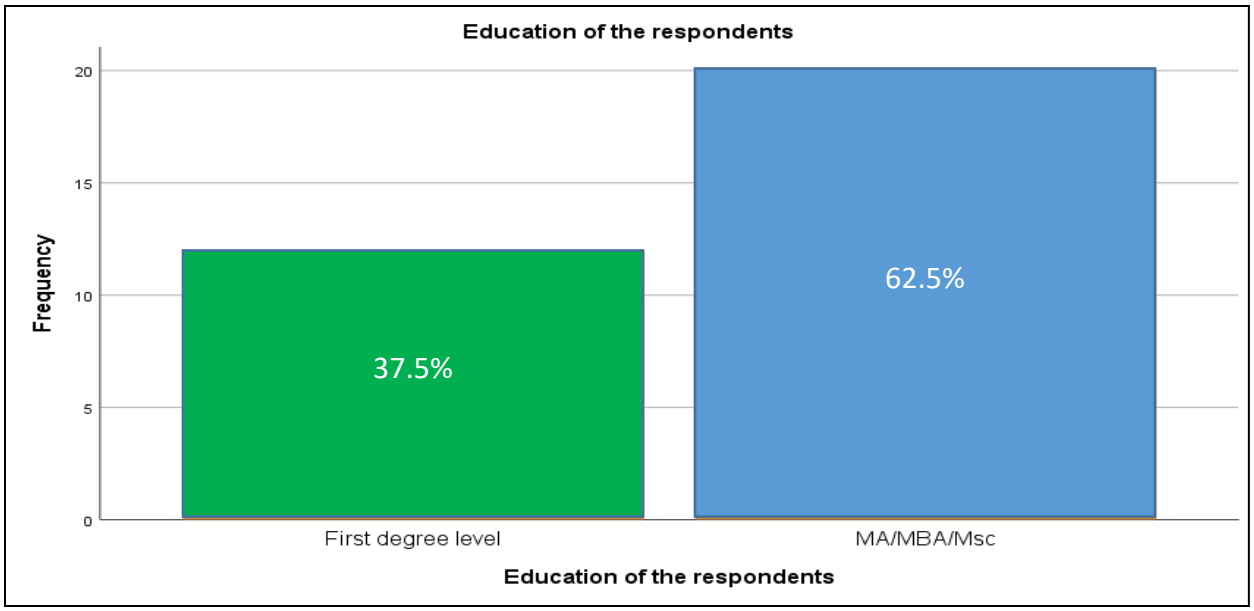


Figure 7: Distribution of the sample with respect to their Education

The above Figure: 7, shows that 12(37.5%) of respondents were first degree holders, and 20 (62%) of respondents were master's degree holders. The result shows that most of the respondent were master's degree (MSc/MBA/MA) and they were highly expert.

### 4.1.3 Current Work Position of the respondents

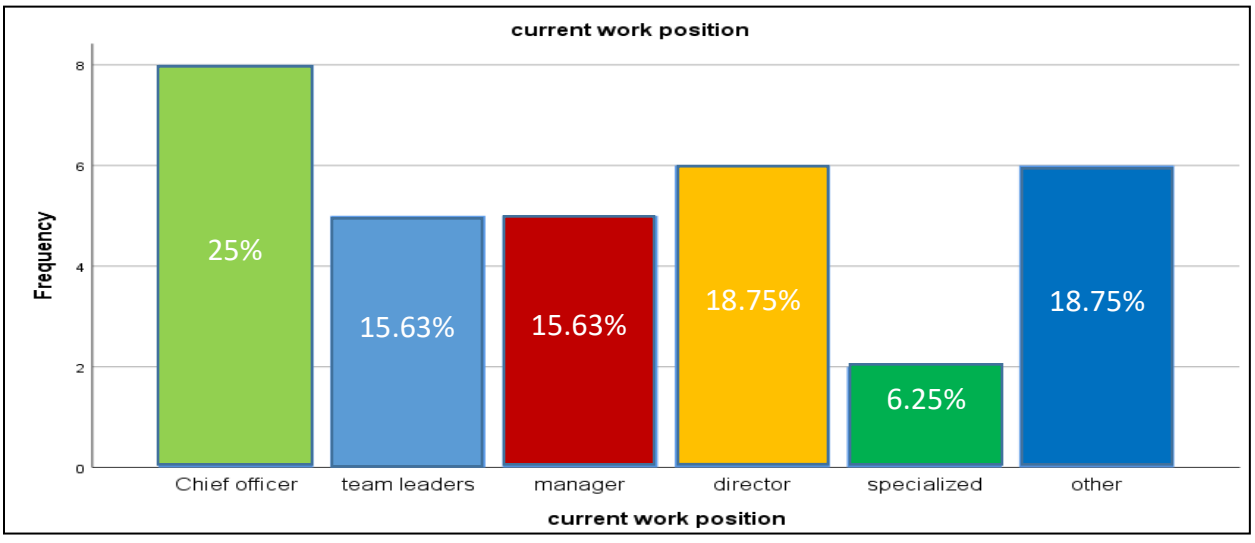


Figure 8: Distribution of the sample with respect to work position

As it depicted in above figure: 8, the respondents survey comprised well educated and organized from four designed work positions with direct and indirect on public private partnership adoption and implementation. Such as 8(25%) of respondents were chief officer; 5(15.63%) of respondent were team leaders; 5(15.63%) of respondents were managers; 6(18.75%) of respondents were directors; 2(6.25%) of respondents were specialized and 6(18.75%) of respondents were in other work position. This show that the respondent were well educated and believed have full knowledge about the subject matters.

### 4.1.4 Service years of the respondents

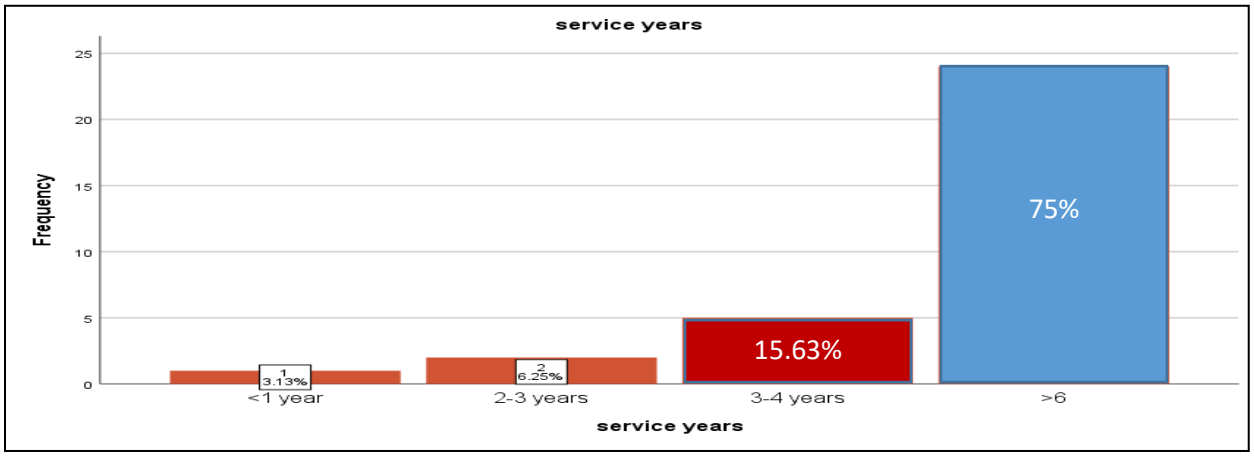


Figure 9: Distribution of the sample with respect to service year

As the above Figure: 9 result shows that, out of the total respondents, 1(3.13%) of respondent's work experience was less than 1year, 2(6.25%) of respondents were between 2-3 years, 5(15.63%) of respondents were between 3-4years and 24(75%) of respondents were 6 and above years' work experience. The result indicated that the majority of respondents' work experience was above 6years. This implies that the majority of our participants for the survey experienced and this implies most of the expert were highly experienced.

## 4.2 Results and discussion

Questionnaire provides firsthand information for the subject matter of a study as it focused on issues, which further serves as a survey to understand the main concerns and attitudes of respondents toward the issues under study. The highest score is 5 points if "strongly agree" with the message conveyed in the statement. Subsequently 4 points imply "agree" while 3 points mean

"neutral" on the issue. On the other hand, 2 points represent the notion "disagree" with the assumption of particular statement. The lowest score is 1 point and reflects, "Strongly Disagree" with the message conveyed in the statement.

### 4.2.1 The Major barriers to implement Public Private Partnership in Public Projects

This section discussed the major barriers to implement Public Private Partnership in public building projects. Descriptive statistics of the major factors of Public Private Partnership for late adoption analyzed by using SPSS version 26 and Microsoft Excel; the frequency result of the survey for each items presented in tabular form as follows.

Table 7: (1-5) frequency: major barriers to implement PPP in public projects

1. lack of clear-cut regulations and policy direction; high investment requirements; and high risks

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Neutral | 1 | 3.1 | 3.1 | 3.1 |
| | Agree | 20 | 62.5 | 62.5 | 65.6 |
| | strongly agree | 11 | 34.4 | 34.4 | 100.0 |
| | Total | 32 | 100.0 | 100.0 | |

Source: own survey 2023

As indicated from above table:7(1), lack of clear-cut regulations and policy direction; high investment requirements and high risks was rated by 32 respondents, 1(3.1%) rated as a medium, 20(62.5%) rated as a high and 11(34.4%) rated as a very high factor. Most of the respondent were agree that lack of clear-cut regulations and policy direction; high investment requirements; and high risks were the barriers of public private partnership.

Table 7.2: procedural delay during PPP agreement

2. Procedural delay during Public Private Partnership agreement

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Disagree | 1 | 3.1 | 3.1 | 3.1 |
| | Neutral | 4 | 12.5 | 12.5 | 15.6 |
| | Agree | 17 | 53.1 | 53.1 | 68.8 |
| | strongly agree | 10 | 31.3 | 31.3 | 100.0 |
| | Total | 32 | 100.0 | 100.0 | |

Source: own survey 2023

Table:8(2) show that, procedural delay during Public Private Partnership agreement was rated from total respondents, 1(3.1%) rated as a low, 4(12.5%) rated as a medium, 17(53.1%) rated as a high and 10(31.3%) rated as a very high.

Table 7.3: Lack of government to provide private incentive

3. Lack of Government to provide Private incentive to encourage public private partnerships

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Disagree | 2 | 6.3 | 6.3 | 6.3 |
| | Neutral | 1 | 3.1 | 3.1 | 9.4 |
| | Agree | 21 | 65.6 | 65.6 | 75.0 |
| | strongly agree | 8 | 25.0 | 25.0 | 100.0 |
| | Total | 32 | 100.0 | 100.0 | |

Source: own survey 2023

As it depicted in table:8(3) above, lack of government to provide Private incentive to encourage private partnerships was rated by total respondents, 2(6.3%) rated as a low, 1(3.1%) rated as a medium and 21(65.6%) rated as a high. Most of the respondents were agree that lack government to provide private incentive to encourage public private partnership was the major barriers of public private partnership to implement.

Table 7.4: Poor level of partners' engagement and presentation

4. Poor level of partners' engagement and representation

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Disagree | 2 | 6.3 | 6.3 | 6.3 |
| | Neutral | 2 | 6.3 | 6.3 | 12.5 |
| | Agree | 20 | 62.5 | 62.5 | 75.0 |
| | strongly agree | 8 | 25.0 | 25.0 | 100.0 |
| | Total | 32 | 100.0 | 100.0 | |

Table:8(4) above show that, Poor level of partners' engagement and representation was rated by respondents, 2(6.3%) rated as a low, 2(6.3%) rated as a medium, 20(62.5%) rated as a high and 8(25%) rated as very high. Most of the respondents agree that poor level of partners' engagement

and representation was the major barriers of public private partnership to implement public private partnership.

Table 7.5: high risk relying on private sector

| 5. There is a high risk relying on private sector in public private partnership. | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Disagree | 4 | 12.5 | 12.5 | 12.5 |
| | Neutral | 4 | 12.5 | 12.5 | 25.0 |
| | Agree | 17 | 53.1 | 53.1 | 78.1 |
| | strongly agree | 7 | 21.9 | 21.9 | 100.0 |
| | Total | 32 | 100.0 | 100.0 | |

Source: own survey 2023

Table:8(5) above indicate, a high risk relying on private sector in public private partnership was rated by respondents, 4(12.5%) rated as a low, 4(12.5%) rated as a medium, 17(53.1%) rated as a high and 7(21.9%) rated as very high. Most of the respondents agree that high risk relying on private sector was the major public private partnership to implement public private partnership.

After analyzing the frequency of each item, Relative Importance Index, (RII) and mean analysis conducted. The higher value of RII shows that the most weighted significant factor that affects adoption of Public Private Partnership in public building project and the lower RII value indicates the low effect factor. Ranking the major factors that cause for the late adoption of Public Private Partnership implementation in public projects using RII and mean presented in below table: 8 below.

Table 8: Ranking of major barriers of PPP implementation in public projects.

| Items | RII | SD | Rank |
|---|---|---|---|
| lack of clear-cut regulations and policy direction; high investment requirements; and high risks | 0.86 | 0.53 | 1 |
| There is a high risk relying on private sector in public private partnership. | 0.77 | 0.91 | 5 |
| Government investment in similar projects | 0.71 | 1.24 | 8 |

| | | | |
|---|---|---|---|
| Due to lack of clear role and responsibilities between public and private partnership | 0.72 | 1.04 | 6 |
| Poor level of partners' engagement and representation | 0.81 | 0.76 | 4 |
| Procedural delay during Public Private Partnership agreement | 0.82 | 0.75 | 2 |
| Absence of sound legal framework to adopt PPP | 0.64 | 1.11 | 9 |
| Lack of political pressure to adopt public private partnership | 0.72 | 1.07 | 6 |
| Lack of Government to provide Private incentive to encourage private partnerships | 0.82 | 0.73 | 2 |

Source: own survey 2023

As indicated in above table 8, ranking of major barriers of PPP implementation in public projects according to their RII value. Based on this value, lack of clear-cut regulations and policy direction; high investment requirements; and high risks with RII= 0.86 was take the first place and it show that this factor was the most major barriers to implement PPP in public projects. Lack of Government to provide Private incentive to encourage private partnerships was the second barriers to implement PPP in public building with RII=0.82. This show that those factors are the most barriers to implement PPP in public building.

### 4.2.2 Driving factors for PPP implementation in public projects

This section discussed the Public Private Partnership implementation driving factors in public building projects. Descriptive statistics of the driving factors of Public Private Partnership implementation analyzed by using SPSS version 26 and Microsoft Excel: the frequency result of the survey for each items presented in tabular form as follows.

Table 9: (1-5) Frequency: Driving factors for PPP implementation

1. Competitive public private partnership procurement process.

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Disagree | 1 | 3.1 | 3.1 | 3.1 |
| | Neutral | 2 | 6.3 | 6.3 | 9.4 |
| | Agree | 8 | 25.0 | 25.0 | 34.4 |
| | strongly agree | 21 | 65.6 | 65.6 | 100.0 |
| | Total | 32 | 100.0 | 100.0 | |

Source: own survey 2023

As it indicated in table: 9(1) above, competitive public private partnership procurement process rated by respondents 1(3.1%) rated as a low, 2(6.3%) rated as a medium, 8(25%) rated as a high and 21(65.6%) rated as very high. As it indicated in the above table 9(1) most of the respondents strongly agree that Competitive public private partnership procurement process is the factors drives the PPP implementation..

Table 9.2: Favorable legal framework to implement PPP

2. Favorable legal framework to implement public private partnership.

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Disagree | 1 | 3.1 | 3.1 | 3.1 |
| | Neutral | 1 | 3.1 | 3.1 | 6.3 |
| | Agree | 11 | 34.4 | 34.4 | 40.6 |
| | strongly agree | 19 | 59.4 | 59.4 | 100.0 |
| | Total | 32 | 100.0 | 100.0 | |

Source: own survey 2023

Table: 9(2) show that, favorable legal framework to implement public private partnership was rated by respondents, 1(3.1%) rated as a low, 1(3.1%) rated as a medium, 11(34.4%) rated as a high and 19(59.4%) rated as very high. The majority of the respondents were respond it that Favorable legal framework to implement public private partnership was the major factors that drive the implementation of PPP in public projects.

Table 9.3: Political will and bankable projects to introduce PPP

3. political will and bankable projects to introduce PPP

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Disagree | 1 | 3.1 | 3.1 | 3.1 |
| | Neutral | 2 | 6.3 | 6.3 | 9.4 |
| | Agree | 10 | 31.3 | 31.3 | 40.6 |
| | strongly agree | 19 | 59.4 | 59.4 | 100.0 |
| | Total | 32 | 100.0 | 100.0 | |

Source: own survey 2023

Table: 9(3) above show, Political will and bankable projects to introduce Public Private Partnership was rated by respondents, 1(3.1%) rated as a low, 2(6.3%) rated as a medium, 10(31.3%) rated as a high and 19(59.4%) rated as very high. Most of the respondents respond that

political will and bankable projects to introduce PPP was the major PPP driving factors to implement PPP in public projects.

Table 9.4: Political support for private sector

4. Political support for private sector who engaged in public private partnership.

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | disagree | 2 | 6.3 | 6.3 | 6.3 |
| | Agree | 12 | 37.5 | 37.5 | 43.8 |
| | strongly agree | 18 | 56.3 | 56.3 | 100.0 |
| | Total | 32 | 100.0 | 100.0 | |

Source: own survey 2023

As it indicated in table: 9(4) above, Political support for private sector who engaged in public private partnership rated by respondents, 2(6.3%) rated as a low, 12(37.5%) rated as a high and 18(56.3%) rated as very high. The majority of the respondents were respond it that they strongly agree, Political support for private sector who engaged in public private partnership was the major driving factors implement PPP in public projects.

Table 9.5: Sound PPP policy framework

5. Sound public private partnership policy framework

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | disagree | 2 | 6.3 | 6.3 | 6.3 |
| | neutral | 2 | 6.3 | 6.3 | 12.5 |
| | agree | 8 | 25.0 | 25.0 | 37.5 |
| | strongly agree | 20 | 62.5 | 62.5 | 100.0 |
| | Total | 32 | 100.0 | 100.0 | |

Source: own survey 2023

Table: 9(5) above show, sound public private partnership policy framework rated by respondents, 2(6.3%) rated as a low, 2(6.3%) rated as a medium, 8(25%) rated as high and 20(62.5%) rated as a very high. As in indicated from the frequency table most of the respondents were strongly agree that Sound public private partnership policy framework was the major driving factors that drive the PPP implementation in public building.

After analyzing the frequency of each item, Relative Importance Index, (RII) and mean analysis conducted. The higher value of RII shows the most weighted significant driving factor of PPP implementation in public building project and the lower RII value indicates the low effect factor. Ranking the PPP implementation driving factors that cause PPP implementation in public projects using RII and mean presented in table: 10 below.

Table 10: Ranking driving factors of PPP

| Items | RII | SD | Rank |
|---|---|---|---|
| Institutional cooperation for joint production and risk sharing | 0.88 | 0.66 | 5 |
| Sound public private partnership policy framework | 0.89 | 0.87 | 3 |
| projects with sound economic and financial credentials | 0.87 | 0.90 | 7 |
| Favorable legal framework to implement public private partnership. | 0.9 | 0.71 | 2 |
| Essential pre-condition for development of PPP which drivers the public sector response and long term commitment to PPP | 0.86 | 0.77 | 9 |
| economic, social and political conditions prevalent in the country | 0.87 | 0.60 | 7 |
| political will and bankable projects to introduce PPP | 0.89 | 0.76 | 3 |
| Private sectors are a source of technical and financial resource for public private partnership. | 0.88 | 0.84 | 5 |
| Characteristics of infrastructure investments attractive to insurance companies, pension funds, and financial institutions | 0.86 | 0.89 | 9 |
| Incremental investment alternatives. | 0.85 | 0.83 | 12 |
| Good governance to facilitate public private partnership. | 0.78 | 0.96 | 12 |
| Political support for private sector who engaged in public private partnership. | 0.89 | 0.80 | 3 |
| Well organized and committed public agency to support public private partnership. | 0.86 | 0.69 | 10 |
| competitive public private partnership procurement process | 0.91 | 0.76 | 1 |
| private partners sectors are provide expertise and innovation capacity to enabling public private partnership | 0.88 | 0.75 | 5 |

Source: own survey 2023

As we can see from the above table 10, competitive public private partnership procurement process was the most PPP implementation driving factors with the value of RII=0.91. Favorable legal framework to implement public private partnership was the second important PPP implementation driving factors with value of RII=0.90.

### 4.2.3 Framework (Rule and Regulation) that govern PPP in Public Projects

This section discussed the rule and regulation (framework) that govern Public Private Partnership implementation in public building projects. Descriptive statistics of rule and regulation of PPP implementation analyzed by using SPSS version 26 and Microsoft Excel: the frequency result of the survey for each items presented in tabular form as follows.

Table 11: (1-5) Frequency: Rule and Regulation that govern PPP

| 1. legal qualification | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | agree | 12 | 37.5 | 37.5 | 37.5 |
| | strongly agree | 20 | 62.5 | 62.5 | 100.0 |
| | Total | 32 | 100.0 | 100.0 | |

Source: own survey 2023

The above Table:11 indicate that, legal qualification from the total 32 was rated by respondents, 12(37.5%) rated as a high, and 20(62.5%) rated as very high. As it indicated from the frequency, table most of the respondents respond that they strongly agree on the rule and Regulation that govern PPP in public building implementation.

Table 11.2: Affordability of the end users to pay for the service

| 2. Affordability of the end users to pay for the service | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | agree | 15 | 46.9 | 46.9 | 46.9 |
| | strongly agree | 17 | 53.1 | 53.1 | 100.0 |
| | Total | 32 | 100.0 | 100.0 | |

Source: own survey 2023

As it depicted in table: 11(2) above, affordability of the end users to pay for the service rated by respondents 5(46.9%) rated as a high and 17(53.1%) rated as a very high. It show that affordability of the end users to pay for the service was the major that govern PPP to implement in public projects.

Table 11:3: Credible and effective agency

| 3. Credible and effective agency |
|---|

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | strongly disagree | 1 | 3.1 | 3.1 | 3.1 |
| | agree | 15 | 46.9 | 46.9 | 50.0 |
| | strongly agree | 16 | 50.0 | 50.0 | 100.0 |
| | Total | 32 | 100.0 | 100.0 | |

Source: own survey 2023

Table: 11(3) show that, credible and effective agency rated by respondents 1(3.1%) rated as a very low, 15(46.9%) rated as a high and 16(50%) rated as a very high. It imply that Credible and effective agency was the major factors that govern PPP implementation.

Table 11.4: Value of money

| 4. Value for money | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Agree | 14 | 43.8 | 43.8 | 43.8 |
| | strongly agree | 18 | 56.3 | 56.3 | 100.0 |
| | Total | 32 | 100.0 | 100.0 | |

Source: own survey 2023

As it depicted in table: 11(4) above, Value for money rated by respondents, 14(43.8%) rated as a high and 18(56.3%) rated as a very high.

Table 11.5: Sufficient government fund

| 5. Sufficient government fund | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Agree | 15 | 46.9 | 46.9 | 46.9 |
| | strongly agree | 17 | 53.1 | 53.1 | 100.0 |
| | Total | 32 | 100.0 | 100.0 | |

Source: own survey 2023

Table: 11(5) show that, Sufficient government rated by respondents, 15(46.9%) rated as a high and 17(53.1%) rated as a very high.

After analyzing the frequency of each item, Relative Importance Index, (RII) and mean analysis conducted. The higher value of RII shows the most weighted significant factor that govern PPP to implement in public building project and the lower RII value indicates the low effect factor.

Ranking legal framework that govern PPP implementation in public projects using RII and mean presented in table: 12 below.

Table 12: Ranking legal framework that govern PPP implementation

| Items | RII | SD | Rank |
|---|---|---|---|
| Public interest such that evaluation of the environmental, health and safety impacts of the development | 0.86 | 0.79 | 8 |
| Affordability of the end users to pay for the service | 0.92 | 0.51 | 1 |
| Value for money | 0.91 | 0.50 | 2 |
| technical qualification | 0.79 | 1.17 | 9 |
| legal qualification | 0.92 | 0.49 | 1 |
| financial qualification | 0.86 | 0.78 | 7 |
| sufficient government fund | 0.91 | 0.51 | 2 |
| credible and effective agency | 0.92 | 0.79 | 1 |
| suitable political guarantees to investors where appropriate | 0.9 | 0.80 | 4 |

Source: own survey 2023

## 4.3 Findings and Discussion from questionnaire survey

Based on Figure: 6-9, 43.75% of respondents are aged between (36-45), 31.250% were between (26-35) old, 18.75% were between (46-55) and 6.75% were 56 and above. Most of the respondents 62.5% have an educational qualification of the second degree, and 37.5% are first-degree level. 25% of respondents were at chief officer work position, 18.75% were directors and other work position respectively, and 15.63% were team leaders and managers work position. 75% of respondents were have greater than 6 years' work experience, 15.63% were have 3-4years work experience, 6.25% of respondents were have 2-3yeras work experience and 3.1% were have less than 1year work experience respectively.

The most important factors agreed by respondents as the major factors hindering the adoption and implementation of public private partnership in public building project ranking from (1-5) are listed. lack of clear-cut regulations and policy direction; high investment requirements and high risks; Procedural delay during Public Private Partnership agreement; Lack of government to provide Private incentive to encourage private partnerships; Poor level of partners' engagement and representation and a high risk relying on private sector in public private partnership respectively.

Table 13: Top five of factors for late adoption of PPP

| Items | RII | SD | Rank |
|---|---|---|---|
| lack of clear-cut regulations and policy direction; high investment requirements; and high risks | 0.86 | 0.53 | 1 |
| Procedural delay during Public Private Partnership agreement | 0.82 | 0.75 | 2 |
| Lack of Government to provide Private incentive to encourage private partnerships | 0.82 | 0.73 | 3 |
| Poor level of partners' engagement and representation | 0.81 | 0.76 | 4 |
| There is a high risk relying on private sector in public private partnership. | 0.77 | 0.91 | 5 |

Source: own survey 2023

According to all responses, lack of clear-cut regulations and policy direction; high investment requirements; and high risks have been the main factors affecting the adoption of public private partnership in public project as it has the first rank among all factors with RII = 0.86. It is a dominant challenge factor to adopt public private partnership in public projects. Procedural delay during Public Private Partnership agreement is the second factors that challenge to adopt public private partnership with RII=0.82 and lack of government to provide Private incentive to encourage private partnerships also the third factor affect the adoption of public private partnership with RII=0.82. Poor level of partners' engagement and representation is the fourth factor that challenge the adoption of public partnership with RII=0.81 and there is a high risk relying on private sector in public private partnership is the fifth factors with RII=0.77.

Table 14: Top five of PPP implementation driving factors

| Items | RII | SD | Rank |
|---|---|---|---|
| competitive public private partnership procurement process | 0.91 | 0.76 | 1 |
| Favorable legal framework to implement public private partnership | 0.90 | 0.71 | 2 |
| political will and bankable projects to introduce PPP | 0.89 | 0.76 | 4 |
| Political support for private sector who engaged in public private partnership. | 0.89 | 0.80 | 4 |
| Sound public private partnership policy framework | 0.89 | 0.87 | 4 |

Source: own survey 2023

Figure:14 above show that, competitive public private partnership procurement process is the first major driving factor to implement public private partnership in public project with RII=0.91, and favorable legal framework to implement public private partnership is the second driving factors to implement public private partnership with RII=0.90. In addition, political will, bankable projects to introduce Public Private Partnership and Political support for private sector who engaged in public private partnership are the fourth driving factor with RII=0.89 respectively.

Table 15: Top five of rule and regulation govern PPP

| Items | RII | SD | Rank |
|---|---|---|---|
| Legal qualification | 0.92 | 0.49 | 1 |
| Affordability of the end users to pay for the service | 0.92 | 0.51 | 1 |
| Credible and effective agency | 0.92 | 0.79 | 1 |
| Value for money | 0.91 | 0.50 | 3 |
| Sufficient government fund | 0.91 | 0.51 | 3 |

Source: own survey 2023

It has depicted in above table: 15, legal qualification that govern public private partnership implementation in public building projects with RII=0.92, affordability of the end users to pay for the service is the factor with RII=0.92 and credible and effective agency with RII=0.92 are the first ranked factors. In addition, the Value for money with=0.91 and Sufficient government fund with RII=0.91 are ranked in third order.

A reliability test was also conducted using SPSS version 26 to determine internal consistency of the items, Cronbach's alpha value of 0.910 was calculated from the test which suggests that high internal consistency since >0.7 is acceptable.

## 4.4 Findings from interview

Public Private Partnership has great benefit to the county in providing finance that government cannot cover by public budget. It also very complex and took long-term contract agreement 20-30 years and it need sound legal framework to implement it. Public Private Partnership transfer technology to local sector because they work in collaboration.

Ethiopia has long history with PPP such as concessional arrangement for infrastructure development dates back to the nineteenth century when emperor Minelik to his Swiss advisor to establish a company to build and operate a railway from Djibouti through Harar and Entoto to

White Nile on 1894. After passing many challenges from regional colonial powers, design changes and financial constraints, railway construction reached Addis Ababa in 1917.

Since the development of railway, concession was operation in Ethiopia inspired by civil law system until the unilateral military government controlled power in 1974 and end in 1991. In this period, command economy dominated the country and all concessionaires nationalized. The unilateral military government was followed socialism political and economic system that does not support private sector to invest in huge infrastructure development, because of this reason Ethiopia was not adopt and implement PPP. After the end of unilateral military government, Ethiopia was interested to adopt and implement PPP, but to implement it need many pre-condition, such as adequate legal framework, financial and regulatory frameworks, appropriate procurement practices, sound project documentation, good support from ministries and availability of local skills. On 2017, Ethiopia was form a committee and studied the legal framework that evaluated by World Bank and got 83%, which was the best legal framework from the world and it got green light from the Ministry of Finance to implement in infrastructure development. Ethiopia has potential to implement PPP, there are 30 sectors ready to implement PPP, from them house development sector is the major to solve the housing problem in the city of Addis Ababa. Ethiopia was not implement the PPP until know and transactional advisor required from experienced county which implement Public Private Partnership before. Public Private Partnership is not implement for all sector such as it not implement for oil sector, mine sector, minerals sector, air space and own public infrastructure.

After the study finalized and approved, and launched the private developers can collaborate with the Addis Ababa house development and administration bureau and house development through Public Private Partnership arrangements. Based on the feasibility study Addis Ababa House Development and Administration was try to arrange house development to fill the house gap in the city through PPP started from 2021. However, it cannot made collaboration with the private sector to arrange the house development through PPP because of political condition of the county and lack of guarantee from national. In addition to this issue, PPP is international and long-term contract agreement between private and public but, due to the current house demand in the city, Addis Ababa city Administration decide to modify the study that by invite local house developer in short term. Addis Ababa city Administration was agreed that to

provide land and infrastructure and arrange house development through partial transfer or with the modality of Design-Build-Own-Operate-Transfer and Design-Build-Transfer in the form of (70/30), 70% is follow Design-Build-Own-Operate-Transfer modality system and 30% follow DBT modality system. In this modality system, the city Administration share the asset by the item (land and infrastructure) and private sector responsible to design, finance and build the house. At the end, private sector will transfer 30% of the house to Addis Ababa city Administration and will hold 70% of the houses. Then city Administration will transfer the house to the house seekers who save through long term.

Depending on the types of project, government provide number of incentives to encourage private sectors engaged in public private partnership such as provision of land and infrastructure free. Because PPP arrangements are long-term and complex, contracts tend to be incomplete, as described in adjustment mechanisms. Where this creates room for differences in interpretation disputes can arise. Defining a dispute are resolved quickly and efficiently, without interruption service. Dispute resolution mechanisms can built into the PPP contract. Some dispute resolution defined in international instrument (e.g. bilateral investment treaties or multilateral agreements) or in local PPP legislation that apply to all PPP contracts.

## 4.6 Summary of finding and Framework development for PPP

**Structuring a Public Private Partnership projects:** means allocating responsibilities, rights, and risks to each part to the Public Private Partnership contract. This allocation defined in detail in the contract document. Project structuring typically developed through an extended process, rather than by drafting a detailed contract straight away. The first step is to develop the initial project concept into key commercial terms that is an outline of the required outputs the responsibilities and risks borne by each party and how private party will paid. The key commercial terms are typically detailed enough to enable practitioners to appraise the proposed Public Private Partnership as described in identifying Public Private Partnership projects before committing the resources needed to develop the draft of Public Private Partnership contract in detail (Irwin and Timothy, 2007).

**Public Private Partnership Contract and Tender document**: contract refers to the contractual agreements that govern the relationship between the public and private parties in a Public Private

Partnership transaction. These documents set out the rights and obligations of the parties, deal with the allocation of risk and mechanisms of dealing with change.

**Project identification:** over all is to be sure before significant new resources spent on a Public Private Partnership feasibility study, it has confirmed that the project is an appropriate candidate for Public Private Partnership. Government can identify many projects for Public Private Partnership, but only the limited number of them are appropriate candidate. Public Private Partnership pre-feasibility study based upon existing, summary of information about a project (Charles, 2015).

**Appraisal and preparation:** feasibility and economic viability of the project whether the underlying project makes sense irrespective of the procurement model. First, this means confirming that the project fit in with national development and sector strategies, policy priorities, sector and manufacture plans. It then involves feasibility studies to ensure that the project is technically feasible and the technology is easy available in the market and unlikely to become obsolete in the medium term and economic appraisal to check that the project is cost-benefits justified and represents the least cost approach to delivering the expected benefits ( Haper,1978).

**Project planning and financing;** Public Private Partnership is a funding model for public infrastructure projects and initiatives. Government agencies represent the public partner at a local, state and or/national level. The private partner can be a privately owned business, public corporation or consortium of companies with a specific area of expertise. Public Private Partnership in infrastructure normally financed on project basis (as opposed to corporate financing). This refers to financing in which lenders look to the cash flows of an investment for repayment, without resources to either equity sponsors or the public sector to make up any shortfall (Lewis and James, 1998).

**Project approval:** most governments have rules for approving capital investment projects that is defining who can give approval at various points in the life of the project for the project to proceed to the next phase. Because Public Private Partnerships often do not require capital investment by government, they may not automatically be subject to these approval rules. Many governments therefore, define similar approval requirements for Public Private Partnerships. Several decision points created, allowing weak project to stop before they consume too many resources. At a

minimum, approval typically needed to enter into a Public Private Partnerships transaction. Because the final cost of a project not known until procurement concluded, final approval may needed before the contract signed. Jurisdictions vary as to which entity can approve a PPP. A few countries require legislative approval of projects. More often approval may come from the cabinet, committee, the ministry of finance, or a combination of agencies and authorities. Approval responsibilities may depend on the size of the project, as is typically the case of other capital investment (Irwin, 2007).

**Public Private Partnership Procurement**: Public Private Partnerships are a mechanism for government for procure and implement public infrastructure and /or services using the resources and expertise of the private sector. The 6-core procurement principles stated in the ADB procurement policy. Goods, works, non-consulting and consulting services (2017) as amended from time to time, economy, efficiency, fairness, transparency, quality and Value for Money, all apply to PPP procurement, although, the nature of PPP procurement is different from conventional procurement of goods, works and services, the process for procuring PPPs should be designed and implemented to comply with this principles. Value for Money in PPP projects achieved through the leveraging of private sector efficiency, effectiveness and economy and through the appropriate allocation of risks. In general, PPPs can generate improved VfM for the procuring authority in several ways including; reducing total cost of ownership; better allocation of risks; stream lined and efficient project implementation; improved quality of service and potential to unlock additional revenue streams (Grimsey, 2007).

**Public Private Partnership contract management**: is the process that enables both parties in a contract to meet their respective obligations in order to deliver the objectives required from the Public Private Partnership contract. Once the contract has signed and the deal has agreed each party should performs its respective role. Effective contract management requires a good working relationship between the two parties and it should continue throughout the project term. A second dimension of Public Private Partnership contract management is proactive management to anticipate future needs as well as the requirement situation that arise Public Private Partnership contract management seeks to achieve continuous improvement in performance over the life of Public Private Partnership contract (Buenett,2013).

**Contract award:** contract award is the method used during a procurement in order to evaluate the proposals taking part and award the relevant contract. Usually at this stage the eligibility of the proposals have conducted. Therefore, it remains to choose the most preferable among the proposals.

**Public Private Partnership unit:** is an organization responsible for promoting, facilitating and /or assessing Public Private Partnerships in their territory. Public Private Partnership units can be government agencies or semi-independent organizations created with full or partial government support. Government tend to create a Public Private Partnership unit as a response to prior criticism of the implementation of Public Private Partnership projects in their county (Siemiatycki and Matt, 2015)

**Environmental assessment and protection:** environmental assessments are important environmental protection tools. By involving authorities and citizens and incorporating environmental reports, the potential environmental impacts of planned project can be identified at an early stage and taken into consideration during the decision making process. To the end, there are various instruments, for example, the environmental assessments, impact assessment and the strategic environmental assessment.

The goal of carrying out environmental assessments is to protect human health care, and natural environment from the foreseeable harmful effects of planned industrial facilities and infrastructure measures. In addition by creating transparency and involving the public in decision making processes, environmental assessments also help to gain wider acceptable for the project in question. Another goal is to give applications and authorities, planning security with regard to the project (Glenn, 2023).

**Licensing and permit:** Based on the argument that it protecting public interest or sovereign rights, the modern state restricts entrance of private investment in certain sectors of the economy, such as gambling, health cares, finance, infrastructure, energy, armaments, etc. the exploitation of certain resources, water, minerals and agricultural licenses or approvals is sometimes a very tedious experience. However, the process can facilitated by a local lawyer, which has an insight into the rule practices and decision makers, mentalities. As with the environmental impacts and environmental clearance, the government should try to anticipate and obtain permits based on, the

outline plans for the works (or a reference design, if that has been prepared). This done in order to mitigate risks and prepare the project. It should also be responsive to risks associate with permits as far as they relate to technical prescription.  It was summarized as the following:

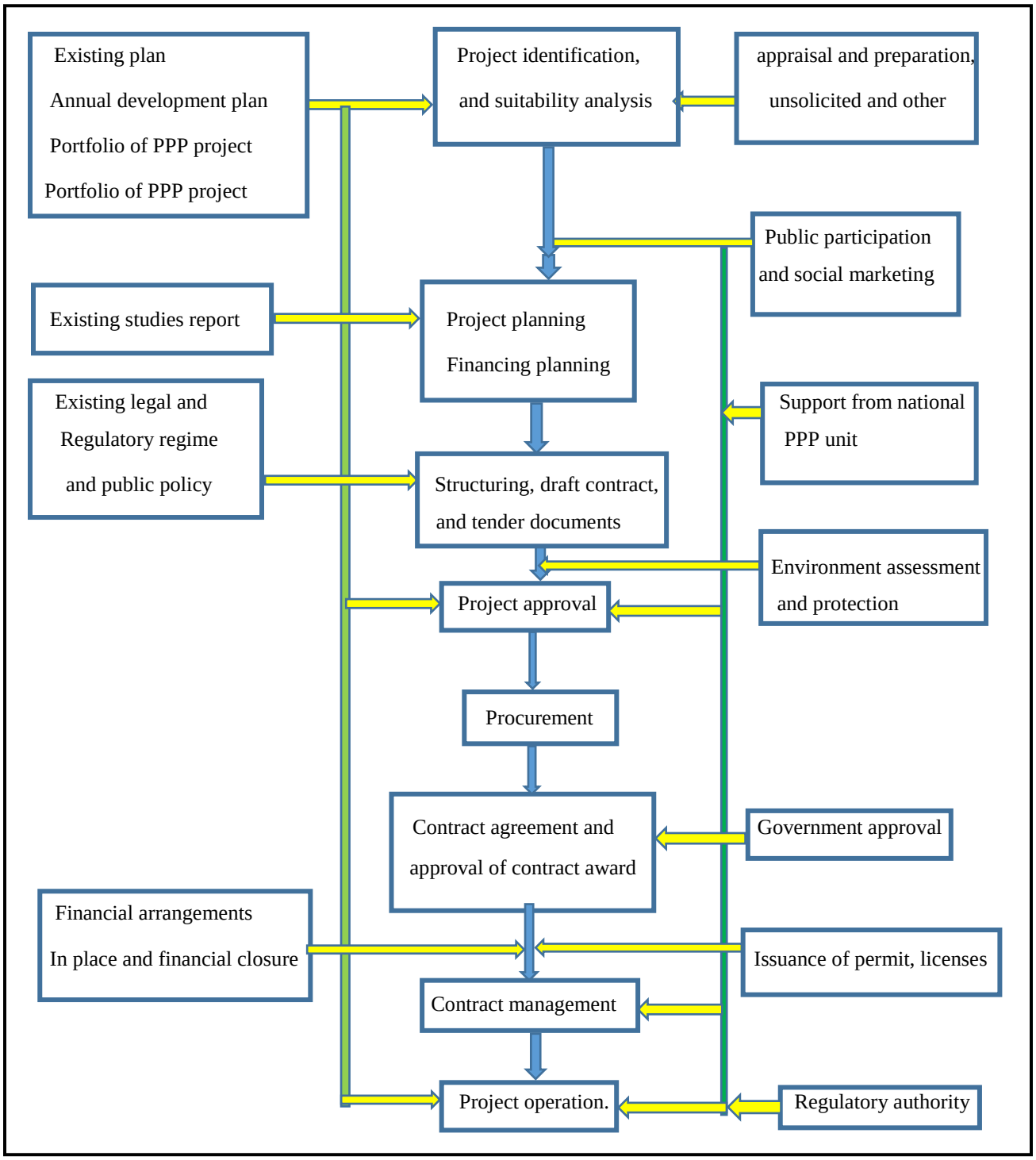


Figure 10: Conceptual development framework for PPP

# CHAPTER FIVE

## 5. Conclusion and Recommendation

### 5.1 Conclusion

This research achieved its objective by answering the research questions in the summary of findings. It reports the major factors for late adoption, driving factors and legal framework that govern public private partnership in public projects in Addis Ababa. The data used in this investigation obtained from both primary and secondary sources. Results from the quantitative and qualitative survey analysis showed there are several factors that cause for late adoption Public Private Partnership, driving factors of public private partnership implementation in Public projects and legal framework that govern PPP to implement in public building projects.

Based on a literature review and the opinion of purposely selected experts, the mean score determined the relative importance index (RII) of each factors. The following conclusion are drawn.

The five most important of major factors for late adoption of PPP house projects in Addis Ababa in descending order listed. These were: lack of clear-cut regulations and policy direction; high investment requirements and high risks; Procedural delay during Public Private Partnership agreement; Lack of government to provide Private incentive to encourage private partnerships; Poor level of partners' engagement and representation and a high risk relying on private sector in public private partnership respectively.

The other results were the major driving factors of public private partnership implementation in public projects were; competitive public private partnership procurement; favorable legal framework to implement public private partnership; political will and bankable projects to introduce Public Private; Political support for private sector who will engage in public private partnership respectively.

The five most important rule and regulation govern implementation of PPP house projects in Addis Ababa in descending order were: Legal framework qualification; affordability of the end users to pay for the service; credible and effective agency, Value for money and sufficient government fund respectively.

None adopt and implement PPP in Public project are cause loss of technology and innovation, loss of global market, loss of private partners finance for infrastructure provision, and loss of job creation. There is a meaningful relationship between factors for late adoption and PPP implementation in public building projects for negative effects of non-adoption and implementation of PPP in public building projects. i.e., loss of technology and innovation, loss of global, loss of private partners finance for infrastructure provision, and loss of job creation.

## 5.2 Recommendation

Based on the major findings and conclusion the researcher suggested recommendations for the government, stakeholders and further researchers to enable Public Private Partnership adoption and implementation in public building projects as follow.

- The housing sectors need to engage the private sector investors through Public Private Partnership arrangement who have the capabilities of raising substantial funds for house development in the Addis Ababa city to fill the huge investment gap which cannot be provided by the government alone form the city budget. In this regard, the drafted policy and strategy for the private sector participation in financing PPP house projects need to communicate to local and international stakeholders through PPP appropriate means. In order to ensure that Public Private Partnership is an attractive and successful procurement tool in Addis Ababa city housing sector, the government should support innovation by giving more authority to the private sector partner in deciding the design, construction, financing and transfer.

- Ministry of finance need to modify the PPP guide to allow growing domestic firms to compete and participate in Public Private Partnership projects and develop small-scale community projects under the Public Private Partnership scheme, the USD 50 million-threshold need to revised and decreased. The PPP projects threshold can done as part of the policy and legal revision; however, it requires a due focus or separate consideration supported by the Public Private Partnership Board and by the support of PPP director general and be open to the participation of concerned stakeholders.

- This research is limited to PPP implementation driving factors for Public building projects in Addis Ababa city and it reflects only the current situation of PPP in housing sectors.

However, the condition of the PPP changed from sector to sector, project to project. The PPP implementation driving factors in housing sector and others need further study in different context. Thus in the future, the identification of PPP implementation driving factors should be done considering wider range of housing and others projects in Addis Ababa city in particular and in different part of Ethiopia in general.

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# Appendix A: Closed ended questionnaire

Addis College, School of Post Graduate Studies,

Master of Science in Construction Technology and Management

**A Study on Public private partnership implementation driving factors and**

**Framework development for public building projects in Addis Ababa.**

Dear respondent,

This instrument dispatched to you in order to assess your experiences, views, and feelings on the driving factors to implement Public-Private Partnership (PPP) in public building project in Addis Ababa. Accordingly, you have selected due to your prominent knowledge and experience in current public private partnership

Your responses to questions in this instrument shall provide the study with the chance to generate balanced and objective findings on the subject matter of public private partnership. I initiate that the responses you provide here will used for no other purposes than those specified here above; your secrecy shall maintained; and that the outputs of the study will not manipulated towards any end whatsoever. As respondent, your cooperation shall be great meaning to the process and outcomes of the study and accordingly appreciated.

**Instruction;**

The questions in this instrument are, organized in to four parts. The first part addresses your demographic backgrounds and employment history as well as current outlook. In the second part; represented by questions whose form with five point Likert-scale where you, the respondent shall specify your views and experiences on major factors for late adoption of public private partnership. The third is about driving factors to implement PPP and the fourth is public private partnership framework with contextual, operational level and rule and legal framework in public building.

Part I: Demographic profile of the respondents

1. Gender, Male ☐ Female ☐ Others ☐
2. Age, 18-25 ☐ 26-35 ☐ 36-45 ☐ 46-55 ☐ 56 and above ☐
3. Education level, TVET ☐ First Degree ☐ MA/MBA/MSC ☐ PhD ☐
4. Current work position at company, chief officer ☐ team leaders ☐ managers ☐ Directors ☐ Specialized ☐ others position ☐
5. Service years, <1year ☐ 1-2years ☐ 2-3years ☐ 3-4years ☐ 4-5years ☐ ≥6 ☐

Part II: **The major factors for late adoption of public private partnership in public projects**

Please rate your responses based on your views and experience regarding the **major factors for late adoption of public private partnership in public projects**. The highest score is 5 points and is selected if you "strongly agree" with the message conveyed in the statement. Subsequently 4 points imply that you “agree” while 3 points mean you are “neutral” on the issue. On the other hand, 2 points represent the notion that you “disagree” with the assumption of that particular statement. The lowest score is 1 point and reflects that you "strongly Disagree" with the message conveyed in the statement. Depending on your level of agreement, put an X mark against each statement under the scale that represents your view.

| No | Major factors for late adoption of public private partnership | SA | A | N | D | SD |
|---|---|---|---|---|---|---|
| | | 5 | 4 | 3 | 2 | 1 |
| 1 | lack of clear-cut regulations and policy direction; high investment requirements; and high risks | | | | | |
| 2 | There is a high risk relying on private sector in public private partnership. | | | | | |
| 3 | Government investment in similar projects | | | | | |
| 4 | Due to lack of clear role and responsibilities between public and private partnership | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| 5 | Poor level of partners' engagement and representation | | | | | |
| 6 | Procedural delay during Public Private Partnership agreement | | | | | |
| 7 | Absence of sound legal framework to adopt PPP | | | | | |
| 8 | Lack of political pressure to adopt public private partnership | | | | | |
| 9 | Lack of Government to provide Private incentive to encourage private partnerships | | | | | |

**Part III: Respondent Experience and views regard to the driving factors for implementation of public private partnership in public projects.**

| Key drivers factors | | **SA** | **A** | **N** | **D** | **SD** |
|---|---|---|---|---|---|---|
| No | Are the following key driving factors to implement public private partnership in public building projects? | 5 | 4 | 3 | 2 | 1 |
| 1 | Institutional cooperation for joint production and risk sharing | | | | | |
| 2 | Sound public private partnership policy framework | | | | | |
| 3 | projects with sound economic and financial credentials | | | | | |
| 4 | Favorable legal framework to implement public private partnership. | | | | | |
| 5 | Essential pre-condition for development of PPP which drivers the public sector response and long term commitment to PPP | | | | | |
| 6 | economic, social and political conditions prevalent in the country | | | | | |
| 7 | political will and bankable projects to introduce PPP | | | | | |
| 8 | Private sectors are a source of technical and financial resource for public private partnership. | | | | | |
| 9 | Characteristics of infrastructure investments attractive to insurance companies, pension funds, and financial institutions | | | | | |
| 10 | Incremental investment alternatives. | | | | | |
| 11 | Good governance to facilitate public private partnership. | | | | | |
| 12 | Political support for private sector who engaged in public private partnership. | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| 13 | Well organized and committed public agency to support public private partnership. | | | | | |
| 14 | Competitive public private partnership procurement process. | | | | | |
| 15 | Private partners sectors are provide expertise and innovation capacity to enabling public private partnership. | | | | | |

**Part IV. Legal and Institutional framework of PPP, rules governing of PPP, Prevalence PPP dedicated institution, competencies of partners and other driving factors to implement public private partnership in public projects.**

**Please select by ticking on the provided from the choice under each questions accordingly**

| | Which of the following are the criteria to implement public private partnership? | SA | A | N | D | SD |
|---|---|---|---|---|---|---|
| 1 | Public interest such that evaluation of the environmental, health and safety impacts of the development | | | | | |
| 2 | Affordability of the end users to pay for the service | | | | | |
| 3 | Value for money | | | | | |
| 4 | Private partner technical qualification | | | | | |
| 5 | Private partner legal qualification | | | | | |
| 6 | Private partner financial qualification | | | | | |
| 7 | Sufficient government fund | | | | | |
| 8 | credible and effective regulatory agency | | | | | |
| 9 | suitable political guarantees to investors where appropriate | | | | | |

## Appendix B: Interview guide

a. What are the major decision making process to adopt and implement public private partnership for public building project in Addis Ababa?

b. Which modality of public private partnership will implement for public building project of public private partnership?

c. What are type of incentives should be provide to private partners sectors in public building project to engage successfully the private partner?

d. What are Major Challenges faced to adopt PPP in public projects? In addition, what are the action should take?

e. Have you ever come across dispute between public organizations and Private partners of public building project? What is dispute resolution mechanism?

## Appendix C: Statistical analysis tables

### Section II: PPP implementation driving factors

| Items | SD | D | N | A | SA | Total | Weight | RII | SD | Rank |
|---|---|---|---|---|---|---|---|---|---|---|
| lack of clear-cut regulations and policy direction; high investment requirements; and high risks | | | 1 | 20 | 11 | 32 | 138 | 0.86 | 0.53 | 1 |
| There is a high risk relying on private sector in public private partnership. | | 4 | 4 | 17 | 7 | 32 | 123 | 0.77 | 0.91 | 5 |
| Government investment in similar projects | 1 | 9 | 2 | 12 | 8 | 32 | 113 | 0.71 | 1.24 | 8 |
| Due to lack of clear role and responsibilities between public and private partnership | | 8 | 2 | 17 | 5 | 32 | 115 | 0.72 | 1.04 | 7 |
| Poor level of partners' engagement and representation | | 2 | 2 | 20 | 8 | 32 | 130 | 0.81 | 0.76 | 4 |
| Procedural delay during Public Private Partnership agreement | | 1 | 4 | 17 | 10 | 32 | 132 | 0.82 | 0.75 | 2 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Absence of sound legal framework to adopt PPP | | 13 | 4 | 11 | 4 | 32 | 102 | 0.64 | 1.11 | 9 |
| Lack of political pressure to adopt public private partnership | | 8 | 2 | 16 | 6 | 32 | 116 | 0.72 | 1.07 | 6 |
| Lack of Government to provide Private incentive to encourage private partnerships | | 2 | 1 | 21 | 8 | 32 | 131 | 0.82 | 0.73 | 3 |

**Section III: Factors for late adoption of PPP**

| Items | D | N | A | SA | Total | Weight | RII | SD | Rank |
|---|---|---|---|---|---|---|---|---|---|
| Institutional cooperation for joint production and risk sharing | | 3 | 13 | 16 | 32 | 141 | 0.88 | 0.66 | 5 |
| Sound public private partnership policy framework | 2 | 2 | 8 | 20 | 32 | 142 | 0.888 | 0.87 | 4 |
| projects with sound economic and financial credentials | 2 | 3 | 8 | 19 | 32 | 140 | 0.875 | 0.90 | 6 |
| Favorable legal framework to implement public private partnership. | 1 | 1 | 11 | 19 | 32 | 144 | 0.9 | 0.71 | 2 |
| Essential pre-condition for development of PPP which drivers the public sector response and long term commitment to PPP | 1 | 3 | 14 | 14 | 32 | 137 | 0.856 | 0.77 | 10 |
| economic, social and political conditions prevalent in the country | | 2 | 17 | 13 | 32 | 139 | 0.869 | 0.60 | 7 |
| political will and bankable projects to introduce PPP | 1 | 2 | 10 | 19 | 32 | 143 | 0.894 | 0.76 | 3 |
| Private sectors are a source of technical and financial resource for public private partnership. | 1 | 4 | 8 | 19 | 32 | 141 | 0.881 | 0.84 | 5 |
| Characteristics of infrastructure investments attractive to insurance companies, pension funds, and financial institutions | 2 | 3 | 10 | 17 | 32 | 138 | 0.863 | 0.89 | 9 |
| Incremental investment alternatives. | 1 | 2 | 17 | 12 | 32 | 136 | 0.85 | 0.83 | 11 |
| Good governance to facilitate public private partnership. | 5 | 1 | 18 | 8 | 32 | 125 | 0.781 | 0.96 | 12 |
| Political support for private sector who engaged in public private partnership. | 2 | | 12 | 18 | 32 | 142 | 0.888 | 0.80 | 4 |
| Well organized and committed public agency to support public private partnership. | 1 | 1 | 17 | 13 | 32 | 138 | 0.863 | 0.69 | 9 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| competitive public private partnership procurement process | 1 | 2 | 8 | 21 | 32 | 145 | 0.906 | 0.76 | 1 |
| private partners sectors are provide expertise and innovation capacity to enabling public private partnership | 1 | 2 | 12 | 17 | 32 | 141 | 0.881 | 0.75 | 6 |

**Section IV: Rule and Regulation govern PPP**

| Items | SD | A | SA | Total | weight | RII | SD | Rank |
|---|---|---|---|---|---|---|---|---|
| Public interest such that evaluation of the environmental, health and safety impacts of the development | 2 | 15 | 16 | 33 | 142 | 0.86 | 079 | 8 |
| Affordability of the end users to pay for the service | | 13 | 19 | 32 | 147 | 0.92 | 0.51 | 2 |
| Value for money | | 14 | 18 | 32 | 146 | 0.91 | 0.50 | 4 |
| technical qualification | 3 | 11 | 8 | 22 | 87 | 0.79 | 1.17 | 9 |
| legal qualification | | 12 | 20 | 32 | 148 | 0.92 | 0.49 | 1 |
| financial qualification | 1 | 18 | 13 | 32 | 138 | 0.86 | 0.78 | 7 |
| sufficient government fund | | 15 | 17 | 32 | 145 | 0.91 | 0.51 | 2 |
| credible and effective agency | 1 | 5 | 16 | 22 | 101 | 0.92 | 0.79 | 3 |
| suitable political guarantees to investors where appropriate | 1 | 12 | 19 | 32 | 144 | 0.90 | 0.80 | 6 |

**Top five of PPP implementation driving factors**

| Items | SD | D | N | A | SA | Total | Weight | RII | SD | Rank |
|---|---|---|---|---|---|---|---|---|---|---|
| lack of clear-cut regulations and policy direction; high investment requirements; and high risks | | | 1 | 20 | 11 | 32 | 138 | 0.86 | 0.53 | 1 |
| Procedural delay during Public Private Partnership agreement | 1 | | 4 | 17 | 10 | 32 | 132 | 0.82 | 0.75 | 2 |
| Lack of Government to provide Private incentive to encourage private partnerships | | 2 | 1 | 21 | 8 | 32 | 131 | 0.82 | 0.73 | 3 |
| Poor level of partners' engagement and representation | | 2 | 2 | 20 | 8 | 32 | 130 | 0.81 | 0.76 | 4 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| There is a high risk relying on private sector in public private partnership. | | 4 | 4 | 17 | 7 | 32 | 123 | 0.77 | 0.91 | 5 |

**Top five of factors for late adoption of PPP**

| Items | D | N | A | SA | Total | Weight | RII | SD | Rank |
|---|---|---|---|---|---|---|---|---|---|
| competitive public private partnership procurement process | 1 | 2 | 8 | 21 | 32 | 145 | 0.91 | 0.76 | 1 |
| Favorable legal framework to implement public private partnership | 1 | 1 | 11 | 19 | 32 | 144 | 0.90 | 0.71 | 2 |
| political will and bankable projects to introduce PPP | 1 | 2 | 10 | 19 | 32 | 143 | 0.89 | 0.76 | 3 |
| Political support for private sector who engaged in public private partnership. | 2 | | 12 | 18 | 32 | 142 | 0.89 | 0.80 | 4 |
| Sound public private partnership policy framework | 2 | 2 | 8 | 20 | 32 | 142 | 0.888 | 0.87 | 4 |

**Top five of factors that govern PPP**

| Items | SD | A | SA | Total | weight | RII | SD | Rank |
|---|---|---|---|---|---|---|---|---|
| Legal qualification | | 12 | 20 | 33 | 148 | 0.92 | 0.49 | 1 |
| Affordability of the end users to pay for the service | | 13 | 19 | 32 | 147 | 0.92 | 0.51 | 1 |
| Credible and effective agency | 1 | 5 | 16 | 32 | 101 | 0.92 | 0.79 | 1 |
| Value for money | | 14 | 18 | 32 | 146 | 0.91 | 0.50 | 3 |
| Sufficient government fund | | 15 | 17 | 32 | 145 | 0.91 | 5 | 3 |

# ADDIS COLLEGE

## የድህረ ምረቃ ት/ት ክፍል

## SCHOOL OF GRADUATE STUDIES

Ref: ቁጥር SGS/435/15

Date ቀን 17/09/2015

ለሚመለከተው ሁሉ

አዲስ አበባ

ጉዳዩ፡- ማስረጃ ስለመስጠት፤

በርዕሱ እንደተገለፀው በኮንስትራክሽን ቴክኖሎጂ እና ማኔጅመንት የድህረ ምረቃ ትምህርት ክፍል የ2ኛ ዓመት ተማሪ የሆኑት አለማየሁ ኢዶ የኮሌጁ ተማሪ መሆናቸው እንዲሳፍላቸው በ17/09/2015 ዓ.ም በጻፉት ደብዳቤ ጠይቀዋል፡፡ በዚህ መሰረት ስማቸው የተጠቀሰው ተማሪ የአዲስ ኮሌጅ የማስተርስ ፕሮግራም ተማሪ እና የመመረቂያ ወረቀት (Thesis) በመስራት ላይ መሆናቸውን እየገለፅን ለሚያደረግላቸው ትብብር በቅድሚያ እናመሰግናለን፡፡

ከሠላምታ ጋር

ቡሩክ ጥበቡ
የድህረ ምረቃ ጽ/ት
Biruk Tibebu
School of Graduate Studies

አድራሻ ፡ ሸላ ምስራቅ ቱሙ ት ሥልጠና ኮሌጅ ፊት ለፊት E-mail addis_college@ethionet.et Fax 251-11-663 12 74

መልስ ሲፅፉልን የኛን የደብዳቤ ቁጥር ይጥቀሱ / In replying please quote our Ref. No