

## Stakeholders Relationship on Successful Partnership Housing Projects In Nigeria

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### Abstract

Public private partnership (PPP) continues to be an innovation in the field of infrastructure and social services investment. The two significant PPP project participants are public agencies and developers. Critical success factors (CSFs) in PPP projects are ascribed to the success or failure of PPP projects. Hence, the purpose of this paper is to find out the level of agreement for PPP housing projects between stakeholders on CSFs. This study used descriptive and exploratory research design. Sixty three questionnaires were given to PPP housing project participants in Bauchi, Nigeria. With SPSS, forty two questionnaires were returned and analyzed effectively. For the study, the rank correlation of spearman was used. The analytical findings show that there is a favorable connection on the CSFs of PPP projects between private developer participants and government agencies. Therefore, it can be concluded that there is consensus on CSFs of PPP projects in Nigeria between stakeholders.

**Keywords:** Critical success factors, public private partnership, stakeholders relationship

### INTRODUCTION

Public private partnership (PPP) is celebrated globally as a way to complement the efforts of public officials in a nation to provide infrastructure. The rate of population growth in many nations around the globe does not match the level of government revenue. As such, the population's expectations and needs are increasing at an alarming pace that government revenue can no longer deal with [2]. Public private partnership (PPP) is a government-private-sector agreement on mutual goals for the private-sector delivery of public infrastructure or services otherwise provided by government through traditional procurement method. Osanyinro OJ et. al. [14] indicated that PPP is a public effort to exploit huge private assets by diversifying and allowing private hands to participate in providing fundamental social and infrastructural

facilities. Ogunsanmi OE [13] discovered that there are significant literatures on PPP, particularly on PPP models or types that have been established and used in developing nations for the procurement of infrastructure. Economic Development [10] outlined a broad variety of provisions for Public private partnership (PPP) that differ in intent, service, scope, legal structure and risk sharing. This has attracted many researchers' attention to study the scheme's multiple advantages, opportunities, and issues. For instance, in Nigeria, several writers performed many research in an effort to enhance the scheme's execution. Previous Nigerian study demonstrates that PPP projects have been adopted in different fields and locations for infrastructure provision [5-11]. Most of the projects involved providing infrastructure and social services. The two main PPP project

stakeholders are government agencies and personal estate development partners [15]. According to [13] the success or failure of PPP initiatives is ascribed to critical success factors (CSFs). Therefore, it is against this background that this study seeks to find out the level of agreement or relationship between the two major stakeholders on CSFs of PPP projects Nigerian.

### STAKEHOLDERS OF PPP HOUSING PROJECTS IN NIGERIA

Table 1 below shows the list of composition of stakeholders of PPP housing projects in Bauchi, Nigeria. There are three categories of actors in PPP housing projects in Nigeria: (i) the federal government, (ii) the state government and (iii) private sectors [4]. Federal government agencies, that are responsible

for promoting PPP housing projects in Nigeria are: Federal Housing Authority (FHA), Federal Mortgaged Bank of Nigeria and Federal Ministry of Housing and Urban Development [4]. The state actors are Housing and property corporation and Primary mortgage institute [7]. In Bauchi state, Bauchi state ministry of lands and housing, Bauchi state ministry of works and transport and Bauchi state project monitoring and evaluation unit are the coordinating, supervisory and approval units of Bauchi PPP housing projects [1]. The private sectors custodians of PPP housing projects are commercial private housing developers, building contractors and housing finance [7]. The two major stakeholders for PPP projects are public agencies (government) and private partners for property development [15].

*Table 1: Stakeholders of PPP housing projects.*

Sr. No.	Names of stakeholders of PPP housing projects in Bauchi state
1	Bauchi PPP housing developers
2	Bauchi State Ministry of Lands and Housing
3	Bauchi State Ministry of Works and Transport
4	Bauchi State Project Monitoring and Evaluation unit
5	Federal Mortgage Bank of Nigeria (FMBN)
6	Yankari Savings and Loans Limited (Primary Mortgage Institute. PMI)
7	Bauchi Investment Company Limited (BIC)
8	Private Property Developers companies that are residing in Bauchi.
9	Federal Ministry of Housing, Federal Sectarat, Bauchi.
10	Federal Housing Authority (FHA)

*Source: BSML & H [1], Ilekoïn & Anosike [7] and Ibem [4].*

### CRITICAL SUCCESS FACTORS (CSFs) OF PPP PROJECTS

Ogunsanmi OE [13] discovered that the achievement or failure of a PPP project depends on a number of variables that can be categorized into four groups: government competence, choice of a suitable concessionaire, suitable distribution of danger between the public and private industries, and a sound

economic package. Ogunsanmi OE [13] relates these variables to PPP initiatives as CSFs. Table 2 below is a list of CSFs of PPP projects grouped under four categories.

### RESEARCH METHODOLOGY

Methodology of research deals with processes used to collect information in order to answer the study research questions.

**Table 2: Critical success factors (CSFs) of PPP projects.**

Sr. No.	Government Roles
1	Create favourable investment environment
2	Establish adequate legal / regulatory framework
3	To select a suitable concessionaire
4	Establish a coordinating & supportive authority
5	Being actively involved in the project life-cycle
	<b>Risk Factors</b>
1	Political risks
2	Financial risks
3	Environmental/land risks
4	Construction risks
3	Operation and maintenance risks
4	Market and revenue risks
5	Legal risks
	<b>Concessionaire Selection</b>
1	Procurement process
2	Tender evaluation method
3	Evaluation criteria
	<b>Finance of PPP</b>
1	Project financing sources
2	Project financing strategies
3	Government supports
4	Project financial viability

Source: Hoon, et al, [3]

### Research Design

This study adopted research strategies which is a descriptive and explorative research design. Descriptive research involved surveys and enquiries of various types [8]. Moreover, survey usually takes the form of questionnaire that is filled in order to gather information. This study adopt the used of descriptive research design because it involve data collection through questionnaire to investigate CSFs of PPP housing projects in Bauchi, Nigeria. Indeed, field survey is the most appropriate statistical research method to be used in such kind of research. While explorative research design was used for extensive literature review.

### Area of the Study

The research region is Bauchi state situated in Nigeria's northeastern portion. Bauchi is one of the states in Nigeria that embraced the development of PPP residential property in 2008 with 21 private residential developers facing

multiple difficulties that hindered their complete implementation.

### Sources of Data for the Research

This research collected data from primary source using questionnaires. While secondary data was collected from previous related literatures to support and compliment the findings of the primary data.

### Study Population and Sample Size

This study consider the twenty one Bauchi PPP housing projects in Bauchi state. The composition of the study population are the principal actors of PPP housing projects in the study area (Ibem, 2010). Seventy five stakeholders were identified, which constitute the study population [1, 4, 7]. According to the [9] table of determind sample size, a population of seventy five has sixty three sample size. Therefore, sixty three questionnaires were distributed to the core building professionals of the projects (Architect, Builders, Quantity surveyors and Estate valuers).

**Data Analysis**

Successfully filled and returned questionnaires were found to be 42. Statistical package for social sciences SPSS software was used for the analysis. Spearman's rank correlation was used for the analysis in order to determine the relationship between public and private stakeholders of PPP housing projects on CSFs.

**RESULTS AND DISCUSSION**

Table 3 below shows the result of spearman's rank correlation coefficient of

responses from government side in one hand and that of the private developers side on the other hand. The result of  $\rho = 0.23$  for factors under roles of government revealed that there is a weak but positive correlation between developers and government agencies. In the same way, testing correlation for agreement on risk factors has  $\rho = 0.43$ , a medium relationship and factors under concessionaire selection have  $\rho = 0.50$  indicating positive strong correlation. More importantly, factors under PPP financing has  $\rho = 1.00$ , a perfect positive correlation.

*Table 3: Result of Spearman's rank correlation coefficient.*

Government Roles	Government		Developers		Corr. coef	Degree of ass.
	Mean	Ranking	Mean	Ranking		
Create favourable investment environment	4.00	2.5	4.50	1		
Establish adequate legal / regulatory framework	4.00	2.5	4.25	2.5		
To select a suitable concessionaire	4.20	1	3.75	5		
Establish a coordinating and supportive authority	3.70	5	4.25	2.5		
Being actively involved in the project life-cycle	3.80	4	4.00	4		
Correlation Coeff. of Rank					0.23	Weak
<b>Risk factors</b>						
Political risks	3.90	1	4.00	1		
Financial risks	2.70	5	3.87	2		
Environmental / land risks	2.50	7	3.25	5		
Construction risks	2.60	6	2.88	7		
Operation and maintenance risks	3.20	2	3.00	6		
Market and revenue risks	2.80	4	3.50	3		
Legal risks	3.10	3	3.38	4		
Correlation Coeff. of Rank					0.43	Medium
<b>Concessionaire selection</b>						
Procurement process	3.60	2	3.63	3		
Tender evaluation method	3.90	1	4.13	1		
Evaluation criteria	3.50	3	3.88	2		
Correlation Coeff. of Rank					0.50	Strong
<b>PPP Financing</b>						
Project financing sources	3.90	3.5	3.90	3.5		
Project financing strategies	4.00	2	4.00	2		
Government supports	3.90	3.5	3.90	3.5		
Project financial viability	4.40	1	4.40	1		
Correlation Coeff. of Rank					1.00	Strong

The results shows that all the rank correlation coefficients ( $\rho$ ) are positive (i.e., the same direction) numbers indicating agreement between the

responses from government side in one hand and that of the private developers side on the other hand on CSFs PPP housing projects in Bauchi, Nigeria.

## CONCLUSION

This study focus stakeholders' agreement on critical success factors for PPP projects in Nigeria. There are two major group of stakeholder of PPP projects: the first group is from government side (public) while the other one is from the developer's side (private). The critical success factors (CSFs) are factors that are very important in the implementation of a scheme. The findings of the study revealed that there is positive relationship between respondents from private developers and that of the public agencies on the critical success factors of PPP projects. Therefore, it can be concluded that there is agreement between public and private side on critical success factors of PPP projects in Nigeria.

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