

**BINDURA UNIVERSITY OF SCIENCE EDUCATION**



**CRITICAL SUCCESS FACTOR MODEL AND THE IMPLEMENTATION OF  
PUBLIC PRIVATE PARTNERSHIPS FOR EDUCATIONAL INFRASTRUCTURE  
DEVELOPMENT IN ZIMBABWE'S STATE UNIVERSITIES**

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**A THESIS SUBMITTED IN FULFILMENT OF THE REQUIREMENTS OF THE  
BINDURA UNIVERSITY OF SCIENCE EDUCATION, FOR THE DEGREE OF  
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## DECLARATION

I, Charles Massimo (B1544607) hereby declare that this thesis for Doctor of Philosophy in Public Administration is my own original work and that to the best of my knowledge this work has not been previously submitted for assessment or completion of any postgraduate qualification to another university or for another qualification.

Signature... 

Charles Massimo

## ABSTRACT

Public Private Partnerships (PPPs) are increasingly seen as a way to develop infrastructure on a cost effective and sustainable basis. The study sought to understand the Zimbabwe state universities' experiences in using PPPs for educational infrastructure development. The study examined the evolution of PPPs as an alternative funding option for the development of educational infrastructure, analysed the adequacy of the extant regulatory frameworks governing the implementation of infrastructure PPPs, explored critical factors hampering the uptake and implementation of infrastructure PPPs and developed an Educational Infrastructure Critical Success Factor Model (EICSFM) that will promote effective implementation of educational infrastructure PPPs in Zimbabwe state universities. This explanatory study employed an interpretive policy analysis qualitative research methodology, underpinned by constructivism research philosophy and augmented by a multiple case study research design. Nineteen research participants were selected through purposive sampling techniques while the secondary data was sourced from relevant literature using the document analysis technique. Data was collected using key informant interviews and documentary search. The study findings indicated that the effective implementation of PPPs has been hampered by a series of factors which include; lack of indemnities or sovereignty guarantee, dearth of prerequisite capacities to handle PPPs within the State universities, unstable macro-economic environment, limited local financial markets, lack of available financial resources for feasibility studies, absence of land ownership rights by State universities, insufficient support from the parent ministry, and lack of bankability and attractiveness of some projects in State universities. There has been a low uptake and implementation inertia of educational infrastructure through PPPs since their adoption and standardisation in 2010. The Government of Zimbabwe has not put in place a favourable business operating environment for PPPs arrangements in Zimbabwe state universities. An Educational Infrastructure Critical Success Factor Model (EICSFM) for implementing PPPs in Zimbabwe state universities was developed. The model provides a holistic approach in the adoption and implementation of PPPs in Zimbabwe state universities. The study concluded that some of the regulatory policy frameworks such as the Joint Venture Act [Chapter 22:22] were biased towards the use of PPPs for economic infrastructure instead of social infrastructure development. The study recommends that State universities should develop business oriented approaches in their operations if they are to attract private investors in their PPP arrangements. The research also recommends that there should be a sector specific legal and institutional regulatory framework for implementing PPPs in state universities. The study further recommended that state universities should be given land ownership rights in the form of title deeds, the domestic financial markets have to be stable, PPP projects to be bankable, and the need for transparency in the procurement process. If these proposed recommendations are adopted, state universities will be able to address the infrastructure challenges.

**Key Words:** Joint Ventures; Policy Implementation; Regulatory Frameworks; Tertiary Institutions.

## **DEDICATION**

I would like to dedicate this project to the Almighty Lord for leading me all the way throughout the project. I equally would like to devote this project to my late father (Norman Massimo) and late young sister (Thandiwe Massimo) who passed on during the conception of this research. They believed in me, were patient and supported me during their time and I always cherish that.

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## **ABBREVIATIONS AND ACYRONYMS**

BBR:	Beitbridge-Bulawayo Railway
BITs:	Bi-lateral Investment Treaties
BIUST:	Botswana International University of Science and Technology
BOT:	Build Operate Transfer
BT:	Build and Transfer
BOO:	Build Own Operate
BOT:	Build Operate Transfer
BOOT:	Build Own Operate Transfer
BTO:	Build Transfer and Operate
CAO:	Contract, Add and Operate
CBZ:	Commercial Bank of Zimbabwe
CSR:	Corporate Social Responsibility
CODESRIA:	Council for the Development of Social Science Research in Africa
CSF:	Critical Success Factor
CFF:	Critical Failure Factor
CUT:	Chinhoyi University of Technology
DFID:	Department for International Development
EMA:	Environmental Management Agency
EOI:	Expression of Interest
EU:	European Union
ESAP:	Economic Structural Adjustment Programme
EICFSM:	Educational Infrastructure Critical Success Factor Model
GZU:	Great Zimbabwe University
HIT:	Harare Institute of Technology
ICSID:	International Convention on Settlement of Disputes
IDBZ:	Infrastructure Development Bank of Zimbabwe
IFC:	International Finance Corporation
IMF:	International Monetary Fund
IPPP:	Innovative Public Private Partnership
IRB:	Institutional Review Board
JVC:	Joint Venture Committee
JVU:	Joint Venture Unit

JVP:	Joint Venture Partnership
MFED:	Ministry of Finance and Economic Development
MSPE:	Multi Stakeholder Partnerships in Education
MSU:	Midlands State University
MHTEISTD:	Ministry of Higher and Tertiary Education, Innovations, Science and Technology Development
MIGA:	Multinational Investment Guarantee Agency
NBP:	Newlands By-Pass
NLB:	New Limpopo Bridge
NPM:	New Public Management
NUST:	National University of Science and Technology
NTP:	National Transitional Programme
OECD:	Organisation for Economic Co-operation and Development
OPIC:	Overseas Private Investment Corporation
PFI:	Private Funding Initiatives
PPP:	Public Private Partnership
PPIAF:	Public Private Infrastructure Advisory Facility
PRAZ:	Procurement Regulation Authority of Zimbabwe
PSIP:	Public Sector Investment Programme
RFP:	Request for Proposal
ROO:	Rehabilitate, Own and Operate
ROT:	Rehabilitate Operate Transfer
SADC:	Southern Africa Development Community
SARUA:	Southern African Regional Universities Association
SME:	Small to Medium Enterprise
SOE:	State Owned Enterprise
STERP:	Short Term Emergency Recovery Programme
SPV:	Special Purpose Vehicle
TSP:	Transitional Stabilisation Programme
UNCITRAL:	United Nations Convention on International Trade Law
UNESCO:	United Nations Educational, Scientific and Cultural Organisation
USA:	United State of America
USAID:	United States Agency for International Development
UZ:	University of Zimbabwe

VC:	Vice Chancellor
VFM:	Value for Money
WB:	World Bank
ZDB:	Zimbabwe Development Bank
ZIMASSET:	Zimbabwe Agenda for Sustainable Socio-Economic Transformation
ZIA:	Zimbabwe Investment Authority
ZIDA:	Zimbabwe Investment Development Agency
ZEPARU:	Zimbabwe Economic Policy Analysis and Research Unit
ZESA:	Zimbabwe Electricity Supply Authority
ZNCC:	Zimbabwe National Chamber of Commerce
ZIMCHE:	Zimbabwe Council for Higher Education

## CHAPTER ONE: INTRODUCTION

### 1.1 Background of the Study

A number of researches on Public Private Partnerships (PPPs) have adopted the concept of critical success factors (CSFs) to enhance the understanding of factors affecting the implementation of PPP policy in infrastructure development (Hardcastle et al., 2005; Zhang, 2005a; Cheung, 2009; Xenidis & Angelides, 2005; El-Gohary et al., 2006; Jefferies & McGeorge, 2009; Cheung et al., 2010; Iyer & Sagheer, 2010; Osei-Kyei & Chan, 2015; Liu, et al., 2016). It is still difficult for both practitioners and researchers to identify the most important CSFs for the effective implementation of PPP projects regardless of the country, sector, stages, or project model. The results of a wide spectrum and coverage of these studies that have emerged since the 1990s have shown that CSFs for PPPs vary, and it has been shown that this variation makes it difficult to identify the most important CSFs for PPPs (Onyemaechi et al., 2015). In addition to this, reaching a consensus on the elements that cause implementation inertia of PPPs in various circumstances has proven increasingly challenging. As a result, CSFs for PPPs continue to serve as a topic of investigation among academics, a topic of discussion among policymakers, and in addition, a subject of experimentation in the real world. This is because the PPP market is expanding and developing in a variety of regions and industries (Chan et al., 2010).

PPPs encompasses the concept of public and private sectors which combine to work together in order to supply services typically previously delivered and financed entirely by the public sector. They show a government or private business initiative which is funded and operated through a collaboration between government and one or more enterprises from the private sector (Boyer et al., 2016). In public-private partnership (PPP) arrangements, a public sponsoring agency that is in need of producing additional infrastructure capacity will "partner" with a privately selected developer through a competitive selection process. This private developer will design, build, finance, operate, and maintain an asset for some period of time that has been predetermined (South et al., 2015). These schemes are sometimes referred to as PPPs or P3 (Boyer et al., 2016), 'private sector participation' (Hirastuka et al., 2009) and 'creative alliances' between government and private sector (Nsasira et al., 2013).

PPPs were established in 1990s as a key tool of public policy across the world (Katsamunsk, 2012). PPPs emerged as an alternative method for the delivery of infrastructure and services in

different parts of the world (Boyer et al., 2016). PPPs are usually established to foster the mobilisation of funds and expertise for infrastructure which is usually considered essential for economic development at a time that the government has limited financial resources and also when such an asset is considered too critical to be wholly placed in the hands of the private sector (Warasthe, 2017). Due to limited funding from the traditional sources and capacity in the public sector to implement capital projects, partnerships with the private sector was found by many governments as an attractive alternative to increase and improve the supply of infrastructure services (Quium, 2011). Currently, PPPs as such are increasingly seen as a way to develop infrastructure on a cost effective and sustainable basis (Zinyama & Nhema, 2015).

Once rare and limited to a handful of countries and infrastructure sectors, PPPs have emerged as one of the most important model that government use to close the infrastructure gap (Egger, 2006). Advanced industrial and wealth countries were the pioneer countries to adopt the concept of PPPs. Countries with the early PPP experience include United Kingdom, Australia, Germany, Hungary, Italy, Japan, Korea, Spain and the United States of America (USA) (Saeed & Saif, 2015). The major infrastructure sectors where PPPs have been successfully applied include; transport (including rail and ports), water waste, hospital, education, public housing, prisons and defence (Egger, 2006). Each sector carries with it different challenges across each phase of the PPP life cycle.

In educational infrastructure delivery, PPPs have generally proven to be an effective tool especially in countries such as United States of America, Netherlands, United Kingdom and Germany (Nuwagaba, 2013). Arguments in the international literature suggest that PPPs can positively transform higher education as it leads to increased access, competition, efficiency and quality (Warasthe, 2017). PPPs have become a useful way to increase the funding available for constructing or upgrading school buildings and often yield better value for money than traditional public sector investments. While arrangements differ, the private sector typically finances, designs, constructs, and operates a public school facility under a contract with the government for a given time period for example, 20 to 30 years. At the end of that concession period, ownership of the beautiful school facility transfers to the government.

There are several factors that help account for the increased interest and popularity of PPPs. The promise of efficiency savings and a reduced burden on strained public resources has certainly struck a positive chord in countries operating under tight budgets. Furthermore, other

expected benefits, includes access to private finance for expanding services, clearer objectives, new ideas, flexibility, better planning, improved incentives for competitive tendering and greater value for money for public projects (Spackman, 2002). In the context of the developing countries, the added pressure from the international financial institutions such as the World Bank (WB) and International Monetary Fund (IMF) to shift to an efficient and facilitative role of government and adopt principles of market liberalization and privatization forced many to subscribe to the PPP approach (Jain & Pathak, 2014). PPPs have become a rather popular institutional arrangement, as they are perceived to remedy a lack of dynamism in traditional public service delivery. Even though PPPs are unlikely to fully replace the traditional financing and development of infrastructure, they offer several benefits to the government trying to address infrastructure shortages or improve the efficiency of their organisations (Egger, 2006).

PPPs in Zimbabwe were introduced by the government way back in 1998 as a viable means of unlocking private sector support in funding maintenance and development of critical public infrastructure. In 2004 the government of Zimbabwe recognised the critical role of the private sector in the provision of the country's public infrastructure and in response developed the framework underpinning PPP investment in the country (Zinyama & Nhema, 2015). The framework established was in the form of Public- Private Partnership in Zimbabwe Policy and Guidelines of 2004, and it sought to provide the parameters for the development of an appropriate legal and regulatory framework to protect the investors and consumers (Zimbabwe National Chamber Of Commerce, 2009). They also indicate specialised institutional arrangements to facilitate the promotion and co-ordination of the PPP process and project implementation monitoring and termination of contracts. Various incentives were crafted by the Zimbabwe Investment Authority (ZIA) in an effort to lure investors into PPP arrangements. Despite some various incentives that were offered by the Zimbabwe Investment Authority to lure investors into PPP arrangements, these Guidelines however never really took off in a significant fashion as expected. Regardless of the low uptake, there were some PPP projects that recorded a success in the Zimbabwe and these include; Beitbridge Bulawayo Railway (BBR), Newlands By-Pass (NBP) and the New Limpopo Bridge (NLB) (Axis, 2013).

In 2010 the office of the then Deputy Prime Minister during the inclusive government in Zimbabwe made some renewed efforts to revitalise PPPs following a sequence of workshops on PPP which were undertaken in Zimbabwe focusing on the issues to be addressed for successful PPP between 2009 and 2010. Various PPP documents were also designed and

presented to anchor the future road towards PPP in Zimbabwe. These documents include the PPP guidelines (2010); PPP policy (2010); Legislative Review for Zimbabwe (2010); and the institutional Framework, PPP (2010). These documents form the basis upon which PPPs would be structured (Axis, 2013). Still in 2010, the government of Zimbabwe made renewed efforts to standardise and accelerate PPPs in the tertiary education sector in 2010 in an effort to address infrastructure gaps in these institutions of higher learning even though some PPP arrangements were already underway in other universities. In its efforts, the Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development (MHTEISTD) developed Operational Guidelines for the implementation of Joint Venture Partnerships at state universities of Higher and Tertiary Education in Zimbabwe (2015). These Guidelines acknowledge that the Government cannot adequately provide public infrastructure and deliver quality services in institutions of higher and tertiary education on its own. As such Joint Venture Partnerships (JVPs) were therefore reemphasised in the Operational Guidelines as the way to refurbish, rehabilitate, build and sustain infrastructural development in higher and tertiary education institutions (Government of Zimbabwe, 2010).

Despite the Government's relentless effort, it is reported by the Ministry of Higher and Tertiary Education Science and Technology that most universities are still to uptake and implement these PPPs to improve educational infrastructure in their respective institutions. As Dube & Chigumira (2010) observe, these institutions are still dependent on the government capital fund through the Public Sector Investment Programme (PSIP) for the campus infrastructure development. A refined explanation of such low uptake and implementation inertia of PPP in State universities however has not yet been explored in Zimbabwe. CSFs that can enhance the implementation of PPPs in educational infrastructure in this sector again are still to be established.

This study therefore challenges the existing CSFs model for the implementation of PPP which it perceives to be biased towards economic infrastructure in rich industrial nations and excludes the realities of post-colonial third world countries. The fact that PPPs are context and sector specific also entails that the CSFs for specific PPP projects are different. A weakness of the extant PPP literature to date is its normative approach to the subject and this creates in effect, a 'one size fits all' view of PPP programmes and this study has challenges with that. As such there remains a need for academic work that recognises the way that PPP programmes are implemented differently in different regions and context. Furthermore, scholars' advice that it

is even more important for countries that are new at adopting PPPs to identify the CSFs for PPPs in order to maximize the merits of this method and to reduce the risks for all concerned parties (Onyemaechi et al., 2015). In this regards the need to explore the factors inhibiting use of PPPs and the development of refined context based CSF model that will guide and inform the implementation of PPPs in the tertiary education sector particularly in Zimbabwe state universities become reasonable.

## **1.2 Focus and Scope of the Study**

The purpose of the study was to explore Zimbabwe state universities' experiences with PPPs to better appreciate the critical factors affecting the use PPPs as an alternative funding approach for educational infrastructure development and how such factors inform the extant CSFs models for PPPs. In the same vein the study developed a sector specific Educational Infrastructure Critical Success Factor Model (EICSFM) that outlines various key conditions required to enhance the implementation of educational infrastructure PPPs in State universities, lure private partners and enhance prolific PPPs in the social infrastructure from a developing world perspective in general and Zimbabwe in particular. A crucial element in the formula for success model of Public-Private Partnerships (PPPs) developed by Hardcastle et al. (2005) from the United Kingdom's best case practises in Public-Private Partnerships was used as a conceptual framework for the analysis in this study. This model identifies the key success factors of these projects. They carried out a factor analysis on the major success elements for public private partnerships and discovered that the most crucial factors can be categorised into five distinct groups. These include efficient procurement, the successful execution of a project, favourable economic conditions, a readily available financial market, and a guarantee from the government.

The model that Hardcastle et al. (2005) developed has been utilised by a significant number of researchers who study PPPs and CSFs. This study investigated a number of critical factors that are inherently present in these clusters, and its goal was to determine the extent to which those factors influenced the implementation practise of public-private partnerships (PPPs) in educational infrastructure at Zimbabwe state universities in particular. This model was also used as a foundation for the development of the EICSFM. This research did not cover the entire components of the tertiary institutions that include colleges and vocational training institutions but only concentrated on Zimbabwe state universities. Higher education PPPs can be classified as university-industry linkages, infrastructure PPPs, Financing initiatives, higher education

support services and service delivery PPPs. This study, however, focused on Infrastructure PPPs. It covered the period from 2010 when the government embarked on the standardisation of PPPs in institutions of higher and tertiary education in Zimbabwe to present. The study also drew some experience from other countries that have successfully implemented educational infrastructure PPPs in the higher education sector.

### **1.3 Statement of the Problem**

Despite convincing heuristic and pragmatic evidence that PPPs are feasible and capable of injecting dynamism in the public sector, the tertiary education sector particularly the State universities in Zimbabwe appear to be disinterested despite notable educational infrastructural gaps that are visible in most of these institutions and the enabling frameworks. There has been low uptake and implementation inertia of educational infrastructure PPPs in Zimbabwe state universities ever since their adoption and standardisation in 2010 as an alternative procurement approach. Only a few State universities have tried the approach at a sluggish pace and some have since deserted it in spite of available regulatory frameworks empowering them to embrace PPPs in infrastructure development such as the Operational Guidelines for the Implementation of Joint Venture Partnerships at State Institutions of Higher and Tertiary Education and the Joint Venture Act [Chapter 22:22]. Many State universities however are yet to take up the initiative regardless of the government's desire to have PPPs implemented so as to reduce the infrastructure gap exacerbated by increase in student enrolment and dwindling capital budgetary support. The rise in student population from 2,240 in 1980 to over 200,000 students increased the need for investments in learning spaces, accommodation facilities, recreational and other supporting facilities. This number however did not commensurate with the available educational infrastructure and according to the MHTEISTD investor handbook (2017), only 15-20% of this current student population in state institution of higher learning can be accommodated in student residence. There are 69,973 students enrolled in State universities across the country and the same source indicates that 75% of these have no access to on-campus accommodation facilities (MHTEISTD Investor Handbook, 2017). Rapid growth in enrolment by universities has resulted in services and accommodation demands outstripping infrastructure and service capacity. About USD \$3.7 billion is required to cover educational infrastructure gap in Zimbabwe institutions of higher learning (Government of Zimbabwe, 2017). The Southern Africa Universities Association (SARUA) equally notes that Zimbabwe public universities are also in priority need of teaching and laboratory spaces, administrative offices, staff accommodation as well as research facilities. The implementation apathy of PPPs in this

sector has left the government to be the main financier of the educational infrastructure at a time when the government has limited financial space for capital project and at the same time universities are increasing in numbers in Zimbabwe. The resultant effect has been the underinvestment in educational infrastructure development in this sector; a situation that would have been alleviated through the effective implementation of PPPs. Inadequacy of educational infrastructure such as teaching and laboratories space, administrative offices, staff and student accommodation, as well as research facilities has diverse implications on the quality assurance especially in State universities which are hubs of knowledge generation. Refined explanations to account for factors hampering the departure of educational infrastructure PPPs in Zimbabwe state universities has not yet been presented, neither has the critical success factors for its effective implementation been established. The exploration of the sector specific experiences with PPPs and the establishment sector specific CSFs for effective implementation of infrastructure PPPs in Zimbabwe state universities in this regard thus become crucial if the expected outcomes of PPP to break the inter- generational transmission of educational infrastructure shortage is to be realised.

#### **1.4 Purpose of the Study**

The purpose of the study was to explore Zimbabwe state universities' experiences with the use of PPPs to better appreciate the critical factors affecting its uptake and implementation as an alternative funding approach for educational infrastructure development and how such factors inform the extant CSFs models of PPPs.

#### **1.5 Objectives of the Study**

The study sought to address the following research objectives:

- (a) To examine the evolution of Public Private Partnerships (PPPs) as an alternative funding option for the development of educational infrastructure in Zimbabwe state universities.
- (b) To analyse the adequacy of the extant policy, legal, institutional and process frameworks governing the implementation of infrastructure PPPs in state institutions of higher and tertiary education in Zimbabwe.
- (c) To explore critical factors hampering the uptake and implementation of infrastructure PPPs in Zimbabwe state universities and establish how such factors inform the extant critical success factors (CSFs) models for PPPs.

- (d) To develop an Educational Infrastructure Critical Success Factor Model (EICSFM) that will promote effective implementation of educational infrastructure PPPs in state institutions of higher education.

## **1.6 Research Questions**

The study sought to answer the following research questions:

- (a) How have PPPs evolved as an alternative approach for the development of educational infrastructure in Zimbabwe state universities?
- (b) How adequate are the policies, legal, institutional and process frameworks governing the implementation of PPPs in state institutions of higher and tertiary education in Zimbabwe?
- (c) What are the critical factors hampering the uptake and implementation of educational infrastructure PPPs in Zimbabwe state universities and how do such factors inform the extant CSF models of PPPs?
- (d) What is the Educational Infrastructure Critical Success Factor Model (EICSFM) that will promote effective implementation of educational infrastructure PPPs in state institutions of higher education?

## **1.7 Assumptions of the Study**

The study was guided by the following assumptions:

- a) The research is based on the assumption that CSFs for the implementation of social infrastructure PPP projects are different from CSFs for economic infrastructure PPP projects.
- b) The study assumes that the CSFs for PPP propounded by Hardcastle et al. (2005) in UK do not comprehensively corresponds with CSFs that can necessitate the implementation of educational infrastructure PPPs in Zimbabwe institution of higher education.
- c) The study also assumes that lack of sector specific PPP policy, legal and institutional frameworks, and PPP expertise have hampered the implementation of PPPs in Zimbabwe state universities.

## **1.8 Significance of the Study**

This study is significant with regard to policy development and implementation, practice and scholarship advancement. The following stakeholders will benefit in this regard:

### ***1.8.1 Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development***

The study informs the government of Zimbabwe particularly this ministry about the critical success factors that are requisite for the successful implementation of educational infrastructure PPPs. The findings of the study thus can guide the general policy on PPPs.

### ***1.8.2 Ministry of Finance and Economic Development***

The results of the study can assist the Ministry of Finance and Economic Development to develop best practice guidelines in relation to all other aspects of joint ventures. The study can also assist the Joint Venture Committee to formulate well informed PPP policy that will promote prolific and sustainable partnerships. If the ideas of the study are adopted, the Ministry of Finance and Economic Development can realise reduced fiscal pressure as other capital projects can be financed through PPP arrangements.

### ***1.8.3 The Private Sector***

The study informs the various private capital investors about the available opportunity associated with partnering government in the educational infrastructural development through PPP arrangements. For equity investors, long -term concessions offer the possibility of long – term returns. The outcome of the study might raise the appetite of the private sector to tap the more stable returns of infrastructure PPPs that can be enjoyed for a number of years than other investment alternatives such as stocks and bonds.

### ***1.8.4 Scholarship Advancement***

The study by Osei-Kyei & Chan (2015) reveals that most research studies on PPP CSFs have been conducted in Australia, the U.K., China and Hong Kong and these countries have the highest publications on the CSFs for PPP projects from 1990 to 2013 in the selected journals. However, research on CSFs and CFFs for the implementation of PPPs from developing countries particularly in social development sector have been considerably low and as such this research will add to existing literature from a third world perspective. The extant explanations on implementation failures are global north oriented and do not give a clear demarcation of PPPs in the social sector and particularly PPPs in the university educational infrastructure. A refined comprehensive explanation of implementation inertia and low uptake of PPP in State universities was thus presented in this study.

#### *1.8.4.1 The Field of Public Administration*

The study makes a major contribution to the field of Public Administration in which the researcher's PhD programme is anchored particularly on issue of public policy and policy implementation through the establishment of the refined sector specific Educational Infrastructure Critical Success Factor Model that may guide and inform successful implementation of PPPs in State universities of developing countries. A shortcoming of the PPP literature to date has been this normative approach to the subject, creating in effect, a 'one size fits all' view of PPP programmes. As such there was a need for work that recognises the way that PPP programmes are implemented differently in different regions and as such the outcome of this research presents a contribution to such a study.

### **1.9 Limitations of the Study**

State universities are at different stages of adopting PPPs and some have not yet started the implementation of PPPs for educational infrastructure development and as such they have diverse experiences with regard to PPP implementations. The use of maximum variation purposive sampling of the selected State universities enhanced the generation of a comprehensive analysis of various factors militating against the implementation of PPPs in these institutions of higher learning in Zimbabwe. The research made use of the Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development as a central point of reference on the operations and experiences of State universities which are spatially distributed around the country. This way validated the authenticity of the research findings. The study also made reference to other experiences of PPP implementations challenges in State universities of other developing countries.

### **1.10 Definition of Key Terms**

This thesis will be guided by the following key definitions:

#### ***1.10.1 Public Private Partnership***

Refers to a contractual agreement formed between a government agency and a private sector entity that allows for the greater private participation in the delivery of infrastructure projects and or public services that otherwise would have been provided through traditional public sector procurement (Egger; 2006).

### ***1.10.2 Public Entity***

It is any corporate body established by or in terms of an Act of Parliament in which State has a substantial or controlling interest, whether by virtue of holding or controlling shares or by virtue of a right of appointment of members to the controlling body (Joint Ventures Act [Chapter 22:22]). It consists of national and local government, their agencies and their chartered bodies.

### ***1.10.3 Private Sector***

It refers to the part of national economy made up of private enterprises. It includes the personal sector (households) and corporate sector (companies), and is responsible for allocating most of the resources within an economy (Trebilcock & Rosenstock, 2015).

### ***1.10.4 Public Policy***

It is a purposive course of action followed by an actor or set of actors in dealing with a problem or matter of concern (Anderson & Asernhault, 2005).

### ***1.10.5 Policy Implementation***

It is the act of translating policy into reality so that intended benefits are realised (Anderson & Asernhault, 2005)

### ***1.10.6 Tertiary Education***

It is also referred to as third stage, third level, and post-secondary education, is the educational level following the completion of a school providing a secondary education (UNESCO, 2010).

### ***1.10.7 Infrastructure***

Physical facilities and systems that facilitate, directly or indirectly, the provisions of a service to the general public (Public Procurement and Disposal of Public Assets (General) Regulations, 2018).

### ***1.10.8 Educational Infrastructure***

It includes teaching, learning, administrative and accommodation facilities (UNESCO, 2010).

### ***1.10.9 Critical Success Factor Method***

It refers to those few key areas of activity in which favourable results are absolutely necessary for a manager to reach his or her goals (Hardcastle et al., 2005)

## **1.11 Structure of the Study**

The research comprises of eight chapters to be presented as follows:

### **Chapter One: Introduction**

This is basically an introduction and background of the study. Sections of the proposal were adapted and written exhaustively to explain logically on the development of the study. The chapter covered such sections as; the background of the study, focus and scope of the study, statement of the problem, purpose of the study, research objectives and questions, assumptions of the study, significance of the study, limitations of the study, definition of key terms and the structure of the study.

### **Chapter Two: Literature Review and Theoretical Framework**

A comprehensive review of the literature on the use of PPPs in infrastructural development in institutions of higher and tertiary education was presented. The New Public Management (NPM) theory was used in this study in an effort to understand the rationale of PPPs, the development of PPPs and the critical debates of the use PPP is the social sector development. Public Choice theory was also used as theoretical frameworks to inform why some government programmes and policy implementation in general fail. CSF model of PPP developed by Hardcastle et al. (2005) was used as conceptual framework to inform the study. Relevant recent literature on the nature and application of PPPs in different context and sectors was also explored. Again literature analysis was done to understand the rationale and justification of PPPs, evolution of PPPs in both developed and developing countries, and inherent constraints and growth factors of PPPs in developing countries and its social sectors particularly the education sector, PPP implementation processes in general and narrowed to the educational infrastructure sector. Some global case synthesis was also conducted in need to understand the progress and implementation experiences of educational infrastructure PPP in state universities of other countries.

### **Chapter Three: Research Design and Methodology**

The study used the policy interpretive qualitative methodology and explanatory-descriptive multi case study as a research design. Purposive sampling techniques were used to select the participants in this study. Key informant interviews and observations were used to collect primary data and secondary data was collected through documentary reviews. Content analysis, discourse analysis and thematic analysis were used for analysis of data in this study.

### **Chapter Four: Evolution of PPPs in Zimbabwe State Universities**

The chapter traced the evolution PPPs as an alternative funding option for the development of educational infrastructure Zimbabwe state universities. In the same vein the study sought to understand the rationale for the use PPP within the Zimbabwe higher education sector context and how such alternative model compare to the traditional infrastructure funding options.

### **Chapter Five: Regulatory Frameworks Guiding the Implementation of PPPs in Zimbabwe**

The study conducted an empirical analysis of extant policies, legal, institutional and process frameworks guiding PPPs in Zimbabwe in an endeavour to establish the adequacy of these frameworks towards the implementation of PPPs. This chapter also showed how these regulatory frameworks compare with the other extant PPP guidelines as informed by literature.

### **Chapter Six: Implementation of PPPs for Educational Infrastructure Development in Zimbabwe State Universities**

This chapter examined the principle factors hampering the uptake and implementation of PPPs in Zimbabwe state universities and gave a refined explanation of them. The study also established how these findings will inform the extant theories and conceptual frameworks that guide the infrastructure PPP implementation. The state and nature of PPPs in these institutions were examined and the factors hampering uptake of PPPs were examined as these formed the basis for the creation of CSFs for the effective implementation of PPPs in Zimbabwe state universities.

### **Chapter Seven: Critical Success Factors for the Implementation of Infrastructure PPPs in Zimbabwe State Universities**

The study presented sector specific CSFs that are essential to enhance the effective implementation of educational infrastructure PPPs and these were established in liaison with

the critical factors hindering uptake of PPPs in Zimbabwe state universities. A CSF model dubbed Educational Infrastructure Critical Success Factor Model (EICSFM) was developed and proposed to enhance the future implementation of PPPs in State universities in Zimbabwe. The proposed sector specific Educational Infrastructure Critical Success Factor Model (EICSFM) outlines various key conditions required to enhance the implementation of educational infrastructure PPPs in State universities from a developing world perspective in general and Zimbabwe in particular. The developed model was also compared to the extant CSFs model for PPPs.

### **Chapter Eight: Summary, Conclusions, Recommendations and Areas for Further Research**

This chapter consist of summary, conclusions and recommendations on the best approaches towards improving the uptake and implementation of educational infrastructure PPPs in institutions of higher and tertiary education. This chapter also outline areas for further research.

## **CHAPTER TWO: LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

### **2.1 Introduction**

This research was concerned with a critical appraisal of the implementation experiences of educational infrastructure PPPs in Zimbabwe state universities and how such experiences feed the existent critical success factors (CSFs) models for PPPs. The study aims to explore the variables hindering the effective uptake and implementation of infrastructure PPPs in Zimbabwe state universities. In the same spirit the study intended to create CSFs that can assist the implementation of PPPs in Zimbabwe institutions of higher learning. This literature review chapter thus identifies the newest advancements on the issue as well as related topics and presents a holistic picture of the reality under inquiry. New Public Administration theory, Public choice theory and Sabatier & Mazmanian's model for effective implementation theoretically guided the study, whilst CSFs model for PPP which was established by Hardcastle, et al., (2005) was employed as conceptual frameworks in the study.

Various conceptual streams that inform the concept of PPPs, PPP models and the growth of the concept for infrastructure development were explored. Furthermore, the chapter also performed some literature analysis on the rationale and justification of PPPs, the PPP implementation processes and procedures, PPP implementation in the higher education sector, barriers to PPP implementation and the CSFs for PPPs. Some material was also evaluated on the experiences of PPP in developing countries' social sector particularly for the building of educational infrastructure in institutions of high learning (state universities). Extant CSFs for PPP and their general applicability were also investigated by an exhaustive literature analysis. The research also offered an overview of factors affecting the conceptual coherence and deployment of PPP in institutions of higher and tertiary education. Again some evaluation on the foreign experiences on the usage PPPs in the provision educational infrastructure in the higher and tertiary institutions was also made. The ultimate purpose was to study the implementation experiences of PPPs in institutions of higher learning of post-colonial developing nations and how such experiences feed the existing CSFs for the implementation of PPPs.

### **2.2 Theoretical Framework**

A theory can be useful in qualitative research, quantitative research, as well as blended approaches of research. In qualitative research, the researchers use a theory either as a broad

explanation or as a theoretical lens or perspective that generates issues connected to the phenomena or variables that are being researched. A theory in and of itself provides an explanation for how and why variables are related, and it also functions as a bridge between or among variables. According to Hoy (1996), a theory is ‘an organised body of interrelated concepts, assumptions, and generalisations that systematically explains regularities in behaviour.’ This definition describes a theory as "an organised body of interrelated concepts, assumptions, and generalisations." Important aspects of the research process, such as the research design, data collecting, data analysis, and even the presentation and interpretation of the findings, are all guided by a theory (Creswell, 2014). Both deductive and inductive approaches to analysing theoretical and conceptual frameworks were taken in this study. In this particular instance, all of the study's theoretical and conceptual frameworks were utilised in a deductive manner, however in the process of developing a sector-specific Educational Infrastructure Critical Success Factor Model, an inductive methodology was utilised. This model explains the important characteristics that must be present for successful implementation of PPPs in the social sector, particularly in the institutions of higher learning that are run by the state in Zimbabwe.

### ***2.2.1 New Public Management Theory***

New Public Management (NPM) theory guided this study in tracing the evolution and rationale for the adoption of educational infrastructure PPPs in Zimbabwe state universities. The study also sought to understand factors hindering the effective implementation of PPPs from the same theory. NPM which was propounded way back in 1968 by Dwight Waldo (1968) called for a reduced, effective, efficient and economic state and the involvement of the private sector in the development programmes and the provision of the public goods through arrangements such as PPPs. PPPs, which especially gained on their significance at the beginning of 1990s, was viewed as the policy instrument of new public management approach (Rakić & Rađenović, 2011). The background of PPPs as such lies intensely in the orthodoxy of NPM, which continues to have an impact on all public administration in the world (Blunden & Dando, 1995).

The NPM theory is anchored on the capitalistic or free enterprise philosophy, which supports the concept of economic growth and development where the private sector plays a greatest role. This new approach to public management places emphasis on management by objectives and performance management, the use of market-type mechanism in place of centralised command and control style of regulations, choice and competition, and devolution that has a better

matching of authority, responsibility as well as accountability (Katsamunska, 2012). It is equally characterised by the adoption of private sector management concepts and styles as well as the introduction of quasi- markets and contracting processes that include PPPs, and also the application of explicit standards and measures of performance (Rubakula, 2014). NPM thus was considered as an immediate solution to the performance failure proved by the traditional bureaucratic model which had become hierarchical, slow, inefficient, costly and irresponsible (Rubakula, 2014). The NPM theory proffers that the government should become flexible, efficient, linear, effective and economical in order to improve the quality of life of all people (Minogue et al., 2013).

Furthermore it emphasises that linear governments has to achieve value for money (VFM) in carrying out their developmental programmes and emphasises again should be on financial management to ensure that the government take full responsibility for the financial consequences of their actions and decisions (Dresner, 2001). This NPM theory acknowledges the accommodation of the private players through partnerships for the provision of public goods like in this case, educational infrastructure in state universities. PPPs consist of organisations from public as well as from private sector working together in order to satisfy public needs. PPP as a new concept in New Public Management was designed in an effort to overcome inefficient allocation of resources in public bureaucracy and production of public goods and services (Rakić & Rađenović, 2011).

NPM also attempts to close the dual divide that is between the private and the public sectors by allowing the exchange of management and governance systems so as to foster interdependency (Kooimann, 2003). The study established that the government of Zimbabwe made renewed efforts to standardise and accelerate PPPs in the tertiary education sector in 2010 even though some PPP arrangements were already underway in other universities. The Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development acknowledged that the Government could not adequately provide public infrastructure and deliver quality services in institutions of higher and tertiary education on its own. As such, Joint Venture Partnerships (JVPs) were reemphasised as the way to refurbish, rehabilitate, build and sustain infrastructural development in higher and tertiary education institutions (Government of Zimbabwe, 2017). The study also sought to understand whether some of the rationales for the establishment of educational infrastructure PPPs in Zimbabwe state universities were also in line with the stipulations that were proffered by the NPM theory. This

theory was accelerated by the then President of the Prime Minister of Britain, Mrs Margret Thatcher and President of United States, Ronald Reagan's call for a 'reduced role of the state'.

Their call came as a reaction to get hold of the political and fiscal crises that had affected the two nations, Britain and America (Minogue et al., 1998). New Public Management (NPM) was thus identified as an alternative in provision of public services. New public management emphasise on the adoption of private sector management methods as a way to enhance the performance of public sector (Rakić & Rađenović, 2011). As Rhodes (1999) notes, the NPM has been developed in different ways in various countries, and is thus not considered to be a global phenomenon, but rather reflects a particular character in each country in which it has been adopted. In this case the study sought to understand the evolution of the NPM and its key policy instrument, PPPs in the Zimbabwean context and in its state institutions of higher learning in particular. Different names have been attached to NPM by various authors such as 'post bureaucratic paradigm' (Barzley, 1992); 'managerialism' (Pollit, 1993); 'market-based public administration' (Lan & Rosenbloom, 1992); 'new public management' (Hood, 1991); whereas Osborne & Gaebler (1992) refer to it as an 'entrepreneurial government' (Rhodes, 1999). All these different names were used to describe the same phenomenon.

The appliance of the NPM theory in developing countries was accelerated the Bretton Woods Institutions (IMF and WB)'s enforcement of the capitalist principles of Golden Straitjacket or Washington Consensus on these third world countries. As Spark (2003) asserts, this consensus specifies that the developing countries that need to realise economic success has to open opportunities for the 'Electric Herd' of the developed countries to invest in these countries. In actual fact the World Bank to be particular required them to implement the NPM's nostrums as a loan condition (Blunder & Danda, 1995). Amongst the prescriptions outlined by these institutions include among others; the need to make the private sector the primary engines for its economic growth; reduce the state bureaucracy; privatise the state-owned enterprises; and to deregulate capital markets and economy to promote competition (Binza, 2009). This proposal was imposed as a panacea to great changes that were witnessed in the public sector of most African government sector following the outbreak of issues like huge debt traps, massive poverty, massive diseases and instability (Rubakula, 2014). Most public sector administrators in Africa thus considered NPM as an innovative solution to protect essential public service delivery framework and uphold public sector reform process in the appearance

of deep financial cut following the global recession that continued to squeeze and reshape economies around the world (Rubakula, 2014).

Many developing countries switched to this proffered market-based economy by the end of the second half of the twentieth century as fostered by the influence of the external donors who put pressure on governments by aligning their financing condition upon such structural economic adjustments as free trade, competition, limited state intervention and privatisation (Rubakula, 2014). Even though Africa accepted these measures as specified by these agencies, literature has it on record that their implementation is still a challenge, not only to Africa but also in other developing countries (Rubakula, 2014). Countries such as Zambia, Panama, Honduras, Philippines and Jamaica who were keen in implementing NPM have not fully succeeded due to such hindering factors as; lack of experience in operating market, lack of infrastructure, and lack of managerial capacity (Rubakula, 2014). Furthermore Rubakula (2014) also adds that lack of political will, lack of sense of ownership, weak capacity to carry out the reforms, and coercive conditionalities tied to governance reforms indeed put African countries in a difficult situation.

The government of Zimbabwe made serious attempts to accommodate the private player in 1998 when it mooted the Public Private Partnership Policy. Despite the Government's relentless effort, the Ministry of Higher and Tertiary Education, Innovation, Science and Technology reported that most universities are still to uptake and implement these PPPs to improve educational infrastructure in their respective institutions. As Dube & Chigumira (2014) observe, state universities are still dependent on the government capital fund through the Public Sector Investment Programme (PSIP) for the campus infrastructure development. In this study therefore, NPM was used to understand the evolution, rationale and contending paradigms for the adoption of educational infrastructure PPPs in Zimbabwe state universities. Furthermore, the study was equally concerned with understanding how these various noted impediments to NPM could have also stalled the effective implementation of PPPs for educational infrastructure development in Zimbabwe state universities.

### ***2.2.2 The Public Choice Theory***

The theoretical roots of PPP programmes are also equally found in the public choice theory. This theory was equally chosen in this study in order to serve two purposes. Firstly, to complement the NPM in tracing the evolution and rationale for the use PPPs in Zimbabwe state

universities. Secondly this theory also assisted in explaining why government programmes fail and in this case was used to understand the reasons for the low uptake and implementation inertia of the use of PPPs for educational infrastructure development in Zimbabwe state universities. In the same vein the theory was used to understand and to guide establishment of critical principles for the effective implementation of public policy.

Public choice theory which became known in the early 1950s, as a subfield of the Economics and Public Administration disciplines was established with the intention to effectively deal with problems that were considered to be constraints to service delivery and economic development. Amongst the observed problems include; ‘excessive growth of bureaucracy in the public sector which was leading to more expenditure than income realised’, the inability of bureaus to rely on markets as objective indicators of output value and as such affecting their operations and the gradual ossification of the public sector operations as a result of the bureau. Furthermore, the other problem was the steady diminishing of the bureau operations in terms of speed and flexibility (Binza, 2009).

Non-competitiveness and monopoly enjoyed by public organisations on markets were also raised as other challenges in the public sector, (Niskanen, 2012). Public choice theory thus argues that the type of goods and services provided by bureaus could be financed through government...but the provision of these services would be contracted out to the private sector. The bureaucracy, in this way, would disappear, enabling the public sector organisations to be competitive and also productive. The theoretical roots of PPP programmes are thus found in the public choice theory.

This theory provides a prescriptive diagnosis of the pathologies of public administration and proffered PPPs as a way to make the public sector organisations to be competitive and equally productive (Niskanen, 2012). This study thus sought to establish whether the rationale for adoption of PPPs in Zimbabwe state universities tallies with the same justifications as proffered by the Public choice theory. The theory is much linked to the idea of power decentralisation as an opportunity to promote competitions and equally proffers for the application of market notions in public management that is in the forms of trading and competition (Niskanen, 2012).

Public choice theory proffers for certain prerequisites to allow for competitions and the inclusion of market tools in public sector management. Amongst these prerequisites include;

stable socio-economic and political environment, legal and institutional frameworks and respect of property rights, among others act as a link between private and the public sector. The critical factors for the successful implementations for PPPs as a public policy was also conceptualised within justifications given by the public choice theory. This theory as such guided this study in the establishment of CSFs that enhance the effective implementation of educational infrastructure PPPs in Zimbabwe state universities.

This theory was also used to understand why certain government programmes or public policies fail to produce the intended results. The theory assumes that human beings are rational and self interested or utility-maximising and, on the basis of this core concept construct the models that explain what they consider to be governmental failure in service provision (Mueller, 2012). This theory regards that bureaucrats as self-seeking individuals who seek to abuse public offices for personal advantages and this implies that the governments have their own embedded interest and rarely act in the public interest (Mueller, 2012). Public choice theory further explains how decision- makers and policy-makers define and determine the policy content and also the policy instruments to enhance effective policy implementation. Furthermore these officials also make self –interested choices about the making government interventions during market failures due to monopolies as well as mainstreaming of private sector processes and systems during government failure if government interventions are not achieving the desired effect in service delivery (Buchanan, 2003). As Howlett, (2019) equally concurred, public choice theory ‘applies the principles of neo-classical economics to political behaviour’. Again they further assert that policy and decision-makers in public management, like economic ones, act ‘rationally’ in calculating fashion, to maximize their ‘utility’ or ‘satisfaction’ (Howlett, 2019).

Public choice theorists consider public institutions as inherently inefficient and incapable of effectively promoting social welfare because bureaucrats do not have the right incentives to pursue public interestedness (Tullock, 2011). Public choice theory was relevant in this study as it provided for the examination of the actions of public sector officials in the educational PPPs arrangement in Zimbabwe state universities. These officials like the responsible minister, heads of PPP procurement committee in various state institutions are expected to pursue the public interest when developing these policies like educational infrastructure PPPs and also when deciding on how to use public resources which do not belong to them. Equally and in this context, the public officials are expected to act in the public interest when making a choice of a private player to partner in the PPP arrangement. Brotherton & Shaw (1996) observe that

Public choice theory enables an accurate analysis of the ‘role of bureaucrats in government’ and further advises that government bureaucrats should not be captured by special interest from the incentives of the regulatory agencies. The argument here is that appointed officials should not be guided or governed by profit primarily because they are in those public offices to serve the public. The public choice theory is also relevant to this research project as it enables the study to unearth the factors inhibiting the implementation of PPPs from a policy and decision-makers as well as bureaucratic perspectives.

### ***2.2.3 Sabatier and Mazmanian’s Conditions for Effective Public Policy Implementation***

In their study on the conditions of effective policy implementation, Sabatier & Mazmanian (1979) outlined a set of five (sufficient and generally necessary) conditions under which a policy decision that seeks a substantial (non-trivial) departure from the status quo can achieve its policy objectives. They outlined that a statute or other major policy decision seeking a substantial departure from the status can achieve such objectives under the following listed set of conditions:

- 1) The programme has to be based on a sound theory relating changes in target group behaviour to the achievement of the desired end-state (objectives).
- 2) The statute (or other basic policy decision) contains unambiguous policy directives and structures of the implementation process so as to maximise the likelihood that target groups will perform as desired.
- 3) The leaders of the implementing agencies possess substantial managerial and political skill and are committed to the statutory goal
- 4) The programme is supported by organised constituency groups and by a few key legislators (or the chief executive) throughout the implementation process, with the courts playing a neutral or supportive role.
- 5) The relative priority of statutory objectives is not significantly undermined over time by the emergence of conflicting public policies or by the changes in the relevant socioeconomic conditions that undermine the statute’s ‘technical’ theory or political support.

For the purpose of this study selected conditions were used and these include condition two, three and four. Condition two which states that: the statute (or other policy decision) should contain unambiguous policy directives and structures the implementation process so as to

maximise the likelihood that target groups will perform as desired. The authors highlight that policy objective should be precise and clearly ranked both internally (within) the specific structure and in the overall programme of the implementing agencies. Sabatier & Mezmarian (1979) alludes that precise and clearly ranked in importance statutory objectives assists as an indispensable aid in programme evaluation as well as unambiguous directive to implementing officials, and as a resource available to supporters of these objectives both inside and outside the implementing agencies.

Again the financial resources provided to the implementing agencies should be sufficient to hire staff and conduct the technical analysis involved in the development of regulations, the administration of permit service delivery programmes and the monitoring of target group compliance. They however acknowledge that financial resources are particularly a problem especially in labour-intensive service programmes and in regulatory programmes with a high scientific and technological component and particularly in areas where implementing agencies have to embark in research to critically well examine issues before implementation.

Sabatier & Mezmarian (1979) also advocate that any new programme requires implementing officials who are not just neutral but who are equally sufficiently committed and persistent to develop and operating procedure and to enforce them in the face of the resistance from target groups and also from public officials who might be reluctant to make the mandated changes. They however admit that the choice of the implementing agencies and officials is often severely constrained. They observe that in many policy areas (such as education) there is usually little option but to assign implementation to existing agencies that may well be hostile or whose personnel may be that preoccupied with existing habits that any new mandate tends to get lost in the shuffle. Furthermore, they noted that positions within any government agency are occupied by career servants who are usually reluctant to changes in existing procedures and programmes and are only moderately susceptible to the sanctions and the inducement available to political appointees (Sabatier & Mezmarian, 1979).

Sabatier & Mezmarian (1979) also advocate that one of the most important attributes of any statute (or other basic policy decision) is the extent to which it hierarchically integrates the implementing agencies. They further observe that to the extent the system is only loosely integrated, there will be considerable variation in the degree of behavioural compliance among the implementing officials and target groups because each responds to the incentives for

modification within its local setting and as such there will be a distinctly suboptimal of statutory objectives.

Sabatier & Mazmanian (1979) also highlight that whereas the implementing official are generally supportive of statutory objectives, and that their decisions contains supportive formal rules, we nevertheless contend that implementing agencies cannot necessarily be trusted to act in a manner consistent with statutory objectives. As such what is required is a constant oversight and intervention from supportive constituency groups and legislative (and executive) sovereigns. In fact as they proffer the statute (or other basic policy decisions) should provide ample opportunity for the constituency (interest) groups and sovereigns supportive of statutory objectives to intervene in the implementation process for example the liberal rule of standing to agency and judicial proceedings and requirements for periodic evaluation of the performance of the implementing agencies (Sabatier & Mazmanian, 1979).

Condition three is also of importance to this study and it state that the leaders of the implementing agencies should possess substantial managerial and political skill and are committed to the statutory objectives. The authorities allude that the support of the top implementing officials is very important and deserves to be highlighted as a separate condition for effective policy implementation. The authorities allude of the essence of political and managerial skills in policy implementation. They assert that policy support is rather useless if it is not accompanied by political and managerial skills in utilizing available resources. Political skills in this case entails the ability to develop good working relationships with sovereigns in the agency's subsystem, to mobilise support among latent supportive constituencies, to convince opponents and target groups that are being treated fairly, to present the agency's case adroitly through the mass media. Managerial skills entail developing adequate controls such that the programme will not be subjected to changes of fiscal mismanagement and the maintenance of high morale among the agency personnel. Maintenance of high morale and commitments can however gradually difficult overtime. Sabatier & Mazmanian (1979) thus in this line advocates that there is always need for innovative policy initiative so as to attract committed skilful executives to implementing institutions, particularly in the case of agencies.

Condition four is also essential in this study and it highlights that- the programme should be actively supported by organised constituency groups and by a few key legislators (or the chief executive) throughout the implementation process, with the courts playing a neutral or

supportive role. The authorities' proffers that it is essential to maintain political support for the achievement of statutory or policy objectives over the entire long course of implementation. These key groups (executive and the legislative) are expected to continue to provide the implementing agencies with the requisite financial resources annually as well as assuring that the basic statute or policy is not seriously undermined but rather it is modified to overcome the implementation difficulties.

Even though this seems to be an easy requirement, it is exceedingly difficult to accomplish for a variety of reasons. Most legislators lack the staff resources or incentives to monitor programme implementation actively. This according to the authors calls for the presence of an organised supportive constituency (interest) group which has resources to closely monitor programme implementation, to intervene actively in agency proceedings, as well as to appeal adverse agency decisions to the courts and to the legislature and to convince key legislators that the programme merits their active support (Sabatier & Mezmarian, 1979). The authorities equally argue that successful implementation of statutory objectives requires that courts be either neutral or supportive. This is primary because courts have the authority to emasculate implementation through delay in enforcement proceedings through repeatedly unfavourable statutory interpretations and in some extreme cases by declaring the statute unconstitutional (Sabatier & Mezmarian, 1979).

This guide by Mezmarian & Sabatier (1979) is essential to this study as the authorities targeted two different audiences; 1) scholars interested in developing a general theory or conceptual framework of the implementation process and 2) the policy formulators (such as legislators) and their staff who wish to estimate the implementation of various policy alternatives and to understand the manner in which they can structure the implementation process. This framework as the authorities' proffers, applies to traditional regulatory programmes governing private sector through the conditional disbursement of funds and also attempts to change the behaviour of field level public official (such as school boards, and teachers) through directives or the conditional disbursement of funds. As such this guide fit well to explain the conditions that can necessitate the effective implementation of PPPs.

## **2.3 Conceptual Framework**

This study used conceptual frameworks both deductively and inductively. CSFs for PPPs by Hardcastle et al. (2005) as a conceptual framework was used in a deductive fashion in this case and inductively, this study then developed a sector specific Educational Infrastructure Critical Success Factor Model. The developed model outlines the critical factors for successful implementation of PPPs in social sector particularly in the Zimbabwe state institutions of higher learning.

### ***2.3.1 Critical Success Factors Model for Public Private Partnership***

The study referred to Critical Success Factors (CSFs) model of PPP as a conceptual framework. These CSFs for PPPs in this case assisted the research to explain factors that are hampering the uptake and implementation of educational infrastructure PPPs in Zimbabwe state universities. In the same vein the establishment of the sector specific Educational Infrastructure Critical Success Factor Model was also be informed by these extant CSF models of PPP. Critical success elements are significantly important to assist firms or organizations to identify important factors that organizations should focus on in order to be successful in a project (Chan et al., 2010). CSFs Model developed by Hardcastle et al. (2005) from the United Kingdom best case practices in PPP that identifies the key success factors of these projects was used as framework for the analysis in this study. Hardcastle et al. (2005) considered the various CSFs for PPPs as proffered by various scholars and distilled them into nineteen CSFs for infrastructure PPPs in the United Kingdom (UK). These CSFs supported with wide literature review research were considered essential to guide this study. In their study, they however omitted one factor- the need to achieve successful technological transfer as they considered it not appropriate in PPP/PFI project in the UK context but for developing countries The rationale for adopting these CSFs model by Hardcastle et al. (2005) is that it has received recognition by many scholars of PPPs.

These nineteen factors which were categorised into five groups by Hardcastle et al.(2005) include; appropriate risk allocation and risk sharing strong private consortium, competitive procurement process, commitment or responsibility of public or private sectors, thorough and realistic cost-benefit assessment, project technical feasibility, transparency in the procurement process, good governance, favourable legal framework, available financial market, multi-benefit objectives, political support, government involvement by providing guarantee, sound

economic policy, stable macro-economic environment, shared authority between public and private sectors, social support and technology transfer (Hardcastle et al., 2005).

Through surveying a sample of stakeholders from both public and private sector, Hardcastle et al., (2005) categorised the 19 CSFs and ranked them according to their significances. The results show that, competitive procurement process, good governance and political support were cited as the top three CSFs by the public sector. The private sector considered an appropriate risk allocation, strong private consortium, risk sharing and commitment or the responsibility of public or private sectors to be the most significant CSFs. Social support, shared authority between private and public sector, government guarantees and a stable macroeconomic environment were aggregately regarded as the least significant success factors. Given that all the factors are apparently seen as critical in the literature, Hardcastle et al. (2005) employed factor analysis to create the principal success factor groupings that underlie project procurement. Using the factor analysis Hardcastle et al. (2005) grouped seventeen CSFs into five principal groupings for CSFs for UK construction PPP/PFI projects. In other words, there are five critical groups that are essential for any of PPP projects to be successful and each group have inherent CSFs) as shown in the following table:

**Table 2. 1: Principal Groupings for CSFs for UK Construction Public Private Partnership Projects**

<b>Index</b>	<b>Principal Success Factor Grouping</b>	<b>Inherent CSFs components</b>
<b>1</b>	Effective Procurement	<ul style="list-style-type: none"> <li>• Transparency in the procurement process,</li> <li>• Competitive procurement process,</li> <li>• good governance,</li> <li>• well-organised and committed public agency,</li> <li>• social support,</li> <li>• shared authority between public and private sectors, and</li> <li>• thorough and realistic assessment of the cost and benefits</li> </ul>
<b>2</b>	Project implementation	<ul style="list-style-type: none"> <li>• favourable legal framework,</li> <li>• project technical feasibility,</li> <li>• appropriate risk allocation and risk sharing,</li> <li>• commitment and responsibility of public and private sector, and</li> <li>• strong private consortium</li> </ul>

<b>3</b>	Government guarantee.	<ul style="list-style-type: none"> <li>• Government involvement by providing a guarantee;</li> <li>• Multi-benefit objectives.</li> </ul>
<b>4</b>	Favourable economic condition	<ul style="list-style-type: none"> <li>• stable macroeconomic conditions and</li> <li>• sound economic policy</li> </ul>
<b>5</b>	Available financial market	<ul style="list-style-type: none"> <li>• Availability of a stable and adequate financial market.</li> </ul>

The first factor grouping is, effective procurement, and according to Hardcastle et al. (2005) it's inherent CSFs that inform its success include: competitive procurement process, transparency in the procurement process, good governance, well-organised and committed public agency, social support, shared authority between public and private sectors, and thorough and realistic assessment of the cost and benefits

According to Hardcastle et al. (2005), an effective procurement process must exhibit transparency and be competitive throughout the entire procurement process. As Cheung et al. (2012) also noted, a transparent and efficient procurement process lowers the transaction costs and shortens the time in negotiation and completing the deal. Clear project brief and client requirements should help to achieve these in the bidding process. On the other hand, the procurement process must also be competitive. In most cases, however competitive bidding solely on price may not help to secure a strong private consortium and obtain value for money for the public. The government should take a long-term view in seeking the right partner (Jefferies, 2006; Hardcastle et al., 2005; Zhang, 2005). Cheung et al. (2012) add that an objective, competitive and fair transparent procurement process is conducive to the successful implementation of a PPP project; otherwise, legal battle would be invoked easily. It is held that transparency and a competitive procurement process enhance value for money.

In the education PPPs, Patrinos & Barrera-osorio (2009) concur that there is need to employ a transparent, competitive and multi-stage process for selecting private partner in PPPs. They further allude that a key element for effective PPP is a transparent and competitive bidding process. Bidding for service delivery contracts such as school management initiatives or private finance initiative contracts should be open to all private organisations, including for-profit and not-for-profit providers and the contracts should be open to any local, national and international organisations that may wish to bid (Warasthe, 2017). In addition they proffers the bidding process should follow a multi-stage process and these stages should consist of : clarifying requirements, including objectives and outcomes; developing a procurement strategy and

identifying a technically strong procurement team; writing the request for proposals; inviting expression of interest; conducting contract prequalification checks; interviewing bidders, assessing proposals, and negotiating with a shortlist of bidders; selecting the preferred bidder and awarding the contract; advertising the results of the selection process and finally, commencing the service.

PPP is in itself a procurement process and as such there is need for transparency throughout the whole process. Osei-Kyei & Chan (2015) observed that transparency does not only apply to the tendering process alone, but must be observed throughout the delivery of the PPP project. Liu et al. (2016) encourages that parties involved, the private sector must have a good cordial and communications amongst themselves and must equally be transparent and open to the external stakeholders or users. They in fact proffer that information and reports on the PPP projects must be made publicly available. Moreover, Osei-Kyei & Chan (2015) assert that government also has to clear any doubts or bad rumours within the public domain with regard to the delivery of the PPP projects because negative public perception normally affects the successful implementation of projects. This study thus also intended to establish how this procurement process is done in Zimbabwe with particular reference to PPP projects in state universities.

The other two prominent components are; good governance and a well-organised and committed public agency. There is usually an intricate relationship between effective procurement and the actors (stakeholders). Policy makers, government departments and their agency are fundamental in the implementation for successful PFI/PPP implementation (Hardcastle et al., 2005). Social support is equally regarded as an important component in the PPP/PFI procurement process. It is usually supposed that public opinions against PPP/PFI can slow, or even prevent, the project development. Social support is thus seen as a facilitator to the effective PPP/PFI development and for the procurement process to go smoothly, particularly in earlier stages such as during land acquisition (Hardcastle et al., 2005). The acceptance and understanding by the social community such as the media, trade unions, civil societies and other non- governmental organisations was also regarded as very essential in ensuring the progress of PPP projects.

Public and community engagement is considered important particularly in the initial stages as it assist minimize any sort of delays such as the acquisition of lands for project development

and it also reduces the cost of labour as the local people could be engaged as workers (Kyei & Chan, 2015). Extant literature advises of the need to create awareness and public education by the host government in order to ensure support for the PPP project from the public (Liu et al., 2014; Onyemaechi et al., 2015; Li, 2016). Furthermore, the host government is equally expected to give assurance to the public or community on the quality and good service and also the reasonable end user fees for the PPP projects.

Another important component related to effective procurement is shared authority between the public and private sector. This suggests that both the public and the private sector should have respect with each other when carrying out negotiations during the procurement process (Hardcastle et al., 2005). Thorough and realistic assessment of costs and benefits is also considered critical in the effective procurement grouping. Before a project is subjected to the procurement process, it is advised that the public client should ensure that all the potential options that are beneficial to the government and the end user are considered as part of the complete project feasibility study. Kyei & Chan (2015) alluded that it is essential to understand that public and private sectors have diverse views on project financial analysis. The second factor grouping is, project implementation and the five CSF components in this grouping according to Hardcastle et al. (2005) and these are: project technical feasibility, favourable legal framework, appropriate risk allocation and risk sharing, commitment and responsibility of public and private sector, and strong private consortium.

It is usually opined that a favourable legal framework permits for a PPP/PFI project to be developed without undue legal restriction on the private sector involvement (Hardcastle et al., 2005). An appropriate risk framework is expected to guarantee the legal status for project implementation. As mentioned by (Cheung et al., 2012), independent, fair and efficient legal framework is an important factor for successful PPP project implementation. They further add that sufficient legal resources at reasonable costs should be available to deal with the amount of legal structuring and documentation required. National Treasury PPP Unit of South Africa (2007) also alludes that a transparent and stable legal framework assists to make the contracts and agreements bankable. A satisfactory dispute resolution system should help to ensure stability in the PPP arrangements. Cheung et al. (2012) note that suitable governing rules, regulations and reference manuals related to PPP should be well established in some developed countries to enable the effective application of PPP procurement approach. Technical issues are also considered traditionally as the most considerations in a project feasibility study. In

particular, the private contractor needs to make sure that any engineering uncertainties are resolved (Hardcastle et al., 2005).

When considering PPP/ PFI procurement options, it is important to assess the associated technical problems. World Bank (2009) observes that the private sectors always examine the legal framework and how it shall ensure the effectiveness of a long-term PPP contracts. As such the private sector may be expected to ask the following questions with regard to either the legal framework or the PPP contract itself:

- i. does the public sector have forward-planning programme and allocation process to ensure that payments can be made when due, such as obligations against future budgets;
- ii. is combined procurement of construction and long-term operation and maintenance permitted or will have to be done under separate contracts;
- iii. what are the investors' rights, how will the repatriation of profits be treated for overseas investors, what are the lenders' rights, what are the contract dispute resolution like, how will payments be taxed;
- iv. what forms of government support are likely to be available for certain risks;
- v. how will changes in the contract be handled, and what compensation mechanisms will be used;
- vi. and are the unsolicited proposals permitted, and how will they be treated if so? (World Bank, 2009).

This study sought to understand the extent to which some of these variables are incorporated in Zimbabwe PPP legal frameworks.

The third variable in this grouping is appropriate risk allocation and risk sharing. A fundamental principle in PPP arrangement is the allocation of risk to the party best able to manage and control it (Cheung et al., 2012). Rationally, the government prefer to transfer risks associated with asset procurement and service delivery to the private sector participants, who are generally more efficient and experienced in managing them. However, Cheung et al. (2012) advised that the government should be reasonable to take up risks that are out of the control of private sector participants. Furthermore, they caution that in all cases, the government should ensure there are measures in place to manage the risk exposure rather than leaving it open to the private sector.

Likewise, Zhang (2005) highlights that before committing to the projects; the private sector participants should fully be aware of the risks involved and should be cautious in pricing and managing the risks appropriately. One unique feature that differentiates PPP from conventional procurement procurements as Kyei & Chan (2015) observed, is the allocation of risk effectively and efficiently. They therefore advise that that governments should refrain from the idea of transferring all the risks to the private sector as this can affect the progress or the future participation of private investors in PPP projects.

The fourth important component in this group is the responsibility and commitment of the public and private sectors. The attitude of the actors (stakeholders) in a PPP/ PFI project has an influence on the quality of outputs. As such 'soft' factors such as stakeholder relationships and stakeholder management must also be considered (Hardcastle et al., 2005). The commitment and responsibility of both the private and public participants is important for the success of PPP projects (Kyei & Chan, 2015). They further note that all parties should commit their best resources (financial and human) to this partnership project. In this regard, commitment is expected to permeate throughout all management level even in the parent companies or steering boards and not only within the SPV established for the project. This study was also interested to understand the private concern with regard to the Zimbabwean government's commitment in the implementation of PPP policy.

A strong private consortium is another loading component (Hardcastle et al., 2005). This relates to project implementation in the sense that where a project has the right actors (stakeholders), with common goals, the project is most likely to be implemented successfully. Kyei & Chan (2015) also allude that a strong private sector company is very crucial for PPP success. In contracting out the PPP projects, the government should ensure that the parties in the private sector consortium are adequately competent and financially proficient of taking up the projects. This suggests that private companies should explore other participants' strengths and weaknesses and, where appropriate, join together to form consortia capable of synergising and exploiting their individual strengths (Cheung et al., 2012). The strength of the private consortium will also be influenced by its relationship with the public sector. Liu (2014) points out that two fundamental attributes for procuring successful infrastructure projects are commitment and mutual trust, which need to come from both the public and private sectors. Good relationship among partners is also essential because they all bear relevant risks and benefits from the co-operation (Chan et al., 2010; Malek, 2016; Cheung, 2009; Liu et al., 2014;

Obosi, 2013). The strength of private sector participants lies in the management team they deploy apart from just financial muscle.

As such Zhang (2005) advocates that a consortium should be equipped with strong technical, operational and managerial capacity to be able to undertake PPP projects because a weak and poorly organised consortium will result in difficulties and eventually failure in the successful execution of PPP projects. In countries where the local companies structure is weak, particularly in developing countries, Kyei & Chan (2015) proffer that the respective governments should assist in strengthening the local companies both financially and technically in order to build their capacities to compete with international companies for PPP projects both locally and internationally. In this study the interest was also to establish and explore critical factors affecting educational infrastructure PPP project implementation in Zimbabwe state universities. The third principal factor grouping in the factor analysis of CSFs is government guarantee. This principal factor is considered as important in the early stage of PPP/ PFI (Hardcastle et al., 2005).

Government involvement by providing a guarantee; and multi-benefit objectives are two components in this principal factor. According to Hardcastle et al. (2005), higher loading is associated with a government guarantee. They assert that in the UK situation, the private sector does not yet have full confidence in PPP/PFI procurement and is subsequently demanding revenue guarantees or firmly committed policies from government to ensure that investments are protected. Lower loading is associated with multi-benefit objectives. The assertion is that apart from the direct objectives in achieving public services, a PPP or PFI project needs to consider the private contractor's objectives. If necessary government guarantees can be used to protect the project revenue streams (Hardcastle et al., 2005). The study also sought to establish the effects of the sovereignty guarantee and the consideration of the private contractors' objectives towards the uptake and implementation of educational infrastructure PPPs in Zimbabwe state universities.

The other principle factor grouping in the critical successful factor analysis is the favourable economic condition (Hardcastle et al., 2005). Favourable Economic Conditions are considered as very important for PPP/PFI project development both in developed and developing countries and the two CSF components involved: stable macroeconomic conditions and sound economic policy. Hardcastle et al. (2005) assert that a high loading is given to stable macroeconomic

conditions. They proffer that government must ensure that economic conditions are favourable if successful PPPs/PFI project implementation is to be realised. It is considered that the private sector lenders and investors are more interested to develop public infrastructure projects when the environment in which these projects will be operating from is favourable. The private sector usually prefers a favourable economic conditions and Hardcastle et al. (2005) cite that the lower markets risk increase the opportunities for success.

A high loading is also associated with sound economic policy. Government should adopt economic policies to maintain a stable and growing environment, where the private sector operates with confidence. The study also got the interest to ascertain whether the turbulence economic conditions had any effects towards the implantation of PPPs for educational infrastructure development in Zimbabwe state universities. Available financial market is the last principle factor according to (Hardcastle et al., 2005). The only one CSF component under this factor grouping is: the availability of a stable and adequate financial market. A number of scholars (Akintoye, 2001; Jefferies, 2002; Corbett & Smith, 2006; Li, 2005, Zhang, 2005) occur that project financing is a critical factor for private sector investment in public infrastructure projects. (Cheung et al., 2012) add that the availability of an efficient and mature financial market with the benefits of low financing costs and diversified range of financial products is an incentive for private sector taking up PPP projects.

An accessible financial market with the associated benefits of lowers financial costs as been regarded by Liu et al. (2016) as an incentive for private sector interest to undertake PPPs. A notable sustainable approach in UK has been to tie the financier into the consortium or entity created for the project (known as the Special Purpose Vehicle) (Kyei & Chan, 2015). They observed that several domestic and international banks such as the Bank of Scotland, the Royal Bank of Scotland, Bank of America and Dresdner Kleinwort Benson have developed some substantial interest in the PPP/PFI projects. This study thus equally developed some interest to understand the adequacy and stability of the available financial markets in Zimbabwe to support the implementations of educational infrastructure PPPs in institutions of high learning.

The five factor groupings therefore represent the basic elements of CSFs for PPP/PFI project development, and (Hardcastle et al., 2005) concluded that they should always be considered by public sector sponsors in informing and shaping their PPP/PFI policy development, and by private sector concessionaires in managing their projects. These were considered to be the

principal success factor groupings that underlie project procurement. This study however considers that the above ranking and groupings were based on a survey which was conducted in the UK where an unstable macroeconomic environment is less likely to be of concern than in a developing country. The ranking and groupings of these factors may therefore not be entirely relevant to a developing country like Zimbabwe which is a post-colonial nation, characterised by unstable macroeconomic conditions. Furthermore, it is silent of sectors applications giving the impression that these CSFs applies universally and in all sectors.

The study forms a good basis for testing whether these extant CSFs tallies with what the participants would consider as CSFs for PPP in Zimbabwe in general and for social infrastructure development such as educational infrastructure development in state universities in particular. Therefore, there is a need to test how these critical factors could have affected the uptake effective implementation of educational infrastructure PPPs in Zimbabwe state universities. The study also seeks to determine how the outcomes of the research conform or rebel to this extant CSFs model of PPPs.

The CSFs model by Hardcastle et al. (2005) is silent on whether the construction was relating to economic infrastructure or social infrastructure and is based on the assumption that they can universal apply regardless of the sector. As such and on that basis, it is worth to note that this framework is too broad and might not really inform the critical factor for the successful implementation of PPPs in the social sector particularly in educational infrastructure were this study focuses on.

This study is tilted towards social infrastructure development and again the interest would be to find out whether such CSFs are similar regardless of the sector or have different effects in different sectors. The CSFs model also left out critical factors such as political support and alluded that it is outside these principal factor groupings for PP/PFI projects in the UK and also technology transfer, which they regard as more relevant to projects undertaken in developing countries. The study thus forms a basis for testing the availability and effects of these two CSFs for PPP in Zimbabwe social infrastructure development in general and in state universities' educational infrastructure PPPs in particular. The model omitted also two CSFs which are political will and technological transfer and as such this study also seeks to cover this theoretical gaps by testing the availability and effects of these two CSFs for PPP in

Zimbabwe social infrastructure development in general and in State universities' educational infrastructure PPPs in particular.

### *2.3.1.1 Evolution of Critical Success Factors (CSFs)*

Studies on critical success and failure factors were first coined in the 1960s (Pham et al., 2019). Most of the early scholarly research focused on the critical failure factors rather than CSFs. Studies on critical failure factors however has been very few and this could have been perhaps because responsible organisations were disinclined to disclose their failure efforts or failed to keep records of their failed projects (Trangkanont & Charoenngam, 2014). CSFs were thus developed from CFF which were viewed as the deficiency or defectiveness of various critical factors and potentially caused the failure of projects in every stage of project life cycle (Pinto & Mantel, 1990). This submission entails that success factors can equally be derived from failure factors which can be turned into success factors. This approach as proffered by Pinto & Mantel (1990), also informs this study in its identification of the CSFs for the implementation educational infrastructure PPP in Zimbabwe state universities.

CSFs are the essential factors whose existence in every stage of the project life cycle significantly contributes to and are vital for the success of a project according to (Ogunlana, 2009). Success factors as defined by Liu et al. (2016) are those few area of activity in which favourable results are absolutely necessary for a manager to reach his/her goals. Success factors are considered to be inputs to the management system that lead directly or indirectly to the success of the project or business (Jain & Pathak, 2014). Success factors are also considered as those basic issues inherent in a project that must be maintained for teamwork to take place in an efficient and effective manner (Jain & Pathak, 2014). They require day-to-day attention and operation throughout the life of the project. The success factor methodology attempts to make explicit the key areas that are essential for management success (Rockart, 1982). The concept was developed by Rockart and the Sloan School of Management, with the phrase first used in the context of information systems and project management (Morledge & Owen, 1999). As from 1982, CSFs methodology has been used in information systems and eventually in the manufacturing industry in the 1990s.

There have been attempts to apply this method in construction management and in 1996 CSFs were explored for private contractors in competitive tendering and negotiation in Build Operate Transfer (BOT) projects (Hardcastle et al., 2005). In 2002, CSFs were measured in the

management of public clients in Build Own Operate Transfer (BOOT) procurement (Hardcastle et al., 2005). In 2005, these authorities examined the CSFs for PPP and Private Finance Initiative (PFI) projects in the UK construction industry and grouped seventeen factors into five principal groups (Effective procurement, project implementation, Government guarantee, favourable economic conditions and available financial markets). The political support factor and technology transfer factor were left outside this principal factor grouping as Hardcastle et al. (2005) also disregarded them and considered them to be more relevant to projects carried out in developing countries. In practice, CSFs are used to analyse the potential reasons of project success or failure, select team members, allocate limited resources, and forecast performance level of a project before it commences (Trangkanont & Charoenngam, 2014).

In addition, they also provide an underlying decision framework and help the firms to decide their strategic standing on the project. Critical success elements according to Rowlinson (1999) are significantly important to help firms or organisations to identify key factors that firms should focus on in order to be successful in a project. Studies of CSFs also assist to accomplish project objectives by improving project management practices through studying best practices and lessons learned from successful or unsuccessful projects (Zhang, 2005a; Trangkanont & Charoenngam, 2014).

Many scholars have embarked on CSFs for PPP mainly in economic development issues, ever since the adoption of PPP by developed and developing countries as a means of procuring public utilities and infrastructure. Among these many scholars include (Saeed & Saif, 2015; Bala et al., 2010; Zhang, 2005; Gudienė et al., 2013; Hardcastle et al., 2005). Investigations reveal that these previous studies have mainly concentrated on the CSFs of economic development infrastructure PPP and CSFs of educational infrastructure PPP which fall under social development has not been adequately addressed. Guided by the extant CSFs by Hardcastle et al. (2005), this study explored the Zimbabwe state universities' PPP implementation experiences in order the factors affecting the implementation of educational infrastructure PPPs.

In the same vein existing CSFs model equally guided and formed the basis for the development of sector specific CSFs for the successful implementation of social infrastructure PPPs particularly in institutions of higher learning. A study by Kyei & Chan (2015) revealed that

five most reported CSFs over the past 23 years are risk allocation and sharing, strong private consortium, political support, community or public support and transparent procurement. Australia, the U.K., China and Hong Kong have the highest publications on the CSFs for PPP projects from 1990 to 2013 in the selected journals (Kyei & Chan, 2015). However, contributions from researchers in the developing countries are very low. This could be due to the fact that PPP concept is yet to be fully explored in these countries hence very few publications are realized in the selected journals (Kyei & Chan, 2015). The realities of PPPs implementation have not yet been fully studied and the universal explanations have always been used to explain implementation in developing world yet the context are different. This study equally adds to the literature on CSFS for the implementation of PPPs from developing world perspectives in general and in the social sector experiences of higher education in particular.

Ever since the evolution of PPP, Liu et al. (2016) observes that a number of researchers have thus employed the concept of CSFs to enhance the understanding and best way of implementing PPP policy for infrastructure development. This concept of CSFs as Kyei & Chan (2015) alludes, is being employed in diverse areas of PPP arrangements and these ranges from Infrastructure sectors, projects models and stages within the PPP arrangement. An example can be that of Kyei & Chan (2015) who investigated into the CSFs for PPP water projects in China, a project of which is of a Build Operate Transfer (BOT) model. Various other sectors which implemented PPP which have their CSFs explored include the transportation, telecommunication, energy and the housing sector (Karamalakov, 2011; Kyei & Chan, 2015; Saeed & Saif, 2015). At various stages of the PPP cycle or arrangement, studies of CSFs have also been employed. Kyei & Chan (2015) observes that Ng et al. (2012) examined the success factors at the feasibility stage of PPP projects. This study was concerned with the identification of CSFs within the education sector with a particular attention on educational infrastructure PPPs without particular focus on or categorising of CSFs according to various stages within the PPP arrangement. This approach followed the previous extant approach by various scholars who employed the CSF concept for general PPP infrastructure projects, but the difference being that this study focused on educational infrastructure PPP projects (Tiong, 1992; Zhang, 2005; Chan et al., 2010; Cheung et al., 2012).

Given the wide spectrum and coverage of studies on the CSFs for PPP, Kyei & Chan (2015) assert that it is thus difficult for both practitioners and researchers to identify that can be

regarded as the most CSFs for implementing PPP projects irrespective of the country, sector, stages or project model. Other scholars like Jain & Pathak (2014) concurs that projects success factors are not universal for all projects since different projects and also different people prioritise different sets of success factors. As such Kyei & Chan (2015) advocate for need to summarise, examine and analyse the key findings of the previous findings in order to widen the understanding of the important CSFs for the implementation of PPP irrespective of the context, stage of PPP project, sector and project model adopted. However this approach has a limitation of subscribing to a normative approach to the subject and creates in effect, a 'one size fits all' view of CSFs for PPP programmes, a position which was refuted by emerging scholar like (Onyemaechi et al., 2015). The author advocates that the fact that PPPs are context and sector specific also entails that the CSFs for specific PPP projects are different. He also proffers that there is need for academic work that recognises the way that PPP programmes are implemented differently in different regions and context. Furthermore, this scholar advice that it is even more important for countries that are new at adopting PPPs to identify the CSFs for PPPs in order to maximize the advantages of this method and to reduce the risks for all concerned parties (Onyemaechi et al., 2015). In this regard the need to explore the factors inhibiting use of PPPs and the development of refined context based CSF model that will guide and inform the implementation of PPPs in the tertiary education sector particularly in Zimbabwe state universities also borrowed heavily from such sentiments.

## **2.4 Understanding Public Private Partnership**

Despite its worldwide adaptation, the term Public Private Partnership (PPP) is still not clearly defined (UNECE, 2012). There is no widely agreed single definition or model of a PPP (Bernardino, 2010; OECD, 2010; The World Bank, 2006). There is a great variety of definitions for PPP available worldwide. Some industrial practitioners and academic still regard the definitions as being very woolly. In some cases as Paper & Gawel (2011) observe, the term PPP describes a wide range of arrangements whereby government services are outsourced to commercial partners and risk is shared between the public and private sector to bring about desired outcomes in areas associated with public policy. Still on outsourced services, Alinatwe & Ayesiga (2013) view PPPs as a means of public-sector procurement using the private sector's best practices for financing, design, construction operation and maintenance of public infrastructure and facilities to meet public needs. PPP has been defined in different ways by researchers and practitioners with each definition varying slightly from each other.

PPP is defined as a cooperative venture between the public and private sector, built on the expertise of each partner that best meet clearly defined public needs through the appropriate allocation of risk resources and rewards (Alinaitwe & Ayesiga, 2013). PPPs are also defined as innovative, long term, contractual arrangements for developing infrastructure and providing public services by introducing private sector funds, expertise and motivation into areas that are normally the responsibility of government (Li & Akintoye, 2003). Inderst & Stewart (2014) asserts that PPP involves the private sector in aspects of the provision of infrastructure assets or of new or existing infrastructure assets or of new or existing infrastructure services that have traditionally been provided by the government. Government of Zimbabwe PPP policy (2013) highlights that a PPP in Zimbabwe involve a contractual arrangement between a governmental institution and a private party whereby the private sector party provides public infrastructure and/or infrastructure related services and where the provision of such infrastructure and/or infrastructure related services is: (a) based on measurable output (end result) specifications; (b) governed by a payment mechanism that provides payment only on delivery of services at required standards; (c) accompanied by a transfer of financial and operational risks with consequential financial effects; and (d) demonstrates Value for Money (VfM) to Government. The above definitions provide key important salient features of PPPs such as; long term contractual arrangement, cooperation, appropriate allocation of risks and rewards, partnership, joint production, and sharing of costs and resources. The main characteristics of public-private partnerships according to Rakic & Radenovic (2011) can be summarised as follows:

- i. A long-term contractual cooperation - 25 or 30 years
- ii. The contract defines the integration of all phases of the project, sharing of investments, responsibilities and credits for as long as the contract is valid
- iii. The contract defines demanded performances as the final, output specifications
- iv. The public partner is the one that defines the aims of the construction in the public interest and sets the demands in terms of construction, maintenance and service quality standards
- v. The private partner takes the risk that would otherwise be taken by the public sector, although risk sharing differs in each individual case
- vi. The public partner pays the fee to the private partner for the construction and operation of the constructed building and undertakes the obligation to use the building for the contract-envisaged purpose

- vii. After the expiration of the contractual period, the constructed building is returned into the public sector ownership.

Cooperation as salient feature of PPP entails that the relationship is based on mutual understanding without competition as was the traditional procurement method. As Zinyama & Nhema (2015) concur, cooperation in PPPs is based on trust –based relationship between organisations, a more visible risk sharing and a focus on mutual innovation between the public and the private sector. Cooperation in PPPs is also based on the idea of mutual added value (Rakić & Rađenović, 2011). The partners predict the added benefits and expect that it will surpass the (additional) cooperation cost. Benefits can be of various forms: such as financial as in profit and non-material such as image improvement, and knowledge development. Cooperation costs can be immediate and can include (preparation, internal organization adjustments) or periodical comprising of (organizational coordination, adjustment and timing of the important goals.). What is most important to the partners is the added value of the synergy, which is the possibility of product development through the integration of various parts or combined efforts, all of which would be impossible without such public-private partnerships (Rakić & Rađenović, 2011).

PPP has long term contractual arrangement. Saeed & Saif (2015) posited that PPP schemes allow for the private sector to gain and retain control over a facility for a long, pre-specified period of time and is made responsible for its operation before it is handed over to the public sector at the expiry of the contracting period. That period should be sufficient to enable the private sector to recover construction and maintenance cost and achieves the required rate of return on its investment through the user fees like the tolls, water tariffs, ticketing or down payments made by the principle. They further assert that the private sector assumes substantial risks that would otherwise be held by the public sector, in exchange for compensation and the public sector ceding substantial control over the delivery of the infrastructure services (Saeed & Saif, 2015). As Mathonsi (2013) stress, there is no fixed period that could define a PPP but empirically, PPP contracts can run from 15 years up to 50 or 60. It is however not clear whether government are prepared to cede substantial amount of control especially in the social infrastructural development particularly in the education sector for a long period of time.

Risk sharing is also crucial feature associated with PPPs. Risks appear in various forms such as financial risks, governance risks and construction risks among others. Identification and

management of risks have become a key part of the partnering process (Verger & Moschetti, 2016). A core principle in PPP arrangement according to (Cheung et al., 2012) is the allocation of risk to the party best able to manage and control it. Risk allocation is equally a crucial factor in the achievement of a balanced distribution of responsibilities. Project risks should be allocated so that each party bears the risks they are best-placed to manage. This means risks will be allocated to the party that will be best able to influence the risk factor where possible or absorb the risk, where it can neither be influenced nor its impact controlled. According to Ismail & Harris (2014) risks can be categorised as: political change in law; construction risks; legal, economic; operation; market and project finance risks.

Inadequate risks allocation and management can easily result in the project being derailed from the expected route (Sastoque et al., 2016). Despite various definitions and varying salient feature of PPPs, Hardcastle et al. (2005) observe that definitions of PPPs usually share certain similarities which can be classified into the following five groups:

1. The partnership includes two or more subjects, one of which is from the public sector and the other being from the private sector. PPPs can also include public partnership with non-governmental organizations
2. In PPPs all project participants have the principal position, which enables reducing the agency costs. This effectively means that all participants contract their participation for their own account regarding the project and the other participants
3. In PPPs the long-term and stable cooperation between the partners is established. Although there are numerous examples from practice of a long-term cooperation between the public sector and a particular private sector supplier, these cannot be considered as models of public-private partnerships. The reasons are various: such cooperation can be ended at any time without any particular explanation, participants are not equal partners in the process of designing the whole service delivery and exploitation; it is rather that the public sector defines all service details and then selects the supplier with the lowest bid; then the public sector takes all the responsibility for the procured good after the delivery
4. In the model of PPP each partner contributes to the partnership. In order for the partnership to succeed, each partner has to make a contribution in material or non-material resources in order to achieve the synergy effect.
5. The partnership includes shared responsibility for the produced outputs for the provided services. Such relationship differs significantly from the traditional position of the public

sector, in which it keeps the responsibility for public service provision and public policy implementation, based on possible advice or one-time services provided by the private sector. Karamalakov (2011) observed that PPP has alternative names in various countries such as: Private Participation in Infrastructure in United Kingdom, P3 in North America, Private Finance Project in Australia and Private Finance Initiative in Japan. Zimbabwe has its own specific definition of PPP which is context specific as captured in PPP policy of 2013. As captured in the policy Government of Zimbabwe PPP (2013a), a PPP entails ‘a contractual arrangement between a governmental institution and a private party whereby the private sector party provides public infrastructure and/or infrastructure related services and where the provision of such infrastructure and/or infrastructure related services is:

- (a) based on measurable output (end result) specifications;
- (b) governed by a payment mechanism that provides payment only on delivery of services at required standards;
- (c) accompanied by a transfer of financial and operational risks with consequential financial effects; and
- (d) demonstrates Value for Money (VfM) to Government.

This Zimbabwean PPP definition captures four essential elements which are; it is silent on the length of the contractual structure, it however notes that the contract has to be long in duration, it is silent on the bundling of processes as a requirement for qualifying as a PPP and the definition established more explanation on the need to consider ‘outputs’ in a PPP arrangement (Government of Zimbabwe, 2013a). In accordance with section 143 of the Companies Act [Chapter 24:03] of Zimbabwe, a public entity is a corporate body established by or in terms of an Act of Parliament for special purposes; or any company in which the State has a substantial or controlling interest, whether by virtue of holding or controlling shares therein or of a right of appointment of members to the controlling body thereof or otherwise, and includes any company which is a subsidiary of the first aforementioned company. In this case all state universities which are established through various Acts of parliament represent the public entity/ sector. Rather than the public sector directly procuring a capital asset like administrative offices, halls of residence for students and staff as well as teaching and learning facilities, the private sector establishes and finances a business which designs and constructs the required assets and uses it to provide services to the public sector. The public sector thus will benefit from the private sector’s expertise in designing, building, financing and operating the asset and

transfer of risk to the private sector (Jomo et al., 2016). The public sector's principal aim of a PPP is to achieve value for money in the services provided while ensuring that the private-sector entities involved meet their contractual obligations properly and efficiently (Grimsey & Lewis, 2004).

Private sector refers to organisations which are for profit (Akintoye et al., 2003). Examples of the private sector include all local and international investors who are willing to partner with the government in the provision of educational infrastructure. In most cases, in PPP infrastructure development, the private sector participates in any or all of the design, construction, financing and operation phases of a public utility infrastructure, service or both (Karamalakov, 2011). A PPP can also be between the public sector and NGOs.

Scholars normally adopt a definition that closely matches with their research. This research subscribes to a definition given by Akintoye et al. (2003) who define PPP as a long-term contractual arrangement between a public-sector agency and a private-sector concern whereby resources and risks are shared for the purpose of developing a public facility. In this case Zimbabwe state universities represent the public sector and the private sector constitute of the construction companies, private capital investors, consortiums, insurance house, and other financial markets which intend to invest in properties.

#### ***2.4.1 Models of Public Private Partnerships***

There are various models of PPPs that can be adopted, depending on the nature of the infrastructural projects in question. According to Grimsey & Lewis (2004) the most common types of PPPs include; Build Operate Transfer (BOT), Build Own Operate Transfer (BOOT), Leasing, Joint Ventures (J.V), Management Contract or Operations, Cooperative Arrangements or Public Private. The following table as extracted from Dube & Chigumira (2010) shows and explains the different PPP typologies (Table 2.2).

**Table 2. 2: Model of Public Private Partnerships**

<b>Forms of PPP</b>	<b>Description</b>
Build-and-Transfer scheme (BT)	It is an arrangement where the private sector player sources the finance and constructs the infrastructure. Upon completion, the investor hands the infrastructure to government or responsible government agency, which then takes over all the roles (ownership and operation roles). In turn, the government would pay the company an agreed sum, together with reasonable returns negotiated beforehand.
Build-Operate-and-Transfer Scheme (BOT)	In this model, a private sector player undertakes the construction of the infrastructure; financing the construction as well as the operation maintenance. The investor would then operate the facility for a fixed term, during which the private player would be allowed to impose on users of the infrastructure fees or rates, such as user fees or rentals. The charges to consumers would be expected to be exactly as captured in the contract and should enable the company to recover its costs as well as earn a reasonable return. At the end of the fixed term contract, the facility is transferred to the government agency or local government unit concerned.
Build-Own-Operate-and-Transfer scheme (BOOT)	This is a scheme where the private sector company finances, constructs, own and operates the infrastructure for a fixed term. Ownership implies that the company is allowed to make any decisions it sees fit during the ownership tenure, with minimal or no government interference. It also gets the opportunity to recover its total investment, operating costs as well as a reasonable return. This would be done through collecting tolls (for example for highways), fees, rentals or other charges. At the expiry of the fixed term, the infrastructure is handed over to government, which would then take all responsibilities.
Build Operate Own (BOO)	An agreement where the private sector finances, designs, builds, operates controls and takes ownership of the PPP project in perpetuity.
Joint Venture	Both the private and the public sector with specific reference to the metropolitan government form a partnership to jointly finance, own and operate a facility or project for a specific duration
Build-lease-and-transfer (BLT)	Under a BLT model, the private sector constructs the infrastructure and once complete, it hands the operation issue to the government on a lease arrangement, where the Government or government agency would be paying for the lease. The lease payments would give the investor an opportunity to recover its costs, and after an agreed term, the government stops paying the lease and assumes ownership and control over the facility (transfer).
Build-Transfer-and Operate (BTO)	A BTO scheme entails the private sector company building the infrastructure and upon completion, transfers the infrastructure to the government. However, despite not having ownership, the company is allowed to operate the infrastructure on behalf of the government, with proceeds being distributed as per contract agreement.
Rehabilitate-Operate and	This involves a system where the infrastructure that is already in existence but in a sorry state is handed over to the private sector player for refurbishing, maintenance and reconditioning. The private player is allowed to operate the

Transfer (ROT)	infrastructure for a period, recoup investment costs and get a reasonable return, following which the facility is handed back.
Lease, Develop and Operate (LDO)	Under an LDO scheme, the private sector player leases an existing facility from the government, renovates, modernises or expands it before assuming operation rights for a fixed term. In that process, the company gets an opportunity to recover costs, with the government benefiting from the lease payments.

**Source:** Dube & Chigumira (2010)

Governments thus have various forms of public-private partnerships at their disposal for the realization of specific projects intended for the satisfaction of public needs. These models and their variants, though not exhaustive, can be used to develop new infrastructure, to rehabilitate or expand existing infrastructure or to improve the performance of the existing ones. In their assessment of the possible model to be used in various sectors considered for PPPs in Zimbabwe, Dube & Chingumira (2010) concluded that BOOT was appropriate for the education sector. Their position was that BOOT schemes would allow the private investors to charge fees and levies that would allow it to recover the costs during the project period and this would then go down once the government takes over the school. Their proposal however targeted the general school set up and this study sought to establish the preferred PPP model for educational infrastructure development in Zimbabwe state universities. According to Hardcastle et al. (2005), the UK government has identified eight types of PPPs and these are depicted in Table 2.3.

**Table 2.3: Model of Public Private Partnerships in United Kingdom**

Forms of PPP	Description
Asset Sales	This relates to the sales of surplus public sector assets.
Wider market	This introduces the skills and finance of the private sector to help with better use of public sector assets.
Sales of business	This relates to the sales of shares in state owned businesses by flotation or trade sale.
Partnership companies	This includes introducing private sector ownership into state-owned business, while still preserving public interest through legislation and regulations.
Joint ventures	In which public and private sector partners pool their assets and resources together under joint management.
Partnership investments,	In which the public sector contributes to the funding of investment by private sector parties, to ensure that the public sector shares in the return generated.
Policy partnerships,	In which the private sector individuals, or parties, are involved in the development, or implementation, of public sector policy.

**Source:** Hardcastle et al. (2005)

As observed by Hardcastle et al. (2005) PFI is the most used PPP model in the UK and is mainly used in infrastructure projects such as roads and highways, water transport and metropolitan transport systems. Another classification of PPP model is provided by (Adeyinka & Olugbamila, 2015). The models include service contract, Management contract, lease, concessions, private finance initiative (PFI) (Table 2.4).

**Table 2. 4: Classification of PPP Models**

<b>Forms of PPP</b>	<b>Description</b>
Service Contract	This involves the government and the private sector where the rights and obligation to perform a specific service within a well-defined specifications and period are awarded by the government to the private sector. Government continues to take possession of and control of all facilities, capital assets and properties.
Management Contract	Transferred to the private party who is generally not expected to invest in the facility.
Lease	The private party manages and operate an existing public facility and pays a specified lease payment to the government.
Concessions	The private sector has total control over the management and operation of the facilities, often on a long-term basis. This may take the form of: Build-Operate-Transfer (BOT), Build- Operate-Own (BOO) or Build-Own-Operate-Transfer (BOOT), Rehabilitate, Operate and Transfer (ROT), Design-Build-Operate-Transfer (DBOT), Design-Build, Finance and Operate (DBFO), Build-Operate-Maintain (BOM). Build, Rent/Lease and Transfer (BRT or BLT) and, Build Transfer and Operate (BTO).
Private Finance Initiative	A concept where the private-sector funds a particular project and operates it for an agreed period.

**Source:** Adeyinka, S. A., & Olugbamila (2015).

In Zimbabwe, Zimbabwe PPP policy of 2013 contains 16 types of PPPs (Table 2.5).

**Table 2. 5: PPP Models in Zimbabwe**

<b>TYPE OF JOINT VENTURE</b>	<b>EXPLANATIONS</b>
Build and Transfer (BT)	A contractual arrangement whereby counter-party undertakes the financing and construction of a given project and after its completion hands it over to the Government or a contracting authority. The Government or the contracting authority reimburses the total project investment, on the basis of an agreed schedule. This arrangement may be employed in the construction of any project, including critical facilities, which for security or strategic reasons must be operated directly by the contracting authority.

Build, Lease and Transfer	A contractual arrangement whereby a counterparty undertakes to finance and construct any project and upon its completion hands it over to the Government or a contracting authority concerned on a lease arrangement for a fixed period, after which ownership of the project is automatically transferred to the Government or a contracting authority concerned.
Build, Operate and Transfer (BOT)	A contractual arrangement whereby a counterparty undertakes the construction, including financing, of a given infrastructure facility, and the operation and maintenance thereof. The counterparty operates the facility over a fixed term during which the counterparty is allowed to collect user levies fees, rentals and other charges not exceeding those proposed in the bid or as negotiated and incorporated in the agreement or regulations to enable the recovery of the investment in the project. The counterparty transfers the project to the Government or contracting authority concerned at the end of the fixed term that shall be specified in the agreement. This includes a supply and operate situation which is contractual arrangement whereby the supplier of equipment and machinery for a given project, if the interest of the Government or the contracting so requires, operates the facility providing in the process technology transfer and training to Government, a regulatory agency, the contracting authority or nominated individuals.
Build, Own and Operate (BOO)	A contractual arrangement whereby a counterparty is authorised to finance, construct, own, operate and maintain a project from which the counterparty is allowed to recover its total investment by collecting user levies. Under the project, the counterparty owns the assets of the project and may choose to assign its operation and maintenance to a project operator. The transfer of the project to the Government or contracting authority is not envisaged in this structure. However, the Government or contracting authority may terminate its obligations after a specified time period.
Build, Own, Operate and Transfer (BOOT)	A contractual arrangement whereby a counterparty is authorised to finance, construct, own, operate and maintain a project and whereby the project is to vest in the counterparty for a specific period. During the operation period, the counterparty will be permitted to charge user levies specified in the agreement, to recover the investment made in the project. The counterparty is liable to transfer the project to the Government or contracting authority after the expiry of the specified period of operation.
Build, Transfer and Operate (BTO)	A contractual arrangement whereby the Government or contracting authority contracts out a project to a counterparty to construct the facility on a turnkey basis, assuming costs overruns, delays and specific performance risks. Once the facility is commissioned satisfactorily, the counterparty is given the right to operate the project and collect user levies under an agreement. The title of the project always vests with the Government or contracting authority in this agreement.
Contract, Add and Operate (CAO)	A contractual arrangement whereby the counterparty adds to an existing project which it rents from the Government or contracting authority and operates the expanded project and collects user levies, to recover the investment over an agreed franchise period. There may or may not be a transfer arrangement with regard to the added facility provided by the counterparty.
Develop, Operate and	A contractual arrangement whereby favourable conditions external to a new project which is to be built by a counterparty are integrated into the BOT

Transfer (DOT)	arrangement by giving that entity the right to develop adjoining property and thus enjoy some of the benefits the investment creates such as higher property or rent values.
Rehabilitate, Operate and Transfer (ROT)	A contractual arrangement whereby any existing facility is handed over to a counterparty to refurbish, operate and collect user levies in the operation period to recover the investment and maintain for a franchise period, at the expiry of which the facility is turned over to the Government or contracting authority. The term is also used to describe the purchase of an existing facility from abroad, and importing, refurbishing, erecting and consuming it within the host country.
Rehabilitate, Own and Operate (ROO)	A contractual arrangement whereby any existing facility is handed over to a counterparty to refurbish and operate with no time limitation imposed on ownership. As long as the counterparty is not in violation of its franchise, it can continue to operate the facility and collect user levies in perpetuity.
Build, Own, Operate and Maintain Contract	A contractual arrangement whereby a counterparty undertakes to finance, construct, operate and maintain a project and whereby such a project is to vest in the counterparty for a specified period of time. During the period of operation of the project, the counterparty may be permitted to charge user levies as specified.
Leases Management Contract	A contractual arrangement whereby the Government or contracting authority leases a project owned by the Government to the person who is permitted to operate and maintain the project for the period specified in the agreement and to charge user levies therefore.
Management Contract	A contractual arrangement whereby the Government or contracting authority entrusts the operation and management of a project to a person for the period specified in the agreement on a payment of specified consideration. In such agreement, the Government or contracting authority may charge user levies and collect the same either itself or entrusts the collection, for consideration, to any person who shall after collecting the user levies pay the same to the Government or contracting authority.
Service Contract	A contractual arrangement whereby any existing project is vested in a counterparty to renovate, operate and maintain. The counterparty shall be permitted to charge levies as specified in the agreement.
Contract for Services	A contractual arrangement whereby a counter-party undertakes to provide services to the Government or contracting authority for a period. The Government or contracting authority shall pay the counterparty an amount according to the agreed schedule.
Supply, Operate and Transfer	A contractual arrangement whereby a counter-party supplies to the Government or contracting authority the equipment and machinery for a project and undertakes to operate the project for a period and consideration specified in the agreement. During the operation of the project, the counterparty shall undertake to train employees of the Government or contracting authority to operate the project.

**Source:** Government of Zimbabwe (2013a)

Dube & Chigumira (2010) recommended that there is need to develop and adopt different appropriate PPP models for each sector given the different requirements in each sector. This notion is substantiated by Egger (2006) who suggests that success of PPP is anchored on

development and understanding of new innovative PPP model tailored- made for specific situation and infrastructure sectors.

What needs to be taken into account when choosing a particular model according to Grimey & Lewis (2005) is the 'value for money'; that is, the public sector must ensure that the project with the private partner provides cost- efficient, reliable and on-time services at the agreed price and in accordance with the agreed quality standards, as defined by the contract, that is, a better value for money for the tax payers than the one that would be provided by a traditional state investment. This effectively means that the public-private partnership project has to be cost-efficient. In literature dealing with this subject, Rakic & Radenovic (2011) assert that a Public Sector Comparator (PSC) is used for testing project efficiency.

The choice of a model to use is determined by a number of factors. As Quium (2011) highlights, special characteristics of some sectors as well as their technological development, regulatory and legal regimes and public and political perception about the services in a sector are important factors in deciding the suitability of a particular model of PPP. Furthermore, he alludes that there is no single PPP model that can satisfy all conditions concerning a project's location setting as well as its technical and financial features. Quium (2011) advises that the choice of a model should be guided by the country's political, legal and socio-cultural circumstances, maturity of the country's PPP market and the financial, technical features of the project and the sector concerned. Saeed & Saif (2015) also concurs, noting that the adoption of PPP models usually varies among countries worldwide and usually the choice depends on the country's objectives as well as the purpose of PPP policy implementation. In his observation, Quium (2011) proffers that for a new project, a BOT type of model may be quite suitable in a matured PPP market and he also advises that a PFI or BOO type of model may be more suitable in a developing or untested market. In the Zimbabwe educational infrastructure sector, the study intends to establish the model that was been used and also its justification.

## **2.5 Rationale and Justifications of PPPs**

Government typically have numerous objectives when building infrastructure and these include among others: getting good value for money, timely delivery and essentially meeting public demands. The procurement models that best addresses the above objectives should be chosen in each individual circumstance and PPPs have shown their potential as an important way to meet these objectives and address infrastructure shortages (Egger, 2006).

Even though PPPs are just one tool among many and are unlikely to entirely replace the traditional infrastructure financing and development way, literature shows that they accrue with them a number of benefits and these have justified their use in many contexts. Governments across the globe have increasingly turned to the private sector to provide infrastructure services in various sectors of the economy that were once delivered by the public sector (Quium, 2011). Various reasons for this collaboration between the public and the private sector in developing and providing infrastructure services have been presented differently by various authorities. Studies by various authorities identified a plethora of motivations associated with PPPs. These includes great asset utilisation, innovation, value-for-money, provide a platform for sector-wide cooperation, financing from the private sector, creation of synergy and capacity building, increase the value of business, better risk allocation, attain high efficiency and quality, and promote competitiveness and fair competition and PPPs do not affect government responsibility (Harris, 2008; Liu et al., 2014; Onyemaechi et al., 2015).

PPPs are unlikely to fully replace traditional financing and development of infrastructure, but they offer several benefits to governments trying to address infrastructure shortages or improve the efficiency of their organisations (Egger, 2006). PPPs allow the costs of the investment to be spread over the lifetime of the asset and thus can allow infrastructure projects to be brought forward by years compared with the pay-as go financing typical of many infrastructure projects. Conventional procurements typically require the public sector to provide significant upfront capital even though the benefits of the project may be delayed or uncertain. Most forms of PPP according to (Egger, 2006) enable the public sector to spread the public's cost of infrastructure investment over the lifetime of the asset, much as the homeowner do when they take out home mortgages. As a result, infrastructure projects can be brought forward by years allowing users to benefit from the investments much sooner that is typically under pay-as you go financing (Egger, 2006). The private contractor in many cases has a string incentive to complete the project as quickly as possible because it needs the stream of revenues to repay the capital costs (Egger, 2006). This creative financing approach was used for the Virginia Pocahontas Parkway PPP project as observed by Egger (2006) and eliminated what might have been a 15-year delay in construction while financing was assembled. Such arrangement is mainly suitable for many institutions of higher learning in developing countries like Zimbabwe with visible educational infrastructure gaps. However, it is still apparently not clear why there has been low uptake as well as implementation inertia of PPPs in such sectors of the economy

despite the vast benefits that are associated with this alternative funding option for educational infrastructure development.

PPPs can lower the cost of infrastructure by reducing both construction costs and overall lifecycle costs (Egger, 2006). As Rakic & Radenovic (2011) concur, public procurement through PPPs reduces project implementation costs and time, because the application of the integrated approach reduces the time necessary for planning and designing. Alternatively, it enables realising higher quality for the same price. As Alinaitwe & Ayesiga (2013) proffer, PPPs address the common faults that are related with public-sector procurement, such as high construction costs, construction overruns, operational inefficiencies, poor design, and community dissatisfaction. PPPs are being established as cost-effective methods of overcoming the costs related with the provision and maintenance of infrastructure. Construction of educational infrastructure like student halls of residence requires huge capital to commerce and long time to complete and in this way the PPP is seen as a viable option that can reduce both the implementation costs and time. Observations by Egger (2006) reveal that PPPs have a track record of completing construction on time or even ahead of planned schedule. He gave an example of Terminal 3 at the Toronto Pearson Airport which was completed 18 months ahead of schedule under a PPP contract and equally this can happen and can go a long way in curbing intergenerational educational infrastructure shortages if the uptake and implementation of PPPs is improved in Zimbabwe state universities.

PPPs raises private funding and in the processes can assist to circumvent budgetary constraints (Tamayo et al., 2014). The private sector plays an important role in the financing and provision of services that were traditionally the domain of the public sector. In the process they produce a win-win situation to both the private sector and government as both parties stand to benefit (Dube & Chigumira, 2010). On appreciating its limitations in handling the task, the Government of Zimbabwe took a stance to adopt PPPs, under which the private sector would be called in so that it partners the Government in 1998.

PPPs have become attractive to governments as an alternative off-budget mechanism for the infrastructure development as they equally allow the transfer of many project risks to the private sector (Quium, 2011). Another key features of PPPs that appeal to the government is the shift of project risks from the public sector to the private consortium involved with the project, even though this requires a profit incentive for the project consortium (Mahalingam et

al., 2010). PPPs transfer certain risks to the private sector and as such provide incentives for assets to be properly maintained (Egger, 2006). Among the risks that can be assumed by the private partner according to Egger (2006) are; design risk, meeting required standards of delivery, incurring excessive cost overruns during construction, completing the facility on time, underlying cost to the service delivery operator, and future cost associated with the asset, industrial action against or physical damage to the asset, and certain cost associated with the project. The ability to shift some or all of these risks to the private sector is a crucial benefit of PPPs. Rakic & Radenovic (2011) concur and however adds that PPPs arrangement allows risks to be allocated to the partner who is apt to manage them more efficiently and to face the incentive they bring.

The private sector is usually considered better in managing the risks of building, operating and financing, whereas the public sector is better at dealing with political risks. Rakic & Radenovic (2011) further observes that only the transfer of risks ensures the private sector will be motivated to value and produce efficiently. In Zimbabwe, the risk sharing modalities between the public and the private sector in educational infrastructure arrangement is not known and this study also intends to establish that. It is equally not particularly clear whether the government offers indemnities or sovereignty guarantee to private sector investors who have the keen interest in educational infrastructure development. Furthermore, it is also of interest to establish whether the private sector investors are willing to undertake the risks that are usually associated with social sector development where the education sector is found.

The basic characteristic of PPPs is integration of all functions of designing, building, financing, operating and maintaining the building within the private sector. This integration improves the potential of the economies of scale, as well as innovations in design, price determination and risk sharing (Rakić & Rađenović, 2011). It is argued that economy of scale minimise costs per provided service unit, if service provision is allocated to the private sector. But how are they generated? The number of projects under public sector jurisdiction is limited by the specific area, so the advantages of economy of scale cannot be utilized for more same or similar projects. However, Rakic & Radenovic (2011) laments that this is not the case with major private sector companies who are able to utilise the economy of scale because they provide similar investments to a number of countries. Economy of scales as such will enable achieving the same quality of services at lower prices.

As a result of PPPs, the public sector may gain new skills, technology, experience and knowledge from the private sector. Rakić & Rađenović (2011) highlight that the provision of public services through PPPs opens the possibility of focusing on the development and implementation of integrated innovative solutions. PPPs focus on the results, rather than on the means of achieving those results and as such allow developing unique and creative approaches for the provision of the desired projects (Rakić & Rađenović, 2011). PPPs thus contribute to achievement of numerous benefits for both the public and the private sector. PPPs in such cases also bring innovations and modernisation of educational infrastructure in the case of Zimbabwe state universities for example. State universities will definitely need such modernisation which is in line with regional and global trends. State universities themselves equally are hub of knowledge generations.

PPPs enable strong customer service orientation. Private sector infrastructure providers, often relying on user fees from customers for revenue, have a strong incentive to focus on providing better-quality service. In the case of accommodation PPPs as observed by (Egger, 2006), such as schools or defence facilities, customer satisfaction metrics can be built into the contract to ensure a strong customer orientation.

PPPs enable the public sector to focus on outcomes and core business. As Egger (2006) observes, PPPs, when properly structured enable governments to focus on outcomes instead of inputs. School PPPs provide a powerful example of how partnerships enable school officials to shift their focus to the core business of learning (Egger, 2006). The government's search for greater efficiencies and economies in the delivery of public services or value for money in key infrastructure projects have brought the impetus for the use of PPPs in key economic sectors such as transportation, telecommunications, energy, water and sewerage (Cook, 2015). Various countries have resorted to value for money as the main criterion for judging the validity of a PPP option for a project (Quium, 2011). PPPs have been mainly opted because of their capability to yield efficiency gains from improved project delivery, operation and management, and access to advanced technology. The other rationale for the adoption of PPPs is to avoid the limits with regard to the level of public debts. The amount of public debt is limited by law in many countries and further incurring of debts may jeopardise public credit rating and also increases the borrowing cost. PPPs as such enable the debt not to be recorded in the financial statements of public sector (Raki & Ra, 2011).

It is however argued that the rosy picture on PPP that is portrayed by research studies and the literature often relates to countries with relatively strong public and private sector institutions, a sound economic resource-base, an appropriate and enforceable regulatory framework, excluding the realities in developing countries (Ndandike, 2006). Despite diverse reasons for adopting PPPs as given in various academic literature, Tamayo et al. (2014) however observes that two main motivations for changing the long-standing paradigm of government providing infrastructure and public services have become clear. The first is the need to raise private funding to circumvent budgetary constraints; second, is the associated gain in managerial efficiency. The most important reasons for the adoption of the PPP strategy in both the developed and developing economies as observed by Otairu et al. (2014) is mainly because of the constraints on government revenue.

PPP can also assist countries to reduce their bureaucratic burden because some of the employees can be transferred to the private sector as soon as they take over the service provision in such a sector. Citing an example from Malaysia, (Otairu, 2014) observe that 113440 workers were transferred from the government's balance sheet to the private sector resulting in RM7.79 billion annual savings on operating expenditure which is about \$200 billion in 25 years; and RM161 billion in capital expenditure. Similarly, they also note that over 35000 work forces were transferred to the private sector through PPP deals. Regardless of a myriad of benefits of adopting PPPs espoused, a number of African developing countries and Zimbabwe to be specific have found it difficult to make any meaningful progress with PPPs specially to promote educational infrastructure development.

PPPs in some countries have become 'silver bullet' with various governments across the globe trying to solve their infrastructure challenges (Otairu et al., 2014). They observed that PPP practice has been widely accepted to the extent that the entire local government services were contracted to the private sector in Denmark's Farum local government. PPPs have been used by such international financial institutions as IMF and World Bank as a loan condition and donor agencies like the EU, USAID and DFID have come to employ them as a condition for aid (Otairu et al., 2014). Failure by the civil servants to effectively deliver and maintain public services as well as corruption in public procurement have also been cited other justification for the adoption of PPPs (Otairu et al., 2014). Furthermore the same scholars observes that the inability of tax revenue to close the financing gap for infrastructure development needs in most developing countries has also been regarded as the other main driver for the PPP arrangements.

However, in spite of PPPs been used as a condition of Aid by donor agencies and a condition for loan by international financial institutions, there has been low uptake and implementation inertia of this infrastructure strategy in Zimbabwe state universities. As such the findings of this multi-case study should uncover the major hinderance for the slow adoption and implementation PPP is Zimbabwe state universities from the view point of various key participants from both the public and private sectors.

## **2.6 Evolution of PPPs in Infrastructural Development**

Public Private Partnerships are not new and they date back thousands of years. As Jomo et al. (2016) observe, concessions, the most common form of PPPs where the private sector exclusively operates, maintains and carries out the development of infrastructure or provides services of general economic interests date back to the times of Roman Empire. During this time, concessions served as legal instruments for road construction, public baths and the running of markets. Other famous examples as cited by Jomo et al. (2016) include medieval Europe, where as early as 1438, a French nobleman named Luis de Bernam was granted a river concession to charge the fees for goods transported on the Rhine. The turn of the seventeenth and eighteenth century saw the proliferation of numerous PPPs with many infrastructure facilities (water channels, roads, railways) in Europe and later in America, China and Japan began to be privately funded under concession contracts (Jomo et al., 2016).

Despite the fact that the practice has been around for millennia, the term PPP was coined and popularized in the 1970s, when neo-liberal ideas began questioning the previously dominant Keynesian paradigm and the role of the state in the context of poor economic performance (Jomo et al., 2016). During this time, new ideas, such as the New Public Management (NPM) became the new vogue as a way to redress poor economic performance to the failures or inadequacies of the market which was attributed to government failure or inefficiency. Mcquid & Scherrer (2010) also occur adding that the evolution of PPPs can be traced back to the period of 1970s when the macro-economic disturbance emerged. They further allude that the trace of PPPs is also found in the NPM body of reforms where there was stubborn recoil of government frontiers in the provision of public goods and services.

PPPs in this regards were seen as the gap-filler of the recurrent government failure (Karamalakov, 2011). As Jomo et al. (2016) observed, PPPs were often seen and used as alternatives to bureaucratic public services and inefficient state owned enterprises and often for

the promotion of privatization. This way was regarded as the main means to downsize the role of the state, to enhance the efficiency of the public administration and public service provision, and to reverse previously alleged crowding out of the private sector by state owned enterprises (Jomo et al., 2016). Other writers like Verger et al. (2018) asserts that PPP tried to bring the public sector closer to private sector organizational culture in order to address perceived inefficiencies in state provision of public services.

PPPs gained popularity in developed countries as it was also used in social sectors. After the United States of America, Verger & Moschetti (2016) asserts that United Kingdom then became most enthusiastic adopter of PPPs, implementing partnerships framework in various range of service sectors including the education sector. Public Finance Initiatives (PFIs) was the first model of PPPs to be adopted in UK. The model involved a private company designing, building, operating and also financing equipment for prisons, hospitals and schools before their conversion to public ownership (Verger & Moschetti, 2016). In this regard, PPPs received support from political actors who perceived them as an opportunity to counter-balance market forces brought about by absolute privatisation and PPPs as such gained momentum as a more cooperation-oriented policy framework (Verger & Moschetti, 2016). In this sense, PPPs became a term with multiple meanings, and many actors across political spectrum felt comfortable with it (Verger & Moschetti, 2016).

United Kingdom (UK) has been a leader in the large scale introduction of PPPs. As Mutandwa & Zinyama (2015) observed that between 1987 and 2006 the UK government had signed 590 PPPs by the Conservative government through Thatcher's theme of -draining the swamp. PPPs have been used in industrialised countries such as UK and Germany and in newly industrialising countries with tremendous infrastructure demands, such as China and India, as well as in some developing countries in particular in Latin America (Paper & Gawel, 2011). The level of adoption of PPPs across the world differs widely. In industrialised countries, PPPs are used in areas of public service provision which include education, health services, waste management and public buildings. While in industrialising countries with enormous needs for basic infrastructure, PPPs are often seen in power, water or road sector in order to sustain the countries' rapid economic growth (Paper & Gawel, 2011).

Still in the nineties, international organisations and aid agencies such as the OECD, the World Bank, regional development bank, USAUD and DFID also became greatly interested in the

PPP scheme and as such they adopted it as a key strategy for enhancing ‘good governance’ in service delivery (Verger & Moschetti, 2016). These financial institutions, World Bank and International Monetary Fund (IMF) used PPPs as a loan condition, while EU, USAID and DFID employed it as a condition for aid (Otairu et al., 2014).

Under the leadership of the World Bank, these various organisations adopted the PPP framework with the notion of instilling public sector reform as well as to implement infrastructure projects particularly in developing countries (Verger & Moschetti, 2016). PPP scheme fit well in the World Bank’s long history of fostering the private sector participation in service provision and particularly in the Private Sector Development Strategy which was inaugurated in the nineties (Verger & Moschetti, 2016). PPPs idea at this juncture became a cross- cutting policy tool and the Bank created a World Bank Group’ Global Expert Team on PPPs, a Global PPP Network which is an online platform for policy makers and development experts to discuss and connect around global best practices on PPPs in a range of sectors. PPPs were also promoted in core policy documents such as the Poverty Reduction Strategy and other strategies as the Country Assistance strategies (Verger & Moschetti, 2016).

In Zimbabwe, the idea of PPPs was mooted in 1998 and significant attempt to craft a PPP framework was done in 2004 (Dube & Chigumira, 2010). Some PPPs projects have been implemented in the country, namely the Beitbridge-Bulawayo Railway (BBR), the New Limpopo Bridge (NLB) and the Newlands Bypass (ZNCC, 2009). Recent years have seen a marked increase in cooperation between the public and the private sectors for the development and operation of infrastructure in a wide range of economic activities. The evolution and the rationale for PPPs in educational infrastructure development in Zimbabwe however were not well known and this research intends to add epistemological values in this way.

### ***2.6.1 Adoption of PPPs in Developed Compared to Developing Countries***

Studies revealed that the process of adoption and implementation of PPP policy between developed and developing countries differ. Kahyaoğullari (2013) established that the rationale for the adoption of PPPs differs between developed and developing countries. Kahyaoğullari (2013) observed that economic growth is the main reason for adopting PPPs and outlined that this can be achieved either by macro-economic objectives or by micro-economic objectives. It is at this point that the dissimilarity between developed and developing countries stands out.

The adoption of PPPs in developed countries aims to achieve micro-economic objectives and in developing countries, they are evaluated as policy tools for macro-economic development (Kahyaoğullari, 2013). In a related study, Appuhami & Perera (2011) observes that the rationale for the adoption of PPPs by the Sri-Lankan government was to achieve macro-economic objectives such as avoiding fiscal constraints as well as raising capital. To add to this, Hodge (2014) equally asserts the same sentiments that PPPs in developing countries are regarded as a tool to reduce poverty, enhance employment and maintaining of sustainable economic growth. This however is in contrast to developed countries like Australia and United Kingdom whose concern about PPPs are issues such as procuring optimal risk equilibrium between the private and public sector, enhancing accountability and reducing the complexity of the system which needs a special attention to be paid to micro-economic conditions. A similar study by Hodge (2014) regards the adoption of PPP policy in developed countries as a way of enhancing the development of public service and to create public satisfaction. In this regard, these various studies reveal that the overall aim for the adoption of PPPs in developing and developed countries differs.

With regard to how PPP policy penetrate on the government agenda, a study by Kahyaoğullari (2013) established that they penetrate through neoliberal movement ideologies in both developed and developing countries. The author however asserts that the adoption of these neoliberal policies differ between developed and developing countries. In developed countries, the stagflation of the 1970s raised criticism against the influence of the government interference and this subsequently led to the rise of the neoliberal policies. Thatcher and Regan administration were the first to initiate the resurgence of liberal thoughts (Kahyaoğullari, 2013). The rise of the neoliberal economic policies among the developing countries was as a result of the pressure on governments by international lending agencies. The World Bank and IMF conditioned the release of external financial aid to the adoption of such conditions stipulated in neoliberal policies such as privatisation, deregulation, and PPPs which favoured greater freedom of market forces (Gruening, 2001; Kahyaoğullari, 2013). Subsequently those countries with urgent need of aid quickly complied with the rules that were defined by these agencies. In other words, developed countries such as USA and UK coerced developing countries to comply through these financial transfer agencies. As such market-oriented reforms emerged from developed countries and subsequently penetrated to the government's agendas in the developing countries. Zimbabwe is one of the developing countries and it equally subscribed to austerity measures that were prescribed by the Breton Woods twin institutions

when it adopted the Economic Structural Adjustment Programme (ESAP) in the early 1990s as a condition to borrow money. It therefore interests this study in its quest to trace the evolution of PPP in Zimbabwe, to find out how these trends could have influenced the development and adoption of PPPs as an alternative funding option for infrastructure development.

Extant researches also informed that sector specific distribution of PPPs in developed countries differs with that of developing countries. Kahyaoğullari (2013) observes that PPPs in developed countries are mainly related to 'economic' as well as 'social infrastructure'. On the other hand, in developing countries, PPPs are mainly involved in "economic" infrastructure developments especially in its early stage of adoption. A study by Ismail & Harris, (2014) shows that the growth in the private sector participation in developing countries is mainly related with economic infrastructure activities such as energy, telecommunication and transport. A similar study by Minnie (2011) observes that most developing countries have problems in financing large scale infrastructure investments and as such the private sector has to be considered. Grimsey & Lewis (2004) equally observed that when PPPs began in developed countries, they were mainly used in economic sector like bridges and tunnels and then later in the next stage applied to social areas such as schools and hospitals. This trend thus entails that in developed countries PPPs are mainly related to economic as well as social infrastructure, whilst in developing countries particularly in its early stage, they are mostly involved with economic infrastructure development. Education is usually considered to be an element within the social development and as such it also interests the research to establish what then could be the motivations for PPPs in the education sector given the guide standing that most private sector participation are usually interested by economic infrastructure in developing countries.

It was also established that PPPs display different forms in both the developed and developing countries. A study by Kahyaoğullari (2013) shows that PPPs in developed countries are collaborative in nature, whilst those in developing countries do not imply collaborative relationships. PPPs represent some form of collaboration and are not equivalent to free market economy instruments such as deregulation and privatisation. In such arrangement, on no ways does the government step out of the picture or excludes itself. Some authorities such as Minnie (2011) refer to them as 'third party government', a scenario where the formal government would share an important amount of its power with third party implementers. The dissimilarity appears in that developed countries such as Australia and UK put more emphasis on third party

government whereas PPPs in most developing countries are regarded as failing to meet this criterion. It is further lamented that governments in developing countries are centrally oriented and they are not keen to share their power with other concerned shareholders. Other writers such as Onyemaechi et al. (2015) assert that developing countries consider promoting privatisation and government subsidies to private entrepreneur as equivalent to PPPs a situation which is wrong.

Dissimilarity on the adoption of PPP in developed and developing countries is also depicted on regulatory frameworks that guide PPPs in these respective countries. A study by Kahyaoğullari (2013) shows that in developed countries there are independent units which facilitate and promote PPPs and also there are regulations and guidelines which clearly defines the private and public sectors. On the other hand, the study observes that the regulatory frameworks in developing countries have been inadequate. Regulatory framework relates to government institutions such as ministries, departments, divisions and units and divisions as well as government laws, policies and guidelines (Appuhami et al., 2011). Regulatory frameworks are regarded as crucial as they are regarded as the main indicator of success/ failure of PPP policy. Jamali (2004) outlines that regulations are required to assure that a balance of public and private interest is reached through partnering arrangements. Kahyaoğullari (2013) concluded that the nature of the regulatory framework differs significantly between developing and developed countries. Studies by various authorities also concluded that the establishment of regulatory framework in developing countries has generally been inadequate (Jamali, 2004; Kahyaoğullari, 2013). Despite initiating PPPs, most developing countries are still to design the appropriate regulatory framework. A study by Appuhami et al. (2011) in Sri Lanka reveals that weak regulatory framework has been the major challenge for the implementation of PPPs. The same study showed that developed countries such as Australia, Canada and UK have successfully adopted PPP policy and they have independent units which stand to facilitate and promote, and rules, regulations and guidelines which clearly outlines the relationship between the private and the public sector. This study also sought to ascertain the adequacy of the policy, legal, institutional and process framework that guide the implementation of PPPs in Zimbabwe state universities as one of its objectives.

#### *2.6.1.1 Inherent Constraints for Expanding PPPs in Developing Countries*

Despite the benefits expected from PPP, Ndandiko (2006) acknowledged that there was need to exercise caution in broadening their application in the context of developing countries. The

author notes that developing countries are economically challenged, lacks the resources to effectively apply a PPP. Furthermore, public institutions in developing countries are weak; they have a poor economic base and an inadequate regulatory framework. In similar vein Abor & Quartey (2010) notes and adds that the private sector is still young and lacks adequate financial, technical and managerial capabilities. In the Zimbabwe context, it is unfortunate to realise that more than 10 years have so far lapsed to date without a legislative framework to support this PPP policy position ever since it was mooted. Given such limitations and the preconditions for effective PPPs, the obvious question to ponder is, how should PPP be implemented in order to optimise their potentials in developing countries?

A survey study in Nigeria on slow adoption of PPPs in developing countries by Otairu et al. (2014) revealed that there were various reasons for the slow uptake of PPPs in developing countries. Among the most severe causes of slow PPP adoption as established by the study in their descending include; corruption in government, government policy on infrastructure, policy makers lack of consensus, lack of security, high participation cost, political instability, absence of strong financial institutions, absence of a clear contract, inefficient construction industry, lack of understanding of PPP concept, ineffective and respectable judiciary, absence of public support, fear of unemployment and presence of competing projects. Factor analysis which is a data reduction technique which takes a large set of variables and summarizes them using a smaller set of factors or components was then performed on the data. After performing the factor analysis procedure 5 factors which came to be responsible for the slow growth of PPPs according to this study include: government policy on infrastructure, Lack of consensus among policy makers, Political instability, lack of understanding of the PPP concept, high participation costs (Otairu et al., 2014). This study thus sought to establish the various factors that have hindered the effective adoption and implementation PPPs in Zimbabwe as a developing country in general and in institutions of higher learning in particular.

#### *2.6.1.2 Growth Factors for PPP in Developing Countries*

Despite the fact that PPP has been widely touted as an efficient tool or a ‘silver bullet’ for infrastructure development, it is worth to note that establishing a successful PPP programme has always been complex and involves numerous key challenges for developing countries. Extant literature proposes various steps that developing countries can undertake in order to establish an environment conducive to establish a credible PPP programme. Top among these pre-requisites include; the creation of conducive economic fundamentals, legal and regulatory

fundamentals, political commitment and institutional frameworks, proper project selection and structuring, promotion of competition and transparency, environmental and social safeguards, promotion of government financial support, proper contract monitoring and availability of finance (Delmon, 2011; Otairu et al., 2014).

Political stability and commitment are proffered to be so critical for the success implementation of PPPs in developing countries and are considered to be some of the distinguishing factors between developed and developing countries. Political stability does not only relates to the absences of violence alone, but also includes programme continuity even in the case of new leadership (Liu et al., 2016). Often, when the new leadership gets in office, it tends to see discounting the efforts of the previous government as their first act in the office and this usually create a huge risk for PPP investors (Liu et al., 2016). It is thus advocated that developing countries need to create political stability as a critical issue to ensure the successful implementation of PPP projects. A strong sustained political commitment at the highest level is also regarded by Delmon (2011) as critical in order to attract private finance and provide the necessary assurance to build investor confidence. Provision of institutional frameworks that provide the support and incentives for proper PPP implementation equally requires genuine political commitment. These institutional frameworks are required to drive proactive PPP development and also provide transparent and clarity to PPP arrangement. Delmon (2011) observed that South Korea's clear policy framework is an illustration of the Government's commitment to PPP: whose policy is reviewed and revised every year, as needed, to adjust changing market context for Korean PPPs. As such this commitment to policy framework, combined with the adaptive flexibility normally result in a robust PPP framework (Delmon et al., 2011).

As long-term contracts, PPPs are also best funded through long-term financing. It is also suggested that since PPP revenue streams are often denominated in local currency, the financing has to be in local currency to avoid foreign exchange risk (Delmon, 2011). India has created a number of specialised intermediaries in order to mobilise local-term financing with other countries such as Indonesia, Nigeria, Ghana and the Philippines also considering so follow similar approaches. However, in many countries access to such long-term local currency from lenders who are familiar with PPP is limited and hence Otairu, et al. (2014) proposed that strong local banks or in conjunction with external to finance large scale lenders are needed to finance large scale infrastructure projects alone in most developing countries. A consortium

which is a collection of different investment stakeholders that include banks or group of bank providing debt for the construction and operation of the facilities is equally encourage for PPPs success in developing countries. Otairu et al. (2014) observes that foreign firms and international financial institutions rather than domestic institutions have been mainly involved in PPP projects in China.

Government financial support is also considered to be an important pre-requisite for the success of PPPs. The government can also support by providing such subsidies in the form of one-time grant and other forms of support such as interest rates policy, tax breaks and the creation of independent and credible regulatory environment that boost investor confidence. Equally as Liu et al. (2016) advocate, there is need for the creation of Facilitation Fund just like in Malaysia to promote joint sharing of some portion of capital investment. Delmon (2011) concur that most PPPs require some form of financial support (the first 'P' in PPP), including the grants and guarantees. They however alluded that this support needs to be well designed, to meet project needs without exposing the government to excessive risk. Again the availability of concrete dispute resolution mechanism which is seen to be credible and respected by all parties is also critical in inducing private investments in infrastructure. Public support for PPP projects in general have been thus considered as a critical factor for the successful implementation of PPPs.

PPP contracts also require a very clear procurement policy which has provision for changes, resolving disputes, risk management, contract pricing as well as performance incentives and exit strategies (Otairu et al., 2014). As Delmon (2011) added, legal and regulatory frameworks for PPP must provide adequate protection and obligations the all parties involved in a PPP arrangement and these include: the government, investors and lenders alike in light with the long-term nature of infrastructure projects and on the need to adapt to changes throughout the PPP project lifecycle. As such they advocated for the existence of a clear framework for approval, procurement rules, government financial support as well as other general investment issues (such as dispute resolution, tax and contract rights) that are associated with PPP. Nonetheless, observations have been that many developing countries lack adequate legal framework and specific laws for the public sector to contract with private bodies in order to deliver services that were previously provided exclusively by the state (Delmon, 2011). Most developing countries implement PPP through regulation under the Public Procurement law for example Kenya and Nigeria unlike other countries such as Spain and Poland which have a

dedicated PPP law that has been passed. The challenge thus emanate from the fact that processes designed for public procurement are generally incompatible with PPP arrangements and this have an negative impact on the success of a PPP programme and as such there is need for specific laws that will also enhance the transparency of the procurements process (Otairu et al., 2014).

Furthermore, the emphasis for the success of PPPs in developing countries hinges on the need for the regulatory teams need to have appropriate skills and resources to ensure that robust performance and contract compliance monitoring. Inadequate public sector expertise in planning and implementing PPP projects has also been identified as a barrier to the growth of PPP in developing countries (Liu et al., 2016). It is thus encouraged to capacitate the public sector employees to the concept and operation of PPP arrangements. It was however also noted that some existing public sector employees who are responsible for the public sector projects are also complicit in the slow of PPPs as they perceive it as a threat to their continued employment (Liu et al., 2016).

PPP processes also require the introduction of good governance into every aspect of project implementation and hence reducing the opportunities for corrupt practices. Good governance ensures equal treatment, efficiency, transparency and open competition entrants into a given market (Delmon, 2011). Efficiencies from PPPs can usually be achieved through competitive tendering and transparent processes. Transparency also assists to manage social and political risks as well as nervousness and misunderstandings that arise about the nature of PPP and the possible impact on average citizens. Opaque administration has always been the challenge in developing countries and Otairu et al. (2014) advise for the need for consultation and sharing of information among the public and private parties in order to avoid misunderstandings and reduce social and political resistance to any PPP arrangements.

Project selection and structuring has also been considered essential factors of enhancing the success of PPPs in developing countries. Proper project selection and structuring includes imposing criteria on selected projects (such as value for money, financial viability, affordability and sustainability) and giving incentives to contracting authorities to propose good projects for PPP, which in turn require capacity building (Delmon, 2011). Sound project structuring is also regarded crucial and it involves adequate risk allocation, measurable performance indicators and also flexibility to adopt to change. This project structuring exercise requires experienced,

sophisticated transaction advisors which however can be expensive, charging an average two and half percent of the capital cost in middle income countries and three to ten percent in lower income countries (Otairu et al., 2014). Failure to buy the best advisers can be more costly and as such can lead to failed or overly expensive project. PPP Units in developing countries should also assist contacting agencies by funding for the appointment and management of transaction advisors as done in other developed countries like UK. In exchange for the funds provided Delmon (2011) advise that the respective PPP unit would then take an equity and this would also provide an incentive to ensure that the project is bankable and otherwise successful.

High cost of participation has also led to the decrease in the number of companies willing to participate. As Otairu et al., (2014) observe, the bidding cost of around three percent of the estimated final cost of project and five to fifteen percent of construction cost for consultants on a single PPP project is considered to be high for most PPP projects. Such costs are high given the fact that some projects are so huge and costly. Compensation in the case of the developing countries is thus recommended in cases where the work is required in detailed design stages of several bidders so that it would encourage them to submit the required proposal when they are called upon (Liu et al., 2016).

## **2.7 Implementation of PPPs**

Implementation of PPPs for infrastructure development in developed and developing countries however has yielded mixed outcomes. Successful implementation of PPPs has improved delivery of infrastructure and services, while poor implementation has led to project delays and cost overruns and literatures have various explanations for this (Malek, 2016). Various aspects on PPP implementation will be discussed in this section such as; the private and public sector expectations in a PPP arrangement, the Financing mechanisms in a PPP set up, the difficulties found in PPP implementation, the dispute resolution arrangement, principles of a PPP policy and the PPP implementation process.

The private sector usually has certain desires that they expect for a PPP project to be considered as a viable. Private investors are usually interested by the bankability or viability of a project. The project is regarded as bankable if it is financially viable, legally tenable, and also administratively implementable (Quium, 2011). Furthermore, the private sector also considers the feasibility of the private investment in terms of size and manageability taking into account its own technical managerial and technical capacity. Other typical requirements of the private

sector include; a fair return on investment taking into consideration the level of involvement and the assumption of risks, security of the private investment, political and social comfort in cost recovery pricing of the services, government policy continuity, and a predictable timeframe in the administrative and regulatory processes (Quium, 2011). Such factors make a good benchmark to establish the reasons for the low uptake of PPPs by the private players in Zimbabwe state universities. These considerations also assisted this study to understand factors affecting the implementation of educational infrastructure PPPs in Zimbabwe state universities from a private sector point of view.

Prior to the implementation of any PPP project, Quium (2011), asserts that the implementing agency should also take into consideration various matters which concerning the capacity in the government. They consider whether there is any PPP unit or any agency that can help in the project development and implementation. The implementing agency also considers the government's previous experiences as well as the capacity of the agency in implementing the project. As Quium (2011) asserts, the agency has to make a realistic assessment of the capacity in the government, the availability of funds for project as well as establish how much more additional funds can be needed. In the Zimbabwe case, this study sought to establish why certain universities were reluctant to implement the PPP arrangement for infrastructure development when the government gave them a green light to execute.

Financing of PPPs for infrastructure development is usually done on a project basis. This entails financing in which the lenders would look to the cash flows of an investment for repayments, without resorting to equity sponsors or the public sector to make up for the shortfall (Saeed & Saif, 2015). This financing arrangement is usually associated with several advantages such as; it reduces the financial risk of the investors, results in more project screening, leads to limited liability on project sponsors and it allows for more debt in the financing structure. This project financing however also has many disadvantages such; it leads to protracted negotiations between parties, more complex transaction than corporate or public financing, higher transaction cost and it also requires a close monitoring and regulatory oversight (Quium, 2011). This PPP financing arrangement despite its limitations has become popular particularly in infrastructure development arrangements. This study sought to understand how such a financing arrangement is perceived in Zimbabwe and how it compared to other alternative project financing models.

Other alternatives sources of finance for a project besides PPP arrangement include; equity, debt, government grant. These alternatives source as Quium (2011) observes, have their own implications for the project's overall cost, cash flow, ultimate liability on the parties concerned, and claims to the project income and assets. Equity is the capital invested by parties such as projects sponsors, governments, and third party private investors and can also be internally generated cash. Debt refers to capital borrowed from either the banks, other financial institutions, or from the capital market. Debt has a fixed maturity and a fixed rate of interest has to be paid on the principal. Furthermore, lenders of the debt capital have a senior claim on the income and assets of the project (Saeed & Saif, 2015). Debt has various common forms that include commercial loan, bridge finance, bonds and other debt instruments (for borrowing from the capital market), and subordinate loans. Commercial loans refer to funds that are lent by the commercial banks and other financial institutions. Bridge financing is a short-term financing arrangement (for example for the construction period for an initial period) and this is normally used until a long (re)financing arrangement can be implemented. Bonds are a long term interest bearing debt instruments purchased either through private placement which means they can be sold to the purchaser, who generally can be an institutional investor. Subordinate loans as Saeed & Saif (2015) assess, are similar to commercial loans, but they are secondary or subordinate to commercial loans in their claim on income and assets of the project. This kind of loan is often provided by the government to promote PPPs and they help to improve the financial viability and reduce the debt burden of projects (Saeed & Saif, 2015). Special infrastructure financing is also another source of debt finance. These institutions are established by many country as a way to meet the long-term debt financing needs of their infrastructure sector (Quium, 2011). Priority for financing from such institutions can be given to private companies who have been awarded PPP projects. Again these financing institutions are important in refinancing of private sector projects that were initially finance by banks but now finds it difficult to secure long-term financing for infrastructure projects (Saeed & Saif, 2015).

Grants and supplier's credit also constitute other sources of project finance. Grants are usually availed to make PPP projects commercially viable, to reduce the financial risks of private sectors and also to achieve some socially desirable objectives such as to bring about growth in backward area (Quium, 2011). This study thus is interested in understanding the extent of availability of these alternative sources of project financing and how they compare to PPPs.

Another important consideration in the implementation of PPP projects is the legal basis for the settlement of disputes. Quium (2011) highlights that most private parties (concessionaire, contractors and financiers) are motivated to participate in PPP arrangement if they are so sure that any disputes that arise in any phase of the PPP project will be resolved fairly and efficiently. Disputes may be between the contracting authority and any other governmental agencies and the concessionaire, or between the concessionaire and other parties such as the users or customers of the facility. These disputes may occur at any phase of the PPP project, namely construction, operation, or even at the handover to the government phase (Saeed & Saif, 2015). The legal framework for dispute resolution can usually be embodied in various legal instruments as well as relevant rules and procedures of a country. These instruments include the PPP/private contract law, tax law, company law, consumer protection law, infrastructure sector laws, foreign investment law and various other laws (Quium, 2011).

It is equally advised that the agreed methods of dispute resolution between parties be generally mentioned in the contract agreement and the commonly used dispute resolution methods include: facilitated negotiation, conciliation and mediation, non-binding expert appraisal, and review of technical disputes by independent expert. Other methods include arbitration, adjudication by Regulatory Authority, and legal proceedings (Quium, 2011). It is also advised that the settlement mechanisms be in line with the international practices especially if large-scale investments from foreign private investors are expected. The United Nations Commission on International Trade Law (UNCITRAL) has a Legislative Guide on Privately Financed Projects advised that it would be important to adhere to its provisions since it has clauses related to dispute resolutions that may be considered for inclusion in the preparing a contract document (Quium, 2011).

A project Director or Manager and project team with the expertise to oversee the progress of construction need to be set-up before the actual implementation begins depending with the size, nature and complexities of the project implementation (Quium, 2011). A project Manager of appropriate level of appropriate level of seniority to be able to coordinate complex activities between different government departments is usually recommended for a large PPP project. In some cases, as Saeed & Saif (2015) observes, the government may decide to establish to establish a fully empowered separate implementing agency, which can coordinate and manage the various activities and parties involved from the project development to the final hand over. Even though Zimbabwe government has established the Joint Venture Unit with the Ministry

of Finance and Economic Development (MFED), the question to be answered in the study was how adequate in this institutional arrangement given the fact that it has cover for all PPP projects from various sectors.

### ***2.7.1 Principles of a PPP Policy***

There are certain principles common to the PPP policies and guidance material in each State and Territory (Partner & Hayford, 2004). These principles include private sector confidence, value for money, whole-of life, innovation, effective risk allocation, payment for services, asset utilisation, public sector comparator, not privatisation, consistency with government objectives, safeguarding the public interest, clarity of process, consistent national approach, competitive tendering and probity, and transparency and accountability.

Private sector confidence is considered with the objective of encouraging the private sector investment in the entire PPP process. As Osei-Kyei & Chan (2017) highlight, private sector confidence as a principle can be upheld to ensure that there are enough players in PPP bidding process (particularly for smaller and social infrastructure projects) as well as to create the degree of competition that is required to deliver real value for money outcomes.

The second principle which is common to PPP policies is the value for money principle. The government usually would want to select the project delivery model which delivers the best value for its money (Partner & Hayford, 2004). The whole-of-life concept entails encouraging the private sector to adopt a whole life approach to the design and construction of the asset, with the intention of obtaining the optimal balance between the cost of building the facility and its ongoing operation and maintenance cost (Partner & Hayford, 2004). The other principle which is common to the PPP policies is that of encouraging innovation in the delivery of infrastructure and related services to the community. As Osei-Kyei & Chan, (2017) lament, all policies has to encourage government agencies to specify the requirement of the contract in terms of outputs (the end result), rather than the inputs (the means of delivery). This, as they perceive it would encourage innovation in the execution of PPP projects.

Effective risk allocation is another critical virtue commonly considered in PPP policies. In PPP arrangements optimum risk transfer is usually considered and this entails allocating risks to the parties that will best be able to manage them at the least cost, as opposed to maximum risk transfer (Lie, 2005). Asset utilisation is the principle that is considered in PPP policies. In considering

PPP arrangements, governments also consider other uses that the asset can serve beyond its specific purpose. This is usually considered with an endeavour to maximise the effectiveness of the investment in the asset (Partner & Hayford, 2004). Set benchmarks or a Public Sector Comparator (PSC) that can test the value for money of PPP proposals is also another principle that can inform PPP policies (Partner & Hayford, 2004).

PPP arrangement is no synonymous with privatisation and this is another virtue that also informs PPP policies. As a result, the PPP policies will draw a distinction between the core services and the non-core services. The core services in this case will be services that the government will continue to deliver to the public such as teaching in schools and medical services in hospital. The non-core services are those that the private sector can deliver such as accommodation and other support services such as security and maintenance. (Partner & Hayford, 2004). The need to be consistency with government objectives also determines the template of PPP policies. In planning PPP policies the government would need to ensure that projects remain consistent with the long term delivery strategies as well as capital investment of government agencies (Partner & Hayford, 2004). Safeguarding of the public interest is also considered as a crucial principle in defining PPP policies. PPP policies and proposals in this regards will have to be assessed against public interest criteria that relates to effectiveness in meeting government objectives, accountability, equity, transparency, public access, security, consumer rights and rights of representation and appeal at the planning stages by the affected individuals and communities (Partner & Hayford, 2004).

The clarity of the process is also considered essential in determining PPP policy arrangement. Clear articulation of the PPP process is of paramount and also the points at which Cabinet approval is needed in order to proceed as to be clearly outlined (Hardcastle, 2005). Consistency and commitment towards the development of a national approach to the development of PPPs is also an important principle. This in essence increases the private sector confidence in the process and also reduces the transaction costs (Partner & Hayford, 2004). Ensuring that projects are subject to a competitive tendering process in which procedural fairness and probity is maintained is also another essential principle that defines PPP policies (Partner & Hayford, 2004). Transparency and accountability is also considered important principles that should shape PPP policies. The information about the PPP arrangements has to be made available to the Parliament, taxpayers and other stakeholders. These stakeholders require to know about how the government resources are used but at the same time there is also need to protect private

sector intellectual property rights and commercial confidentiality where appropriate (Osei-Kyei & Chan, 2017).

A clear policy framework assists both the private and the public sector appreciate the rationale for PPPs and how the public sector intends to make them happen. PPP are difficult to implement particularly in an unstable policy and World Bank (2009) observes that when assessing a PPP market, the private sector expects to see a PPP policy that set out such issues as: the rationale for using PPPs, the guidelines to be used by the public sector to assess PPP project in a consistent way, the determination of who approval procedure throughout the project selection, preparation, and procurement, and the dispute resolution process. Further the private sector expect the a PPP policy to be clear with regard to the entire the PPP process, the cost of preparing and submitting a bid for projects, the duration of the bidding process, how workable and transparent it will be, how the public authority will manage the partnership in a long term , and the commitment of the government to the PPP (World Bank, 2009). The same authors alluded that the more transparent the objectives, targets and consequences of the PPP, the more effective that partnership will be. In its attempt to understand the adequacy of the extant policy frameworks, this study is equally interested to make a reflection of these various variables and have an appreciation of the extent to which they were incorporated in our Zimbabwean PPP policies and policy pronouncements.

In a PPP policy, the Government is also expected to establish a clear evaluation and a process map that show such issues as: key decision points along the process, time- lines, criteria for project selection and eligibility, and principles or criteria for evaluating bids. In South Africa, the Treasury Regulation 16 of the South African Treasury's Public Finance Management Act specifies the required approvals and responsibilities. Furthermore, a detailed guidance in the form of a PPP manual has been developed to cover the range of processes involved. This study also sought to understand how such variables are included in the Zimbabwean extant PPP policy framework and also to find out whether a PPP manual exist.

### ***2.7.2 PPP Procurement Process***

The PPP project implementation process usually involves several public authorities at various levels of government. A PPP project may require some approval at these several stages by different authorities. There are certain common steps that are involved in the procurement process. Even though the details of each of these steps differ and vary in approaches, the

purpose that they serve is very much similar. These common steps as submitted by Quium (2011) include; assessing interest of the private sector, prequalification of bidders, request for proposal from prequalified bidders, information exchange and feedback from the bidders, finalisation and issuance of final tender, evaluation and selection of preferred bidder, and finally contract negotiation, award and financial close. It is advised that the implementing agency has to clearly understand the entire process of project development, approval and implementation from the outset.

Procurement briefing or conference which is open to interested private parties can be used to assess the interest of a private sector in a proposed PPP project. Essential information can usually be extracted from this platform such as the feasibility of the proposed project. As such both the government and the private parties usually benefit through this procurement consultation and engagement (Saeed & Saif, 2015). Information extracted from the same stage can also assist implementing agency to structure and refine tender documents in a much better way. This stage is usually considered as technical consultation and is not intended for any other purpose that is related to procurement and as such no commitments are expected from any side. Furthermore this stage assists government to establish prequalification criteria and establishment of general schedule of requirements (Quium, 2011).

The prequalification of bidders is the next stage and is considered to be the beginning of the formal procurement process to select a private investor/ service provider. The rationale for the phase is to pre-qualify the potential investors and usually begins with an invitation for expression of interest (EOI) (Quium, 2011). Prequalification is equally meant to assess the managerial and technical competency as well as the financial of the interested bidder and not to cover any aspect of the proposed project or factors related to the indicative contract as such elements are considered at later stages of the procurement process (Saeed & Saif, 2015).

Prospective bidders are given adequate time to submit their EOI and the time period differs with the complexity of the project. An appropriate time of four to twelve weeks for the usually considered and the EOI notice will contain crucial information for the prospective bidders to consider. Such information according to Quium (2011) include; detailed explanation of the project, objectives of the project, expected roles of the private sector and that of the implementing agency, and the main terms of the indicative contract and this will include proposed risk allocation. Furthermore, any available technical reports as well-known project

constraints which include financial, legal, budgetary and planning is also highlighted in the EOI notice. The information that bidders must submit and the procedure for selection should also be outlined in the EOI notice. Detailed evaluation criteria and their relative weights are also explained in the EOI notice. The criteria set to assess the capacity of the prospective bidder may include technical capacity, financial condition, management capacity and past performance (Quium, 2011). All the bidders who satisfy the prequalification criteria are considered as prequalified bidders and these can then participate in the tendering stage. At this stage prequalified bidders, if they are too many may be allowed to form consortiums submission of their final bids.

Two-step tendering process is the next stage and it often serves two main purposes. Firstly, it assists parties, the implementing agency and the bidders to understand each other's requirements before the issuance of the final tender. Secondly it helps to avoid costly detailed design efforts of the bidder before they are awarded a contract (Quium, 2011). Request for proposal (RFP) from selected bidders is the first stage of tendering. At this stage, interested bidders are invited to submit tender proposals for the available PPP project and this stage may require substantial amount of time. Interested bidders are requested to supply information such as the conceptual design, financing plan, a rough estimate of the total cost and the desired share of risks, rewards and costs.

Furthermore, information concerning the bidder's past performance, partnership proposal, managerial capacity and financial status may also be requested by the tendering agency at this stage. Subsequently the implementing agency has to furnish the bidders sufficient information at this phase. Such information includes; the technical conditions of the project site, the estimated demand for the service, relevant legal, financial and technical information, output specifications, safety standards, terms of indicative contract (standard specification, payment mechanism, payment regime, regulatory requirements), bid formalities, evaluation criteria and their relative weights, contents of the tender proposal and other relevant requirements.

The proposed draft component should also contain such information as the risk allocations and responsibilities of each one of the involved parties, revenue sharing terms, target dates, options for terminating the contract and the dispute resolution approach and mechanisms (Quium, 2011). After the first stage of tendering, a feedback period can also be considered. This exchange of information between the bidders and implementing agency serves to ensure that

all the intending bidders have the equal understanding about the project. At this stage the preliminary elected bidders with highest evaluations are asked to submit the final bids with greater details of their conceptual designs for scrutiny by the stakeholders (Saeed & Saif, 2015). The second of the tendering is the finalisation and issuance of the final tender. This stage involves the amendment of the tender document to incorporate the any feedback from the first round. These amendments are also made known to all the bidders in advance of the closing date and the whole process may take several months depending on the nature of the project (Quium, 2011).

The next stage is the evaluation and the selection of preferred bidder and this is done by the tender evaluation committee. Their fair objective evaluation will be guided by the criteria which was set and made known to the bidders in the first stage of the tendering (RFP) and at the EOI stage. Tenders that would not meet the outlined requirements (termed as ‘non-responsive’) are disqualified and at the same phase the committee may also request for clarifications from the bidders. To enhance transparency, members of the committee will be requested to declare that they indeed do not have any conflict between themselves and those of the project. The evaluation committee at this phase selects the preferred bidder and then makes recommendations to the relevant approving authority (Saeed & Saif, 2015).

The next step is the contract negotiation, award and financial close phase where after the approval by the government, the successful bidder is notified. The implementing agent and the successful bidder will then negotiate the finer details of the final contract. These finer details include among others; the implantation arrangements like the establishing dates, the relevant authorities or officials for both parties and other crucial matter of the contract management. After the all the necessary negotiation and the agreement on the contract document, both parties will then sign the contract and this will be the last task of the procurement process. The chosen bidder will then be allowed sufficient time to complete other agreements with other parties such as the lenders, the sub-contractors and as such brings the deal to financial closure. Several months may be needed for a project to come to financial closure after the contract award has been made depending on the nature and size of the project (Quium, 2011). Lastly the bidder will then notify the implementing agency of the financial close and will then submit the copies of the agreements with relevant parties involved as would have been required by the contract agreements (Saeed & Saif, 2015). This will mark the end of project development phase. This

study had an interest of understanding how the PPP procurement process is conducted in Zimbabwe in general and in state institutions of high learning in particular.

#### *2.7.2.1 Critical Factors for Effective PPP Procurement Process*

Effective procurement of PPP project is influenced by various factors. Critical factors for effective procurement of a PPP project according to Hardcastle et al. (2005) include; transparency in the procurement process, competitive procurement process, good governance, well-organised and committed public agency, social support, shared authority between public and private sectors, and thorough and realistic assessment of the cost and benefits.

One of the critical process challenges for PPP projects is that of effective market engagement and this entails ensuring bidder bid what governments wants (Vann et al., 2004). It is critical to all parties especially the government to ensure that bidders have a clear understanding of government's objectives, requirements and priorities (Vann et al., 2004). It is proffered that both government and bidders maintain the appropriate levels of probity throughout the process so as to avoid complicating factors to effective procurement process. Such complicating factors as Vann et al., (2004) asserts include claims and court proceedings which may arise as a result of informal discussions between the government and the bidders, and the inappropriate statements made. It is thus proposed that certain virtue has to be sustained in order to promote effective procurement process and to avoid such situations.

One of the virtues to be maintained for effective procurement is market sounding. This procedure has to be prioritised by the government prior to the Expression of Interest (EOI) so as to assess market interest and the level of completion likely to be expected (Vann et al., 2004). Clear articulation of requirement is yet another virtue to be maintained in order to achieve effective procurement. It is advised that government agencies have to engage to critical planning so as to come up with their objectives and requirements to be clearly articulated and included in the tender documents before calling for bids. Priorities on competing objectives, such as time, quality and cost have to be clearly spelt out as much as possible. Prior to the release of tender documents, Vann et al. (2004) advised that an agreement between all internal government stakeholders should be reached.

Feedback is also considered essential factor in ensuring effective PPP procurement process. It is advised that bidders get the opportunity to feedback on the technical aspects of their proposal

especially before the final bids submitted. It is also encouraged that some technical workshops be conducted with each bidder to enable some technical input in the bidder's design concepts by the contracting agency. Vann et al. (2004) also highlight that such deliberations between the contracting agency and the bidders need to be properly planned and structured in order to should produce a well thought through feedback and fairly and equal treatment of all the bidders. Such discussions however should be limited too technical issues and does not involve risk allocation. Technical issues in issues in the construction of educational infrastructure can include the appropriate designs for students' halls of residence and other essential educational facilities like laboratories.

## **2.8 PPPs in the Education Sector**

PPPs in the education can be traced back to the late 1990s. The first published reference to the term 'PPP in education' is found in a joint publication of the World Bank and Asian Development Bank; titled 'The new social policy agenda in Asia (Verger & Moschetti, 2016). The following year, a group of consultants and scholars published a handbook on PPPs in education and associated policy implementation (Verger & Moschetti, 2016). At that time, these experts worked together with the World Bank Economics of Education Thematic Group in research and discussion on alternative forms of education provision. This network of experts also produced most well-known publications, policy briefs, and toolkits on PPPs in education delivery. The other famous and highly disseminated World Bank report: 'The role and impact of PPPs in education' by Patrinos, & Barrera-Osorio (2009), is also considered the pinnacle of the series of publications for which these experts are responsible. This network is also behind the organisation and development of a range of events in the last decade where the PPPs for education ideas were discussed with policy-makers, donor agencies, international organisations staff and academics (Verger & Moschetti, 2016).

Partnerships between public authorities and private entities in providing education were put forward as an alternative strategy to address the challenges confronting education systems. This alternative strategy started in the industrialised countries and in now being promoted in developing countries by aid agencies as well as international institutions such as the World Bank and OECD (Verger & Moschetti, 2016). One of the strong supporters of PPPs in education who is also a consultant to the World Bank. LaRocque (2008) highlighted that these PPPs share a number of characteristics such as: they are formal in nature, involve the development of a long-term relationship between the partners and can involve both the

voluntary and commercial sectors as private sector partners. The prime role of the public sector will be to define the scope of the business; to specify priorities, targets, and outputs; and to set the performance regime by which the management of the PPP is given incentives to deliver. The essential role and responsibility of the private sector in all PPPs will be to deliver the business objectives of the PPP on terms offering value for money to the public sector (Verger & Moschetti, 2016). This study thus sought to understand the evolution of educational infrastructure PPPs in Zimbabwe.

### ***2.8.1 Motivations and Interests of PPPs in Education***

Public Private Partnerships have been an essential element of public administration reform agenda since the early 1990s and have been introduced mainly in areas where full privatisation seemed unfeasible (Zinyama & Nhema, 2015). In comparison to others like energy, water supply and transportation, the education sector has been a fairly late adopter even though it was an increasingly important one. As Alert (2009) observed, the adoption of PPP structures within the educational sector have in the recent years gathered momentum with successful examples of such projects recorded in Canada, France, United Kingdom and the United Arab Emirates. Financial closes to implement PPPs in the education sector were successfully realised around the country with particular cases in universities such as the UAE university and Paris Sorbonne University Abu Dhabi PPP projects (Alert, 2009). Various reasons have been identified as motivation for proposing PPP both the public and private sectors. Some of these reasons identified by governments as observed by Howell & Sadowski (2018) included: infrastructure gaps; fiscal restrictions on public sector budgets; attractiveness of new financial instruments; off balance financing; improving efficiency; and increased complexity of government tasks. PPPs are therefore presented as a novel yet a sustainable solution to the vast problems of education systems.

Despite difference in PPP arrangements (such as BOT, BOO), Patrinos, & Barrera-osorio (2009) observed that infrastructure-focused PPPs share several characteristics such as: the private consortium is selected through a competitive tender process; private sector partners invest in school infrastructure and provide related services (for example, building maintenance); the government retains the responsibility for delivering core services such as teaching; Arrangements between the government and the private partner are governed by long-term contracts (usually 25 to 30 years) that specify the services the private contractor must deliver and the standards that it must meet; in service contracts, the private organisation often

takes on several functions such as design, building, maintenance, and employment of nonteaching staff; and payments under the contract are contingent on the private operator successfully delivering services of an agreed performance standards.

The main rationale for the choice of PPP structure in the education projects has been the recognition that the education providers should remain focused on its core objectives of provision of educational service as well as the raising the standards of education rather than the construction and maintenance of buildings (Alert, 2009). The use of educational PPPs structure thus involves the private sector working in the construction and maintenance of educational facilities and not assigning the private sector the role of providing educational services. It is also argued that passing the responsibility for construction as well as the day-to-day maintenance of the educational facilities to the private sector would enable the public sector or the educational partner to concentrate more effectively on education (Alert, 2009).

The use of PPP arrangements in the education sector worldwide has also been backed by a number of socio-economic and political drivers. Firstly, investment in the education sector has always been regarded as a crucial one by most governments around the world. Providing children and young adults with increased access to educational resources of higher standard has also been regarded as a noble way to foster a more mobile and more skilled workforce in the future (Alert, 2009). This higher educational attainment of such people usually brings a number of benefits which however vary from country to country. In some countries the intention to raise standards of education is done with the intention to provide venues for students to obtain comprehensive education without the need to go abroad. However, in some countries like United Kingdom such initiative can be opted for by any political party as a vote winning strategy. Furthermore, the building of school for the future using PPP arrangement in the United Kingdom has been regarded as a vehicle to increase national Gross Domestic Product and increases life tax revenues in years to come. The hope is that better educated students will be able to obtain better-paying jobs (Alert, 2009).

Arguments in the international literature suggest that Public-Private Partnerships can positively transform tertiary education as it leads to increased access, competition, efficiency and quality (Oketch, 2009; Ismail & Harris, 2014) Their study of PPP in Lagos, Nigeria, Taya & Dada (2012), reveal that the sectors that ranked highest (first, second and third respectively) with private sector participation through PPP in the delivery of public infrastructure are education,

transportation and tourism. The education sector was most favoured because of the adequate ways that it employs in generating income while other sector was left unattended to as a result of little or no establishment of ways required to yield income. If this is the case, this study developed some interest to unravel the reason why apparently there is low uptake and implementation inertia of PPPs as alternative ways funding capital projects to reduce the visible educational infrastructure gaps in most Zimbabwe state universities.

The government is often the major or only purchaser of services for the new facility in the education and health sector, which puts an important burden on the public purse all at once. As such contracting out the financing and construction of facilities to the private sector allows the government to pay for these capital investments over time by making periodic payments over the term of contract (Patrinos & Barrera-osorio, 2009). Contracting the private sector institution to finance and build learning institutions however is considered to be much more challenging than other types of contracting (World Bank, 2006).

Engaging in PPPs has been perceived by some private sectors investors as a very safe investment with minimum risks, and substantial funds involved. Williams (2016) observed that even construction companies that hold PFI contracts are ranked better in terms of credit ratings as compared companies without significant PFI involvements in United Kingdom. This is the reason why PFI investments were so attractive to pension funds and also explains the reasons for some companies' eagerness to refinance companies that are setting up to operate PFI projects (Toms et al., 2009).

Most governments in developing countries are now forced to opt for the PPP model because of their limited resources and also the certain conditions imposed by International Financial Lenders (IFLs) on public budgets. Again the participation of the private sector has been promoted as a condition set out in certain donors' funds. The Senegal case is one typical example in which the use of the private sector was indicated as the strategy preferred by the donor in promoting the implementation of literacy programmes. In such a case, Toms et al., (2009) observes that there was then string pressure to introduce the PPP approach simply because they had become pervasive among donor agencies and World Bank.

### ***2.8.2 Classification of PPPs in Education***

There are different typologies of partnerships in education depending on the actors involved. The private sector involved in education services as a social service are heterogenous and they include vast non-state actors such as the business, charities and faith based organisations, and other non- governmental organisations (NGOs). These different players can have distinct approaches depending on their own histories as well as their economic motivations (Kumari, 2016). In light with the extant broad and shifting terrain, a technical report by Toms et al., (2009) established that there two categories of public-private interaction in education, that is the ‘Contractual PPPs’ and the ‘Multi Stakeholder Partnerships in Education’ (MSPEs). Within these two broad categories of PPPs emerged various classifications of PPPs in education as shall be presented in this section.

Contractual PPPs entails a wide range of arrangements involving the private sector (for profit and not-for-profit) in the delivery of public education (Toms et al., 2009). This category differs from Multi Stakeholder Partnerships in Education (MSPEs) which describe a form of partnership that does not entail an actual contractual relationship with a definable commercial benefit to the private providers like the multinational companies. This terminology has invented and widely popularised by the World Economic Forum within the general framework of Corporate Social Responsibilities.

The first classification of contractual PPPs in education was provided by The International Finance Corporation (IFC) which is part of the World Bank Groups. This classification was based upon the private sector involvement and it focused mostly on delivery, management and financing of education. This classification produced different types that include: private operation of public schools- contract schools; private sector supply of inputs into education process; education vouchers and scholarships, and delivery of education by private providers (Patrinos et al., 2009).

Another classification of contractual PPPs in education with additional categories was provided by LaRocque (2008). This classification includes categories such as the such as; infrastructure; contracting for delivery of education services; private management of schools; vouchers or subsidies; private sector quality assurance, private sector quality assurance; public-private affiliation arrangements, and innovation and research. Yet, another classification was given by Patrinos et al., (2009) and it identified five types of contracts in education, depending on the

services that bought or procured from the private sector. These five different contracts in education by Patrinos et al. (2009) include: management contract or professional services contract; operational contract; contract for education of specific students; provision of infrastructure service contract; and provision of infrastructure contract with education service contract.

Drawing from the above three typologies, a taskforce from the Patrinos et al. (2009) established yet another comprehensive classification of contractual PPPs in education Their classification set out various PPP types which include: Infrastructure PPPs; private operation of public schools (Contract schools); outsourcing of educational services; outsourcing of non-educational support services; innovation and research PPPs, and voucher and subsidies.

**Table 2. 6: Classification of PPPs in Education**

Index	Type of Partnership	Features
	Infrastructure PPPs	The most common type of PPP involving large infrastructure projects in the education sector is <i>Build-Operate-Transfer (BOT)</i> (LaRocque, 2008). A private operator is granted a franchise (concession) to finance, build and operate an educational facility such as a public school, university building or hostel. The government, in effect, leases the facility from the private sector for a specified period, after which the facility is transferred to the government.
	Private operation of public schools (Contract Schools)	Public schools are operated by private firms or organisations under contract to a public agency. The schools remain publicly owned and publicly funded, but are managed by a private sector operator in return for a management fee.
	Outsourcing of educational services	Government contracts with the private sector for the provision of education-related services such as: curriculum development and/or delivery; assessment or administration of examinations; school evaluation, review, inspection and/or school improvement programmes, as well as supply of text books and other learning materials.
	Outsourcing of non-educational support services	These may include canteen, transport, health care, or cleaning services or building and operating student hostels. The taskforce was of the opinion that such outsourcing is not strictly a category of PPPs. However, it was included in the survey of member organisations so as to give space to unions to express their views and experiences.

	Innovation and research PPPs	Government programmes that encourage industry-research institute partnerships and promote commercialisation of public research
	Vouchers and subsidies	The government provides vouchers to students enabling them to attend private schools, or direct subsidies to private schools. Although these are also forms of public-private interaction in education, we considered them to be generally beyond the focus of this report. However, space was included in the survey of EI affiliates for union to express their views.

**Source:** Patrinos, Osorio & Guáqueta, (2009).

Even though the above classification depicts different types of PPP, the taskforce from Education International which designed them admits that it is not easy to make a clear cut distinction between these different typologies as what might be described as a PPP in one country might not be regarded as such in another country. The taskforce however classified infrastructure PPPs and gave it special attention particularly because of the importance in many countries. This study is equally follow the same follow the same emphasis and is concerned with the implementation experiences of infrastructure PPPs in Zimbabwe state universities.

#### *2.8.2.1 Infrastructure PPPs*

Public Private Partnership in the higher education setup can be classified as university-industry linkages, infrastructure PPPs, Financing initiatives, higher education support services and service delivery PPPs. This study however will focus on Infrastructure PPPs and educational infrastructure PPPs was defined by Oyiawe (20108) as strategic alliance or partnerships between the public and the private sector in the provision of teaching, learning, administrative and accommodation facilities.

Education is broadly believed to be crucial for any nation's economic, social and political development and it is also widely held that it assist people escape from poverty and participate more fully in society and in the market place (Khayyam, 2016). These are some of the few reasons why governments globally assume the responsibility for providing and financing education, particularly the basic education. This task however is so huge and complex for any particular government to adequately meet, which is why it is important for governments to explore diverse ways of financing and providing educational infrastructure and services (Khayyam, 2016).

The term infrastructure assumes several meanings and some of the social scientist define it to include such facilities as communication, transport and energy, whilst others define it to embrace such aspects as education, water supply, health, as well as town and country planning. As Adeyinka & Olugbamila (2015) observes there are both social and economic dimensions to the term and hence there are social infrastructure and economic infrastructure. The social infrastructure sub-sector thus covers social services such as health services, education, information and town and country planning. The economic infrastructure on the other hand covers the hard-core economic activities such as the provision of water supply, electricity supply, gas supply, sewerage, storm water drainage and telephone services which are referred to as utilities (Enimola, 2010). As such the term infrastructure covers both social services and utilities. In this regard, educational infrastructure refers to those facilities and services that facilitate effective learning in institutions of high learning such as universities. These facilities and services include student and staff accommodation, lecture rooms, laboratories, administrative blocks.

The provision of educational infrastructural facilities is very crucial in any institution of learning. The manner in which provision of these basic infrastructural facilities are provided to meet the demands of the students in general will determine quality of learning that can be delivered and, in turn, the overall development of a nation (Khayyam et al., 2016). Despite the importance of educational infrastructural facilities to learning, reflections on Zimbabwe state universities indicates that they are faced with the problem of inadequacy of sufficient educational infrastructure. Despite the efforts made by government to ensure the effective implementation educational infrastructure PPPs to cover the infrastructure gap, there has been low uptake and implementation inertia of such initiative as an alternative infrastructure funding.

**Table 2.7: Features in Education Infrastructure PPPs**

<b>Type of Partnership</b>	<b>Features</b>
Traditional design and build	Government contracts with the private partners to design and design and build a facility to specific requirements
Operations and maintenance	Government contracts with private partner to operate publicly owned facility.
Built-Operate-Transfer (BOT)	Private partner is contracted to finance, build, operate, maintain, manage and collect user fees for a facility for a fixed period, at the end of franchise, title reverts to the government
Build-Own –Operate (BOO)	Government either 1) transfer ownership and responsibility of existing facility or 2) Contracts the private partner to build , own and operate new facility in perpetuity

**Source:** Bayo (2009).

## **2.9 Challenges in the Implementation of PPPs**

While PPPs hold much promises, Onyemaechi et al. (2015) argues that they are not a cure to all as there are various factors that limits them. There are numerous obstacles to overcome and preconditions to fulfil if effective PPPs are to be realised. There are a number of scholarships on factors that hinders the effective implementation of PPPs. Some scholars refer them to as failure factors. In some instances, they have been studied and became synonymous with risk factors (Zhang, 2005), negative factors (Cheung, 2010), and barriers (Zhang, 2005). The prominent obstacles to the implementation of PPPs include lack of appropriate skills, high participation cost, high project value, high risk, lack of credibility and contacts, demands on management time, poor communication between private partners, and long procurement and negotiations processes (Li, 2005; Papaioannou & Peleka, 2006; Nyachhyon, 2006; Thomson, 2007). PPPs are not immune to criticism. There has been equally a number studies that that criticise PPPs (Akintoye, 2001; Alinaitwe & Ayesiga, 2013). The highlighted that PPP procurement creates challenges in terms of high cost of tendering, complex negotiations, cost constraints on innovation, and differing or conflicting objectives among the project stakeholders.

A complex participants' structure makes public-private partnerships complex, increases the risks in decision-making process and presents high managerial challenges to the participants (Rakić & Rađenović, 2011). Although majority of PPP projects are drafted on the national level, they are implemented on the local authority level, where there is much co-dependency

among all project participants. The fact that the PPP has to connect the decisions from various departments and sectors increases both risks and odds for failure. This is especially highlighted by drawing the knowledge line between sectors and participants, which makes joint decision-making more difficult, while at the same time promoting both project and responsibility division among participants (Rakić & Rađenović, 2011).

Alinaitwe & Ayesiga, (2013) identify five pitfalls of PPPs: unfulfilled expectations, unfinished business in which some elements of the partnering arrangement are still in dispute, assumption that all parties involved in the partnering are willing to share personal beliefs and thoughts, and adoption of a one-size-fits-all approach to all projects. Despite these potential pitfalls, many PPP/PFI projects have been successfully, and the drivers of their success have become a subject of research (Li, 2016; Jefferies et al., 2002). The potential pitfalls must be overcome to realise the full potential of PPP arrangements.

There are various crucial social, economic, legal, political, and administrative factors that need to be assessed before the PPPs approvals are considered by any government. Quium (2011) highlights that PPPs also accrues with them some limitations that needs to be taken into account when considering them. He observes that it is important to understand that not all projects are feasible to PPP arrangements due to some various political, commercial viability and legal reasons. Furthermore, the private sector may lose interest in some projects due to perceived high risks or may just lack technical, financial or managerial capacity to implement that project (Quium, 2011).

World Bank for instance provided numerous reasons why many partnered infrastructure projects have held-up. Among these include; wide gaps between public and private sector expectations, complex decision making, lack of clear government objectives and commitment, poorly defined sector policies, poor risk management, inadequate legal or regulatory frameworks, inadequate domestic capital markets, low credibility of government policies, lack of mechanism to attract long-term finance from private sources at affordable rates, lack of completion and poor transparency (Paper & Gawel, 2011).

In its endeavour to promote PPPs, the Government of Zimbabwe identified six constraints that were hindering PPPs arrangements. These include; the gaps that exist between sector specific policies and regulations, inadequate availability of long term (10 year plus tenor) finance which

include both the equity and debt, inadequate advocacy to create greater acceptance of PPPs by the public, inadequate shelf of bankable infrastructure projects that can be bid out to the private sector and inadequate capacity in the private sector-both in the form of developer/ investor as well as the technical manpower (Government of Zimbabwe, 2010).

### ***2.9.1 Critical Social Sector Challenges for PPPs***

Policymakers in both developed and developing countries has always been facing a critical challenge of how to financially structure sustainable PPP projects in the social sector particularly in the educations and the health sectors. In his study on some of the international experience and issues that should inform policies that can promote the wider application of PPPs in the key social sectors, (Cook, 2015) concluded that there are certain inherent social sector challenges to PPPs. The authors observed that social sectors usually present a unique set of problems for PPPs and this distinguish them from the conventional PPPs in the economic sectors. In developing and planning viable social sector PPP programmes and projects, (Cook, 2015) proffered that it is essential to clearly understand some of the social sector challenges to PPPs. Among these social sector challenges to PPPs include; segmentation of the beneficiary class, bankability, stakeholder involvement, performance indicators, operation and maintenance, and regulatory risks.

Segmentation of the beneficiary class presents the first social sector challenge to PPPs. The social sector such as the education and health services are structurally segmented unlike the transportation and the energy sector (Languille, 2017). This entails that this sector is heavily relied upon by the low and middle income groups than the upper income and wealthy. As such, class tensions as well as political sensitivities will be high in social sector PPPs.

Segmentation of the market equally imposes limitations on the ability of PPP social projects to cover all projects' initial costs with user fees and tuition payments (Languille, 2017). The bankability of social sector projects in this regard is highly compromised. The government as such will have to provide budget support for most of these projects either through capital infusions and/ or through annual budget appropriations (Cook, 2015). In most cases governments opt for PPPs to address the fiscal constraints that some capital projects pose on the national budget. Almost eighty to ninety percent of the national budget in Zimbabwe covers the current expenditure and thus leaving only about ten to twenty percent for capital expenditure. In this case annual budget appropriations especially for social infrastructure like

campus development in State universities become limited. Innovative measures in this case become crucial if PPPs are to assist the social sector as they are equally anticipated in other sectors.

Most of the PPPs in the social sectors require extensive stakeholder participation and consultation throughout the cycle such as in the planning, implementation and project monitoring. Languille (2017) posits that communicating with the various stakeholders is crucial throughout the project life cycle in order to ensure that the beneficiaries are receiving the quality and level of care required under the contract. Stakeholder involvement in this case poses a social sector challenge to PPPs. Various stakeholders are involved the administration of state universities and these many also include the students themselves and this study also sought to understand the stakeholder participation in these educational infrastructure PPP arrangements.

Measuring the performance of PPP against realistic performance indicator in social sectors is also considered to be more complicated and more important than in the economic sectors (Languille, 2017). It is equally considered difficult to establish clear benchmarks and measuring the key performance indicators and thus auditing contract performance in these sectors becomes more complex. It is also regarded that operations and maintenance issued are more crucial in social sector PPPs than in the economic sectors (Cook, 2015). More attention to project monitoring and the application of the performance indicators to assess achievement of outputs is needed so as to know when to apply penalties in the contract. Regulatory risks are also considered a social sector challenge to PPPs. Economic regulation in infrastructure sectors is an integral part of the PPP process. Cook (2015) alludes that the customary approach in PPPs is for the private sector to develop and operate facilities while the public sector concentrate on supervision through regulatory agencies. However such comparable regulatory framework and institutions does not exist in social sectors (Languille, 2017). An alternative independent monitoring mechanisms however need to developed in the absence of these regulatory institutions (Cook, 2015).

In the study on PPPs in the social sector Cook (2015) made a number of observations and conclusions and recommendations. The first conclusion was that implementation of PPPs in the social sector require substantial attention to issues of affordability as well as sustainability because of the important role that the government will continue to play in these fields. Since

most of the social sector projects will be funded with government availability payments, performance indicator will thus be so critical in order to measure and monitor performance and to establish benchmarks for bonuses and penalties. He also proffered that outside monitoring and project auditing must be rigorously enforced.

Cook (2015) also recommends that dispute resolution should thus be addressed through proactive measures such as the joint consultative meetings which then allow the parties to review operational problems on regular basis as they arise in the project. Furthermore, he recommends that the government needs to develop some internal capabilities to manage not only the appraisal of these social PPP projects, but also their implementation. As such because of the financial constraints, he advised that the financial modelling in such projects should be developed to the size of the project and to the government affordability cap.

### ***2.9.2 Challenges to PPP Implementation in Education Sector***

The implementation of PPPs is usually constrained by a number of challenges resulting in many expectations failing to be met. Some of these challenges as observed by Maseko (2014) relates to cost, schedule, quality, management ability as well as slow progress in the implementation of PPPs. Other challenges to the implementation of PPPs as noted by scholars include; lack of appropriate skills, high participation cost, high project value, high risk, lack of credibility and contacts, demands on management time, poor communication between private partners, and long procurement and negotiations processes (Li, 2005; Paper & Gawel, 2011; Nyachhyon, 2006; Thomson, 2007). Poor management of these challenges to PPPs as Bender & Gibson (2010) observe, normally leads to poor quality of products, cost overruns, and late delivery. They also assert that they can lead to unforeseen increase in capital and operating cost or higher service delivery and maintenance costs.

### **2.10 Critical Success Factors for the Implementation of PPPs in the Education Sector**

Patrinos et al. (2009) established what he considers as principles for the designing and the implementation of PPPs in the education sector. He demarcated these principles into four categories; principles in defining PPPs in education, principles of promoting PPPs in education, principles for implementing PPPs, and principle for encouraging responsible business conduct. In defining PPPs in the education sector. Patrinos et al. (2009) alluded that the nature and scope of PPPs should be based on the government's assessment of its role in education as well as the

relative costs and benefits of the private sector involvement in the arrangement, whether it shall involve education delivery, financing or regulation. The author also adds that the equity impact of PPPs should also be considered in determining the nature and extent of public and private sector involvement in education.

In order to promote the participation of private players in PPPs arrangements in the education section, Patrinos et al. (2009) put forward a number of critical factors that needs to be put in place. Amongst these principles include a sound general policy regulatory environment and this include high standards of public and corporate governance, transparency, flexible labour markets, rule of law, including the protection of contractual and property rights.

All these factors are considered essential for attracting the participation of the private sector in all sectors of the economy including education. An appropriate legal framework is considered essential for the securing of financing. The augment here is that if greater attention is placed on achieving a bankable risk allocation during the structuring of the legal framework, then securing of financing will become smoother. It is considered crucial that the risk allocation be agreed upon, both between the public sector entity and the private sector service provider under the Project Agreement and also between the private sector service provider and its construction and facilities management contractors. The agreements enable a project to reach a financial close successfully and the securing of finances smooth. Furthermore, Patrinos et al. (2009) highlighted that authorities can promote the private involvement by putting in place both the enabling environment and adequate incentives for private participation.

Furthermore, access to capitals markets is considered by Patrinos et al. (2009) as an essential factor necessary to increase private participation. The author highlights that international organisations can assist to promote private sector involvement in the education sector by widening access to capital markets. As such he encourages that restrictions on access to markets and obstacles to international capital movement has to be phased out. In order to promote foreign investment in education. Kumari (2016) asserts that public authorities should treat local and foreign providers equally, provide investment incentives and ensure an efficient and supportive environment for investors. Investment promotion agencies can also support and attract investment in the education sector by promoting education as a priority investment sector.

In line with the implementation of PPPs. Patrinos et al. (2009) also identify a number of principle factors which are critical for its success. Amongst these include the need for the PPP process to be free of corruption and subjected to appropriate levels. It is encouraged that there should be integrity and accountability of all partners and there is also need to establish relevant procedures to deter, detect and sanction corruption. There is need for output-performance based specifications agreement between the education authorities and private organisation and this should be included in the signed contract. The contract equally has to outline the sanctions involved for non-performance or non-adherence to what is agreed in the contract.

Another critical principle for the successful implementation of PPPs in the education is the effective procurement process. According to Patrinos et al. (2009), the process for awarding PPP contracts has to be competitive and should also guarantee procedural fairness, non-discrimination and transparency. Governments has to ensure that the public agencies that are responsible for forming and overseeing PPPs have the adequate resources, skills and information that is required to design, develop, and manage the complex contracting processes (Patrinos et al., 2009). In the same vein, Kumari (2016) encourages that the governments should ensure that the purchaser and provider roles of the agency are separate; and suggest that the government can assign responsibility for PPPs to specialised agencies on partnerships and also contract out the education services if necessary. Alert (2009) concurs to the same sentiments adding that the in preparing for a PPP project, the government or the education provider has to ensure that it has the best educational, financial and legal team possible available for it particularly when engaging in PPPs for the first time. Alert (2009) furthers encourages that the public sector or educational provider to have a specialist advisers who have experiences in handling such projects and understand the complicated issues involved. The essence of this specialist is that it increases the likelihood of a quicker and cheaper procurement and equally enables the public sector or educational provider to achieve their desired results from a PPP programme in terms of the facilities and the services that will be provided.

In implementing PPPs in the education, it is also considered crucial to that the education authorities should have the capacity to identify fraud, track payments and ensure that the subsidies and payment claims are legitimate as well as accurate. Patrinos et al. (2009) also advises that the education authorities should also ensure that their private sector partners are paid in a timely fashion. Another principle to increase the popularity and implementation of PPPs is for public authorities to encourage informed debates on the role and impact of these

partnerships, consult stakeholders and the public about the use of PPPs and also putting in place effective communications and awareness strategy, and creating a rigorous evaluation programme (Patrinos et al., 2009).

In order to encourage responsible business conduct, Patrinos et al. (2009) proffered other critical principle factors that need to be adhered to. He highlights that the private partners should observe the standards and principle for responsible business conduct that would have been agreed on with the government and they need to participate in such PPP projects in good faith. The private sector should not resort to bribery and other irregular practices to obtain contracts; neither should they agree to be party to these practices in the course of the infrastructure operations. Again the private partners have to participate in the government's strategies for communicating and consulting with the public. Further, Verger & Moschetti, 2016 advised that the private providers has to be mindful of the consequences of their actions for communities and they need to work together with the public authorities to avoid and also to mitigate any socially unacceptable outcomes.

In some of the valuable lessons of CSFs of educational PPP projects which have closed in the United Kingdom, Alert (2009) observes that PPP projects normally require a considerable more time and work than people anticipate for it to be successful. He highlighted that to close a successful project, a four- year time frame from commencement of the process to the full operation of a new educational facility is fairly standard. Another CSF is to buy in the other critical stakeholders. The involvement of the end-users has been considered by Alert (2009) as critical despite arguments by other authorities who view the process as expensive and slow. His main proposition is that positive aspects of these stakeholders' involvement outweigh those drawbacks. He posits that these end users like the teaching staff and students can have insights and needs that are invaluable to the success of the project. It is equally said that these stakeholders can provide 'ground level' advice as to how the educational facility needs to operate in practice which those further who are not in the day to day functioning of the education facilities cannot. Whereas the educational PPP sector is not as much common as, for example, the roads PPP sector. Alert (2009) observes that the use of PPP structures in education projects is set to continue and expand in the coming years. He further alluded to the fact that there is a steady stream of projects in the pipeline in a number of countries and the political appetite to the use of PPP structures as a tool to leverage the capital is on the rise.

Proceedings of the Workshop on PPPs in urban and social sectors, Crisil Infrastructure Advisory (2010) proposed some various key suggestions for stimulating private investments in education. Among these recommendations include the need to formulate a clear policy to promote PPPs in Educations. It was also suggested that there is need for the creation of institutional and regulatory mechanism including the establishment of accreditation agencies. It was also realised that there is need to develop appropriate models to attract private investment and at the same time keeping in view the government objectives and value chain. Still on the models, it was recommended that there is need to draft model contract documents which can be used by state agencies to develop project pipeline. It was equally recommended at the same workshop that there is need to launch pilot projects in order to test the models.

### ***2.10.1 PPPs and Good Governance***

The government is obliged to promote good governance based on certain generally accepted core principle. These core principles of good governance include: transparency, fairness, accountability, fairness, participation, efficiency and decency. To ensure good governance in PPPs, Quium (2011) proffers that the implementing agency should consider the following matters:

- a) A transparent and fair rule-bases administrative procedure by which projects and developed and procured;
- b) Fair incentives to all stakeholders and a just and fair return to all partners considering their level of involvement and assumption of risks;
- c) A broadly representative participatory decision-making process which takes into account concerns of all concerned stakeholders and even the adversely affected ones should be included;
- d) An agreed dispute resolution mechanism that guarantees continuation of services and prevents the failure of project;
- e) An ideal arrangement for the project delivery that will ensure efficient utilisation of human, financial, natural and other resources without sacrificing the needs of the future generations;
- f) An arrangement that will improve and ensure public security and safety, as well as environmental safety; and
- g) An arrangement for the improvement of essential public service without causing grievances to the people and which the public official will remain responsible to the society.

## **2.11 Educational Infrastructure PPPs - A Global Case Study Synthesis**

One good example of a neighbouring country that instituted an educational infrastructure PPP is Botswana at its Botswana International University of Science and Technology (Bayo, 2009). The rationale for adopting this PPP project was to establish the Science and Technology University (BIUST) that would have the capacity to enrol about 6000 students by 2020. This would expand the tertiary education opportunities for the region in general and expand human resources in science and technology in particular. Under such PPP arrangement, the private operator was expected to design, construct, finance, equip, and manage facilities of the new university under a 20 year PPP contract. The government of Botswana was however expected to retain the design and delivery of academic services. As of June 2009, four bidding consortia had been pre-qualified and RFP was expected to be issued by early 2010 (Bayo, 2009).

Other lessons of an educational infrastructure PPP can be drawn from United Emirates University. Bayo (2009) notes that the rationale for such a PPP arrangement was to consolidate multiple campuses of the UAE University on a new campus with an 80 hectares' land size. This \$410 million worth PPP project arrangement was to be operated under a 30-year BOT model. The project which won the 2007 Middle East deal of the year involved the private sector financing, constructing and managing the campus facilities with a campus to serve a student population of 15000. The deal which realised a financial closure in April 2007 was expected to complete the construction by the end of 2009. The project operated under a performance based contract managed to perform well, the results of which earned it a 2007 Middle East Deal of the year (Bayo, 2009).

Wayne State University residential facility- The University engaged a private partner to demolish an existing 407- bed apartment and to replace it with a new renovated residential space. To expedite construction, Renner (2019) narrates that the private partner secured a bridge financing as part of the overall capital stack and this was made easy because the university had made a guarantee of the expected revenue inflows through the leasing of the new beds. The university did not only lock in favourable financing terms, but equally moved much of the worry and risk from operations onto the private partner by engaging in a full PPP approach. This model involves design, construction, financing, operations and maintenance of the project over a 40-year life cycle, and as such freeing up university resources to focus on academic and other needs (Renner, 2019).

University of California, Merced, 2020 campus expansion- Besides the use of PPPs for residential projects as has always been the case, this university embarked on a rather new and ambitious of the PPP model to expand its campus. UC Merced 2020 is one such a campus wide expansion PPP project covering some 219 acres and almost two million square feet of new facilities (Renner, 2019). This US\$1.2 billion PPP project is regarded to the largest and most comprehensive PPP in American higher education and it covers academic, learning, administration, research, residential and utilities among other facilities.

The project embraced all project phases and employs an ‘availability’ payment method in which the university will compensate a concessionaire directly according to a predetermined formula and schedule for the post construction operations and maintenance of the facilities over a 39-year life cycle (Renner, 2019). The PPP agreement contained flexible provisions to account for a variety of outcomes and this includes a 50/50 split among partners for any future refinancing gains, as well as a 50/50 split regarding potential cost-saving measures introduced by the developer (Renner, 2019). This shadow tolling mechanism is essential for a partnership of this size and scale. Again such a partnership requires a solid relationship and an agreement that is capable of accommodating changing conditions.

Lessons for other higher education institutions- The above success PPP projects suggest some lessons for other institutions of higher learning. Tapping into the full potential of the PPP model greatly depends on assembling the right partners. Renner (2019) suggests that a well-rounded PPP team should include people with high-level expertise in private-development equity, architecture, engineering, contracting and law. Besides access to innovation and best-in-class skills, Renner (2019) asserts that the team concept is equally essential because PPP projects are long term in nature. The relationship on which PPP projects depend on usually span many years and as such higher education participants need to carefully develop a perfect criterion for evaluating potential partners (Renner, 2019).

It is also advised to select partners who have demonstrated the stability and commitment required to see projects through to completion. Renner (2019) suggest that higher education administrators should carefully study their potential partners’ portfolio of projects and evaluate how each dealt with the inevitable circumstances and how they managed it afterwards. An institutional champion who advocates for the PPP solution and oversee the process through to its completion is regarded as another crucial lesson that can be drawn from Wayne State

University and University of California (Renner, 2019). These champions play a crucial in securing the buy-in for the project at the earliest possible stage and developing strategies that would overcome any obstacles. Establishing consensus on the campus is also considered critical as it provides potential private partners that required assurance to commit fully to a PPP project and it also assist to secure the best pool of PPP talent. It is unlikely that the fiscal constraints facing Zimbabwe state universities will greatly improve over the next decade and these institutions should adopt such lessons and consider educational infrastructure PPPs option more seriously.

### **2.12 Debates on ‘One Size Fit All Approach’ to PPPs**

In their comparative analysis of the historical development of three contemporary PPP programmes in British Columbia (BC) (Canada), Victoria (Australia) and South Africa, Jooste, et al. (2011) concluded that PPP programmes are implemented differently in different regions. Their study challenged the ‘one size fit all’ view of PPP programmes as it went on to show how the UK’s private finance initiative as one of the first PPP models was adopted and modified in each of the cases, leading to different field structures. They thus drew the further conclusions that there is equally need for a context- specific approach to explain and predict PPP field development. These sentiments justify the rationale for this particular study of the need to establish the sector, context specific critical factors affecting the implementation of PPPs as a funding option for infrastructure development. In this case the study is concerned on the understanding of PPP implementation experiences of educational infrastructure PPP in Zimbabwe state universities in the context that the PPPs function differently in different context and sectors.

Jooste et al. (2011) observes that the shortcomings of the extant PPP literature to date has been its normative approach to the subject, creating, in effect, a ‘one size fits all’ view of PPP programmes yet these programmes are implemented differently in different regions. Their argument is that PPP programmes perform differently because the PPP-enabling fields are different. By PPP- enabling field, the authors relate to the network of PPP-enabling organisations such as Sponsoring Departments, PPP Units, Transaction Advisors, Transaction Auditors, Public Regulators, Non- public regulators, Advocacy Associations and Local, Regional and Multinational Development Agencies. As such the PPP-enabling fields are not similar from one region to another and such are PPP programmes because the socio-economic and political environment are equally different. They therefore recommend that PPP-enabling

field as well as the broader political and societal environment must be taken into consideration during the conception and design of PPP programmes.

### **2.13 Summary**

This chapter has discussed various theoretical and conceptual frameworks for understanding the PPPs, their evolution, justification as an alternative funding option for infrastructure development. Relevant recent literature that enhances an understanding of PPPs in various nature and their application in different context and sectors was also explored. Again literature analysis was done to understand the rationale and justification of PPPs, evolution of PPPs in both developed and developing countries, and inherent constraints and growth factors of PPPs in developing countries and its social sectors particularly the education sector. The chapter also carried out some reviews on literature with regard implementation processes of PPPs and established extant critical success factors for PPPs in general and narrowly to the educational infrastructure sector. Some global case synthesis was also conducted in need to understand the progress and implementation experiences of educational infrastructure PPP in state universities of other countries.

## **CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY**

### **3.1 Introduction**

This chapter presents an overview of the research design and methodology for conducting this empirical study. The rationale for explicating on the research design and methodology is premised on giving a depiction of how the study will be conducted, analysed and presented. The purpose of the study was to explore Zimbabwe state universities' experiences with PPPs to better appreciate the critical factors affecting the use PPPs as an alternative funding approach for educational infrastructure development and how such factors inform the extant CSFs models of PPPs. This chapter explains the research design, research methodology, the study population and sample, and sampling techniques. In addition, the chapter also illuminates on the data collection methods and instruments as well as the data presentation and analysis plan. The ethical considerations and issues of validity and reliability of both the data collection instruments and the collected data are also described.

### **3.2 Research Design**

A research design is an overarching strategy for unearthing useful answers to the problem (Randolph, 2009). As Morse (2003) adds, a research design is a blue print for conducting a study with maximum control over factors that may interfere with the validity of the findings. Research design thus is a logical sequence that connects the empirical data to a study's initial research questions. Research designs as types of inquiry are found in qualitative, quantitative and mixed approaches and they usually provide specific direction for procedures in a research design (Creswell, 2014). Some scholars like Amis (2011) calls them strategies of inquiry.

This study used case study as a research design. A case study investigates an empirical topic following a set of desired procedures. As Kothari et al (2014) assert, case studies research projects attempt to explain holistically the dynamics of a certain historical period of a particular social unit. A case study lays emphasis on detailed contextual analysis of a limited number of events or conditions as well as exploring their relationships. Jensen & Rodgers (2001) classified case study into five types, namely: snapshot, longitudinal, pre-post, patchwork and comparative. Another classification based on the purpose of a particular case study was done by (Yin, 1994). He classified case studies as explanatory, descriptive and exploratory. According to Yin (1994), explanatory cases aim to explain causes underlying phenomenon.

Descriptive cases on the other hand aim essentially to document or classify a situation. Exploratory deals with fieldwork and data collection undertaken prior to the definition of the research questions and hypothesis. This study thus subscribes to the explanatory-descriptive case study.

A case study can cover multiple cases and then at the end draw a single set of ‘cross- case conclusion’ (Yin, 2012). A case study can include single or multiple cases and it is a useful method in doing evaluations. A case study investigates a contemporary phenomenon (the ‘case’) in its real-world context, especially when the boundaries between phenomenon and context may not be clearly evident (Yin, 2012). In this study an explanatory-descriptive multi-case study research design examined the four Zimbabwe state universities’ experiences with the use of educational infrastructure PPP in their natural setting. These universities include; Harare Institute of Technology (HIT), Midlands State University (MSU), Great Zimbabwe University (GZU) and National University of Science and Technology (NUST).

A multiple-case study was useful in investigating the evolution, rationale and application of infrastructure PPPs, interrogating and understanding the policy, legal, institutional and process framework of PPPs in Zimbabwe state institutions of higher education. It also assisted in exploring the critical factors hampering the uptake and implementation of infrastructure PPPs in Zimbabwe state universities.

A case study describe systematically, factually and accurately the characteristics of an existing phenomenon (Strauss & Corbin, 2008). The case study’s unique strength is in its ability to deal with a full variety of evidence which includes; documents, artefacts, interviews, and observations beyond what some might be available in a conventional historical study for example (Yin, 2012). The study undertook an analysis of relevant documents and records and also collected data through key informant interviews as well as observations. The use of multiple sources of evidence in a case study design converges and results into triangulation fashion and result. Triangulation of various data collection methods such as key informant interviews and documentary reviews assisted the study to achieve a detailed and in-depth data analysis of Zimbabwe state universities’ experiences with PPPs in educational infrastructure development and to understand the causes for the implementation inertia of such an initiative in this sector.

This design of inquiry is found in many fields particularly in evaluation, in which the research seeks to develop an in-depth analysis of a case, often a programme, event, activity, process, or one or more individuals (Creswell, 2014). A case study research design was used because the emphasis was on a holistic and in-depth investigation of Zimbabwe state universities' experiences with PPPs to better appreciate the critical factors hampering the use of PPPs as an alternative approach for educational infrastructure development and how such factors inform the extant CSFs models of PPPs.

### **3.3 Research Methodology**

Qualitative research methodology was used in this research. Qualitative research is a form of inquiry that investigates phenomena in their natural settings and uses multiple methods to interpret, understand, explain and bring meaning to them (Anderson & Asernhault, 2005). Qualitative research is centrally concerned with understanding phenomena rather than measuring them (Creswell, 2014). Various scholars today concur that qualitative research methodology; entails exploration of phenomena in their natural setting, relies on the researcher as the key instrument, makes use of multiple sources of data, relies on participants meaning, data is inductively and deductively analysed, make use of flexible and emergent design, emphasises on reflexivity and holistic account (Creswell, 2014; Mashall & Rossman, 2014; Hatch, 2002). Qualitative methodology is also linked to case study orientation, discovery, exploration and constructivist philosophical approaches of inquiry and is considered highly flexible than quantitative approaches.

Qualitative research methodology was chosen in this study primarily because the study involved a holistic and in-depth investigation of Zimbabwe state universities' experiences with PPPs to better appreciate the critical factors hampering the use PPPs as an alternative approach for educational infrastructure development and how such factors inform the extant CSFs models of PPPs. In the same vein the study developed a sector specific Educational Infrastructure Critical Success Factor Model (EICSFM) for PPPs that outline various key conditions required to enhance the implementation of educational infrastructure PPPs in state universities, lure private partners and enhance prolific PPPs for social infrastructure. Therefore, there was much need to investigate State universities and other key concerned institutions in their natural settings using multiple methods in order to better interpret, understand, explain and bring meaning to the implementation experiences of PPPs in Zimbabwe institutions of higher learning. Zimbabwe state universities as case studies were explored in their natural

setting and key informant interviews, qualitative observations, documentary analysis, verbal quotations as well as a reflection of people's attitudes, beliefs and experiences were used to understand the implementation experiences of educational infrastructure PPPs and how such experiences conform or rebel to the extant international PPP implementation experiences. Perspectives about the PPP implementation experience in Zimbabwe state universities in this study was sought from participants from the public sector, private sector, PPP experts, academics and from documentary analysis with the intention of extracting a clear and holistic picture of the issue under study. The merits to qualitative research is that it involves descriptive data that is made of words rather than numbers (Rudestam & Newton, 2014).

### **3.4 Study Population and Sample**

A population is considered to be any group of people who share a common set of traits and as such are of interest to the research. A research population is a collection of all units of study which the research wishes to make a specific analysis and conclusions on (Kothari et al., 2014). Research population assist to decide which unit to include and which to exclude from the group of study. Key stakeholders from both the public and private involved in the educational infrastructure development in state institutions of higher education formed part of the study population. Furthermore, the target population comprised of the infrastructure PPP policy community and as such stakeholders particularly in educational infrastructure PPPs who were considered to be relevant to provide relevant responses to the key questions of the study.

The target population constituted of Zimbabwe state universities, the Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development, Ministry of Finance and Economic Development and Zimbabwe Council of Higher Education (ZIMCHE). Selected relevant potential private capital investors and financial institutions who are keen to partner government in educational infrastructure were considered as some of the target population. Independent PPP experts and academic personnel were also part of the target population.

A sample is considered as a set of elements which are superlatively representative of the population (Peil, 1982). A sample of 19 participants was chosen for this study. Zimbabwe has 12 state universities and the study chose to use 4 of them which include: Harare Institute of Technology (HIT) Midlands State universities (MSU), Great Zimbabwe University (GZU) and National University of Science Education (NUST). A Pro Vice Chancellor-Business Development and Strategic Partnerships from each of the four State universities was considered

for an in-depth interview. One Director of University Education, Director of Finance, Director of Research, Development and Innovations and Director of Legal Services from the Ministry of Higher and Technology Education, and one Director of Quality Assurance from Zimbabwe Council for Higher Education (ZIMCHE) also formed part of the sampled participants. Furthermore, the sample also constituted of one Director of the Joint Venture Unit from the Ministry of Finance and Economic Development. Four relevant potential private investors and two financial institutions that have once partnered or are keen to partner government in educational infrastructure were selected to represent the private sector. Two PPP experts and one academic personality also formed part of the sample.

### **3.5 Sampling and Sampling Techniques**

Sampling techniques refers to the methods used for selecting study participants from a broader population. Kothari (2004) defines sampling techniques as plans that are used to obtain a sample from the entire population. Given the qualitative nature of this study, a non-probability sampling technique in form of a purposive sampling technique was adopted. The choice of this technique is highly informed by the requirement to a sample that constitute participants with expertise in the field under study. Purposive sampling was used to select participants who have the knowledge on the implementation of PPPs for educational infrastructure development in state universities in Zimbabwe.

#### ***3.5.1 Purposive Sampling***

This study made use of the purposive sampling technique in selecting research participants. Purposive sampling entails deliberate selection of participants for their ability to provide rich information (Graziano & Raulin, 2010). This technique thus involves the selection of participants basing on the subjective views of the researcher to obtain answers to the research. Purposive sampling is broadly used in qualitative research for the aim of identification and selection of information rich cases related to the phenomenon of interest (Creswell, 2014). Similarly referred to as judgemental, subjective or selective sampling, purposive sampling relies on the judgement of the researcher when it comes to the selection of units such as people, events, cases or organisations, and pieces of data to studied (Saunders et al., 2016). This type of sampling is confined to participants who could provide the desired information. In this case key informants from the public sector and private sector were purposively selected to provide an in depth reflections on Zimbabwe state universities experiences with the use of PPPs as an alternative funding option for educational infrastructure development. PPP is such a technical

concept hence the respondents with the understanding of it had to be purposively selected to respond to research questions.

Purposive sampling technique was used in this study to select all Pro-VC-Business Development and Strategic Partnerships from the State universities. From these key participants, the study sought to understand from them PPP implementation progress, successes cases, most preferred PPP models and area, challenges hampering PPPs, adequacy of the existing policy, legal, institutional and process frameworks guiding PPP implementation and also suggestions for improved PPP implementation in Zimbabwe state universities. Participants from the MHTEISTD were also selected using purposive sampling technique.

A Director of University Education from this ministry informed the study with regard to the evolution of university education in Zimbabwe, experiences and challenges of the use of PPPs for educational infrastructure development in Zimbabwe institutions of higher learning. Furthermore, the Director informed on the adequacy of policy, legal, institutional and process frameworks guiding PPPs in Zimbabwe and how they have impacted on the uptake of PPP in state universities. Furthermore, the Director of the Joint Venture Unit in the Ministry of Finance and Economic Development who furnished the researcher with information relating to PPP processes and financial implication of PPPs and how that has influenced the uptake of PPPs in Zimbabwe was also selected using this same sampling technique.

Purposive sampling technique was also used to select the Director of Quality Assurance from Zimbabwe Council for Higher Education (ZIMCHE). This Director provided information with regard to the impact of educational infrastructure on education quality assurance and possible causes of PPP low uptake in state universities. The Director also shared experience of how PPPs are conducted in State universities of other countries and as such he also proffered a number of suggestions that Zimbabwe should emulate if they are to institute effective and sustainable PPP projects in Zimbabwe state universities. ZIMCHE constitute of eminent academics and other professionals responsible for the regulation and control of higher and tertiary education sector. The study also intends to understand the proposition by this board on the possible way forward that would necessitate the uptake of educational PPPs so as to address the infrastructure gaps in Zimbabwe state universities.

Representing the private sector and the financial service sector in particular, one which is Commercial Bank of Zimbabwe (CBZ) and a Development Finance Institution, the Infrastructure Development of Zimbabwe (IDBZ) were also selected using purposive sampling technique. These two institutions reflected on the stability and adequacy of financial institutions to finance Infrastructure PPPs projects. Two PPP expert from the Zimbabwe Economic Policy Analysis Research Unit (ZEPARU) and Zimbabwe National Chamber of Commerce were also selected using the same technique of purposive sampling. These PPP experts provided an overview on the country's experience with PPPs, challenges and some CSFs for implementation of these PPPs in the social sector in general and the education sector in particular. The same critical case purposive sampling techniques was used to select an academic personality who provided an academic and theoretical explanation of PPPs and its trend, challenges and prospects in Zimbabwe. This personality, a Doctor in the field of Public Administration provided an academic and theoretical explanation of PPPs, its evolution trends, challenges and prospects in Zimbabwe. He also outlined the possible CSFs for the successful uptake and implementation of educational infrastructure PPPs in Zimbabwe.

Local and international private investors who are involved in infrastructure investment or financing of the infrastructure development projects were also selected using purposive sampling technique. The study thus targeted participants from the pension industries, capital markets, construction industry and other private consortiums. Purposive sampling technique was used to select four private capital investors who have partnered or are willing to partner the government in the educational infrastructure development. These companies provided their views, experience and expectations in educational infrastructure PPPs. Furthermore, they also outlined their preferred risk sharing modalities. The study also ascertained whether the private sector is conversant enough to undertake PPP projects from the responsive given by these companies. Maximum variation purposive sampling was used in this study to select four of the twelve Zimbabwe state universities. The selected institutions include: Harare Institute of Technology (HIT), Midlands State universities (MSU), Great Zimbabwe University (GZU) and National University of Science and Technology (NUST).

Maximum variation sampling technique is whereby the participants are selected to provide diverse range of cases relevant to a particular phenomenon (Kakuru, 2019). This purpose of using this technique for selecting participating universities was ensuring that the research extracts as much diverse insights as possible with regard to the implementation experiences of

PPP Zimbabwe state universities. The research ensured variation from the selected universities in terms of age, university mandates and size. This was done to secure varied experience from universities of different ages in term of their years of establishment, different mandates and different sizes. NUST is the second oldest university in terms of establishment after University of Zimbabwe and has the Science education mandate and its set up model of resembles that of UZ. Midlands State University is on record the largest State University in terms of enrolment and has been radical in it development has various campus in different places. GZU was equally selected because it resembled the approach of MSU in terms of multi-campus system and rapid expansion even though their mandates differ. HIT, even though it is not the youngest in terms of establishment, represents a small university with less student population and has a unique mandate.

### **3.6 Data Collection Methods**

The choice of the data collection methods in this study was generally informed by the research methodology, scope of the study and generally by the need to ensure methodological triangulation. The aim of the study was to explore the Zimbabwe state universities' experiences with the use of PPPs for educational infrastructure developments and obtain a deeper understanding on the factors that that are hindering their uptake and implementation. Primary data collection methods in the form of key informant interviews and observations, and secondary sources of data through documentary search were used as data collection methods.

#### ***3.6.1 Primary Data Collection***

Primary data collection is a vital and absolutely central part of research. This research used key informant interviews and qualitative observations as research methods in this multi-case study. These methods sufficed in obtaining the diverse experiences of different stakeholders involved in the implementation of educational infrastructure PPPs in Zimbabwe state universities.

##### ***3.5.1.1 Key Informant Interviews***

An interview entails an interchange of views between two or more people on a topic of mutual interest seeing the centrality of human interaction of research data (Kothari, 2004). It is regarded as guided conversation instead of structured query. An interview is thus a conversation that has a purpose and is one of the most significant sources of case study data as most case studies are about human affairs (Yin, 2012). A key informant interview was used in this research.

Key informant interviews involve one person asking another person a list of prearranged questions about a carefully particular topic and the interviewer is allowed to explain things that the interviewee does not understand or finds confusing (Yin, 2012). In-depth interviews targets informed participants who in most cases occupy positions of influence in the decision-making system. Scott (1990) laments that a key informant interview is a loosely structured conversation with people who have specialised knowledge about the topic you wish to understand.

The following participants were subjected to this type of interview: selected key participants from the four state universities- Pro-Vice Chancellor- Business Development (HIT, MSU, NUST, GZU) (see Annexure D), Director of Quality Assurance from ZIMCHE (see Annexure B), Director of University Education from the MHTESTD, Director of Legal Affairs in the MHTEISTD, Director of Finance in MHTESTD, Director of Research and Policy Development in the MHTEISTD (see Annexure A), Director of the Joint Venture Unit in the MFED (see Annexure C), PPP experts and an academic personality (see Annexure G). Key informant interviews assisted the research to obtain data on the evolution, rationale and contending paradigms with regard to the use of PPPs as an alternative model for the development of educational infrastructure in Zimbabwe state universities. Through key interviews the research also extracted information with regards to the adequacy of the extant policy, legal, institutional and process frameworks governing the implementation of infrastructure PPPs at state institutions of higher and tertiary education in Zimbabwe. Furthermore, information about principal factors that are affecting the uptake and implementation of educational infrastructure PPPs in Zimbabwe institutions of higher learning were obtained through these key informant's interviews. The study also established the CSFs of the effective implementation of PPPs in Zimbabwe state universities also from suggestions submitted through key informant interviews.

Selected key participants from four state universities'; Harare Institute of Technology (HIT), Midlands State University (MSU), National University of Science Education (NUST) and Great Zimbabwe University (GZU) were subjected to key informant interviews (see Annexure D). These participants who were selected using critical purposive sampling shared their institutional experiences with the use of PPP as an alternative funding option for educational infrastructure development.

Participants from the MHTEISTD were also be subjected to key informant interviews and in this case the study targeted the Director of University Education (see Annexure A). The research however ended having key informant interview with three additional Directors for the MHTEISTD who also had valid information and these include: Director of Finance, Director of Legal Affairs and Director of Research, Development and Innovation. In-depth interviews provide both participants with an opportunity to respond to open-ended questions while on the other giving the researcher an opportunity to examine the participant's thoughts, feelings, opinions, perceptions, viewpoints and perspectives regarding the implementation experiences of educational infrastructure PPPs in Zimbabwe institutions on higher education.

The study was also extracted responses from MFED and as such the Director of the Joint Venture Unit in this ministry was the key informant interviewee in this case (see Annexure C). The Director of the Joint Venture Unit from the Ministry of Finance and Economic Development furnished the study with information relating to the adoption and implementation processes PPP in Zimbabwe and also state universities. Key informant interview makes uses of an open ended discovery-oriented approach which allows the interviewer to deeply explore the respondent's feelings and perspective on a subject understudy (Guion, 2013). PPPs is a relatively new concept in Zimbabwe and is a knowledge oriented area and as such in-depth interviews with key informants allowed for a further probing and rephrasing of questions to make sure they are well understood. The MFED is usually responsible for all PPP projects and the Joint Venture Unit is also found in this ministry. The study was interested in understanding quite a number of aspects such as the PPP procurement process and other regulatory and institutional processes that guide the use of PPPs in Zimbabwe in general and in institutions of higher learning in particular.

The Director of Quality Assurance from the Zimbabwe Council of Higher Education (ZIMCHE) was also subjected to key informant interviews (see Annexure B). This Director provided information with regard to the impact of PPP on quality assurance, factors affecting PPPs in Zimbabwe state universities and suggestions that can promote uptake and implementation of PPPs in these institutions of higher learning. ZIMCHE board is made up of eminent academics and other professionals and is charged with formulating policies for development and control of higher and tertiary education sector. Key informant participants from four private capital investment companies, two financial institutions, a bank- Commercial Bank of Zimbabwe (CBZ) and a development financing institution- the Infrastructure

Development of Zimbabwe (IDBZ) were also interviewed (see Annexure F). Furthermore, the study interviewed two PPP experts from research institutions (see Annexure G); Zimbabwe National Chamber of Commerce (ZNCC) and Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU). An academic personality who is a doctoral degree holder in the field of Public Administration from a local state university also formed also subjected to key informant interviews (see Annexure H).

#### *3.5.1.2 Documentary analysis*

Documentary analysis on already existing documentary evidence was another qualitative data collection method used in this study. Documentary analysis focuses on investigation of various textual data from various primary and secondary sources both from the private and public domain (Creswell, 2014). Documentary analysis takes the more in-depth study of documents and also takes the form of literature review (Sarantakos, 2013). This qualitative data collection method is mainly used in case studies (Yin, 2012). In conjunction with studying people, this multiple case study undertook documentary analysis on both the primary data sources as well as the secondary data sources.

Primary documents are the ones compiled by the scholars either at the time of occurrence of the event or they provide first-hand information (Sarantakos, 2013). In this research the primary sources used include; resolutions, official speeches, official video and audio transcripts, policy documents and policy declarations, official correspondences, ministerial policy statements, administrative reports, newspapers and letters, memoranda, announcements and minutes of meetings relating to the implementation of educational infrastructure PPPs experiences in Zimbabwe state universities. Information obtained from PPP guidelines, ministerial statements, budgets, blue prints, mid-term policies, draft policy documents and feasibility studies, parliamentary debates and frameworks and administrative instruments also assisted to show the policy and legal frameworks guiding the application of PPPs in Zimbabwe.

Secondary data sources used include; archival material, other publications in the form of conference papers, government publications, newspapers, academic books and journals, minutes, statistical bulletin magazines, internet websites, PPP guidelines and frameworks, Constitution of Zimbabwe and relevant Acts of Parliament for the Universities, Ministries and ZIMCHE were explored in this study. Information obtained from PPP guidelines, ministerial statements, budgets, blue prints, mid-term policies, draft policy documents and feasibility

studies, parliamentary debates and frameworks and administrative instruments assisted to show the legal basis guiding the application of PPPs in Zimbabwe. Information from the universities, MHTEISTD and MFED, relevant newspaper articles, websites, academia, journals and assisted to reflect on the experiences of PPP implementation in Zimbabwe state universities. Conference papers, newspapers, internet website and electronic journal assisted to reflect on the experiences and challenges leading to implementation inertia of PPPs in Zimbabwe. Academic books provided some analysis of the extant theories and literature on PPPs.

### **3.7 Data Presentation and Analysis**

#### ***3.7.1 Data Presentation***

Data presentation refers to the organisation of data so that logical and statistical conclusions can be derived from the collected measurements (Creswell, 2014). This study made use of tables, diagrams and themes in the data presentation.

#### ***3.7.2 Data Analysis***

Data analysis as defined by Yin (2012) entails the examination, categorisation, tabulation or otherwise the combination of evidence to address the initial propositions of a study. Data analysis as a process involve inspecting, cleaning, transforming, and modelling of data with the goal of highlighting useful information, suggesting conclusions, and supporting decision making (Babbie, 2013). In analysing the data, this study was equally guided by research objectives propositions which are spelt in Chapter one. Qualitative content and thematic analysis approaches were used to analyse data in this study.

##### ***3.7.2.1 Qualitative Content Analysis***

Content analysis is a method of analysing written, verbal or visual communication Bryman & Bell (2015) This technique is about hermeneutical and dialectical interpretation of textual data through systematic coding of major themes, categories, clusters, and or cases in an attempt to extract deeper meanings and patterns within a written work (Mayring, 2014). In this study, data collected through documents was analysed by coding the data into themes. In this study, the data reduction involved reviewing documents for the relevancy to the research questions, identifying the specific questions to which they contributed, establishing the themes which they addressed, tagging the areas within each document where those themes are addressed and producing written summaries of each of the relevant documents. Relevant documents were

documents that: described the genesis of PPPs in Zimbabwe in general and in Zimbabwe state universities in particular, analysed the empirical contents of various key regulatory frameworks that guide PPPs, explained the various factors affecting the implementation of PPPs in Zimbabwe, and also pointed out to critical factors that can enhance effective implementation of PPPs in Zimbabwe's social sector in general and in the education sector in particular. This technique was used to analyse data drawn from artefacts such as pieces of legislations, reports, and newspaper articles, official video and audio transcripts relating to the use of PPPs as an alternative method for improving educational infrastructure in Zimbabwe. Content analysis technique was also used to analyse the contents of key informant interviews and arranged them into its relevant category as sub heading basing on the similarity of content.

#### *3.7.2.2 Qualitative Thematic Analysis*

Thematic analysis involves the identification of themes through careful reading and re-reading of the collected data ( Ezzy, 2002; Marshall & Rossman, 2014). The technique entails the examination and recording patterns of emerging themes from the data collected. The themes formed categories for analysis. This thematic approach involved coding of data from in-depth interviews and informal discussions according to emerging themes. It has been argued that themes are abstracts and often constructs that the researcher identifies before, during and after data collection. Themes are developed based on both relevant literatures reviewed for the study and from text recorded during interviews. The research first familiarized with the collected data by immersing into the data through reading and rereading the transcribed data. Data transcription was done to come up with major themes, patterns and meanings. Leedy & Ormrod (2013) suggested that when analysing qualitative data, the researcher has to organise the data in a logical way, categorize it into meaningful groups, then interpret it so as to establish major themes, patterns and meaning and finally generalize. Data collected through in-depth interviews was grouped into themes through a system of coding or indexing of the data with similar characteristics and then analysed on a theme by theme basis.

### **3.8 Validity and Reliability**

Research instruments should be appropriate in terms of accuracy, meaningfulness and credibility. Validity and reliability are very important features to be considered when evaluating a particular research instrument. The research instruments in this study were grounded on validity and reliability.

### **3.8.1 Validity**

Validity is the ability of a research instrument to measure what it is supposed to measure (Saunders & Tosey, 2013). Validity determines whether the research instrument truly measures that which it was intended to measure or the truthfulness of a measure (Lewis-Beck et al., 2012). A valid instrument should measure what it claims to measure. Creswell (2014) concurs adding that validity is the process of establishing the authenticity, credibility and accuracy of the research. Construct validity and expert validity were subscribed to in this study to support the validity of both the research instruments and the findings of the study. Construct validity were used to ensure the validity of the research instruments. Construct validity involve a measuring instrument to some overall theoretical framework to ensure that the measurement is actually logically related to other concepts in the framework (Creswell, 2014). To ensure construct validity, the study made use of literature review in the construction of measuring instruments- interview guides. To further improve the validity of the study, the key informant interview guides were constructed in such a way that they cover all the research objectives. Furthermore, the interview guides were taken for scrutiny by seasoned researchers for their input before administering to the participants such as PPP experts. The suggestions and comments of these resource persons were adopted in adjusting the interview guide to achieve better validity.

Triangulation strategy was also used to enhance the research validity and this involved the use of different data collection methods, such as key informant interviews, documentary analysis and observations in this qualitative research. Leedy & Ormrod (2013) assert that the use of different methods in concert enables them to compensate for the individual limitations and exploits their respective benefits. Site triangulation was used to instil validity of the study and this was achieved through the exploration of PPP implementation experiences in four State universities and not only in one institution of higher learning. Furthermore, Shenton (2004) relates that where similar results appear at different sites, findings will have a greater credibility in the eyes of the reader. This study also interviewed of a wide range of informants as another way of triangulation via data sources. This study obtained data from key informants from State universities, government ministries, academics, private sector, PPP experts and academics.

The emphasises here was that each individual experiences and viewpoints will be verified against others and, as such rich picture of the attitudes, behaviour or needs of those under scrutiny would be created based on the contributions of a range of people. Member checks has

been considered to be the most important provision to bolster a study's validity and in this case informants were asked to read transcripts of dialogues in which they have participated in order to check whether their words match what they actually intended and whether the articulation in the recorded material have been accurately captured. The research wanted a lot of verification and clarity in establishing the CSFs for PPPs in Zimbabwe state universities and as such member checking was very crucial in order to bolster this study's validity.

### **3.8.2 Reliability**

The term reliability refers to the extent to which the research instrument is able to produce similar results under similar conditions on all occasions (Bryman & Bell, 2015). Supporting the same sentiments. Lohr (2002) further wrote that reliability is the extent to which independent administration of the same instrument yields the same results under comparable conditions. Reliability is thus synonymous with dependability, stability, consistency, predictability and generalisability. The consistency of a measure is thus referred to as reliability (Bryman & Bell, 2015). An instrument is considered to have a high reliability if it can be trusted to give an accurate and consistent measurement of an unchanging value (Bryman & Bell, 2015). Reliability as such implies that the study can be repeated and it yields the same results. On reliability check, the focus is on the repeatability of the findings and conclusions if a similar research is to be carried out by another investigator using the same unit of analysis and similar methodology (Yin, 2009). To ensure the reliability, the interview guides in this guide were pretested to other purposively selected participants through a pilot study. A pilot study is a rehearsal of what going to transpire in the practical arena (Leedy & Ormarod, 2012). The idea of pre-testing is necessitated by the need to ensure that any potential problems of the instruments are identified on a small scale before being administered on a large scale study. In this case the reliability of the study was ensured as any inconsistencies were verified.

### **3.9 Ethical Considerations**

Different ethical issues which relate to different phases of inquiry were taken into account. Prior to beginning of the study, research plans were approved by the Faculty Higher Degrees Committee (see Annexure I) on the university campus. Necessary permissions of individuals in authority (gatekeepers) to gain access to sites and study participants were sought from the respective gatekeepers. Participants were informed that participation in the study was voluntary and thus were not forced to sign the informed consent for the study. During the collection of data, the research respected the sites such that they are left undisturbed after the research study.

The key informant interviews were recorded in which consent of the participant was sought first. The participants were assured that the recordings were to be destroyed after data transcription. During the data analysis the research avoided such unethical conducts as data falsification and fabrication by being accurate, nonbiased and honest, data triangulation and member checking to ensure the truth of the data. Furthermore, during the analysis, the study respected the privacy of the participants through the use of aliases or pseudonyms and designates for individuals as advised by (Creswell, 2014). The research also reported the work honestly using clear straightforward language, avoided plagiarism and disclosing information that can harm the participants (for examples, names) but rather maintained confidentiality and used just designates in some cases. The study was also subjected to a software that checks plagiarism. The findings of the study were shared through publications in some of the highly accredited peer reviewed journals. Lastly the research gave credit for ownership to the researcher, appreciated the participants, advisors and funders as advised by (Creswell, 2014).

### **3.10 Summary**

This chapter outlined how the study was conducted. The emphasis of the chapter was on deliberating the research design, research methodology, philosophical frameworks, target population, the sample and the sampling techniques. The chapter outlined and justified the use of explanatory-descriptive multiple case study design as well as the policy interpretive qualitative research methodology and constructivism as research philosophical framework. The emphasis of this chapter was on deliberating the research design, methodology, population, sample and sampling methods. The chapter also explained and justified the number of key informant participants interviewed and how these were sampled using both critical, criterion and maximum variation purposive sampling technique. In addition, the chapter outlined how the data was collected from both the primary and secondary sources. Limitations of each data collection methods were highlighted and measures to redress them were also identified and discussed. Furthermore, measures to ensure validity and reliability of the study were also discussed in this chapter. The data collection procedures and the data analysis procedure were also presented. Furthermore, the ethical considerations to be taken into perspective when carrying out the study were also outlined.

## **CHAPTER FOUR: EVOLUTION OF PUBLIC PRIVATE PARTNERSHIPS IN ZIMBABWE STATE UNIVERSITIES**

### **4.1 Introduction**

This chapter undertakes an empirical assessment of PPPs as an alternative funding option for educational infrastructure development in Zimbabwe state universities. The chapter is divided into three sections. The first section traces the evolution of PPPs in Zimbabwe in general and then narrows it to Zimbabwe state universities in particular. The second section explores on the rationale or motivations for the use of PPP in these State universities. The third section makes some reflections and analysis on the other traditional funding options available to finance capital projects to establish and understand their strength and weakness and how they compare to PPPs.

### **4.2 The Evolution of PPP in Zimbabwe**

Documentary analysis revealed that PPPs were mooted way back in 1998 by the Zimbabwean government as a viable tool for unlocking private sector support in funding maintenance and development of critical public infrastructure. In 2004 the government recognised the critical role of the private sector in the provision of the country's public infrastructure. The 2004 Zimbabwe national budget captured that:

*Government as the traditional financier and provider of the infrastructure services is facing severe financial constraints. Therefore, the Government will involve the private sector through concessions and Build Operate Transfer (BOT) schemes in order to meet the gap.*

In response to the realisation of the critical role of the private sector, the Government developed the framework underpinning PPP investment in the country (Zimbabwe National Chamber Of Commerce, 2009). The framework was in the form of Public - Private Partnership in Zimbabwe Policy and Guidelines of 2004, which sought to provide the parameters for the development of an appropriate legal and regulatory framework to protect the investors and consumers (Zimbabwe National Chamber Of Commerce, 2009).

The established guidelines indicated the criteria and procedures for the award of contracts including the principle and elements of the implementation process of Build-Operate-Transfer

and concession projects. They also state that PPPs shall take various forms such as management contracts, leases, concessions, de-monopolisation and full divesture (sale) of enterprises where possible. They also indicated the specialised institutional arrangements to facilitate the promotion and co-ordination of the PPP process and project implementation monitoring and termination of contracts. Various incentives were crafted by the Zimbabwe Investment Authority (ZIA) in an effort to lure investors into PPP arrangements (<http://www.zia.co.zw>). These Guidelines however never really took off in a significant fashion even though some there are PPP projects that recorded a success in the Zimbabwe. Some of these projects include Beitbridge Bulawayo Railway (BBR), the New Limpopo Bridge (NLB) and the Newlands Bypass (NBP) (Dube & Chigumira, 2011).

The Newlands Bypass which was done on a build and transfer (BT) basis was completed in 2007 upon which the constructor handed it over to the government. The New Limpopo Bridge (NLB) which is regarded to be the first BOT project in the African continent and was awarded to a private player in 1993 by the Government of Zimbabwe and South Africa was completed in thirteen months (Dube & Chigumira, 2011). The project involved the construction of a toll bridge over the Limpopo River. Zinyama & Nhema (2015) observes that the New Limpopo Bridge (Pvt) Ltd, a company which is still operating the bridge has managed computerise its systems in an effort to ease procedures involved in crossing the border and promote trade and development. The Beitbridge Bulawayo Railway (BBR) project was also another project implemented in Zimbabwe on a BOT basis by the Beitbridge Bulawayo Railway (Pvt) limited, a subsidiary company of NLPI Ltd. The major motivational factor behind BBR was the need to enhance the transportation of fuel into the southern parts of Zimbabwe (Zinyama & Nhema, 2015). Despite these cited successful cases in Zimbabwe, the uptake of PPPs as an alternative funding option has been depressingly low.

Five years on from 2004, the government openly admitted that PPPs programmes had ‘fail to take off’ hence the two-day workshop held in Harare on May 9, 2009 to review the country’s PPP policies and guidelines passed in 2004 and to incorporate input from other stakeholders and enhance the role of private sector in the provision of both infrastructure and basic social services. The government considered harmonising all PPP related institutional, legal and policy frameworks, to make them transparent and responsive to the needs of both investors who bear the commercial risk and consumers who should afford the services (Zimbabwe National Chamber Of Commerce, 2009). The Short Term Economic Recovery Programme (STERP), an

economic blueprint adopted during Zimbabwe inclusive government in 2009 then clearly adopted PPPs as a procurement method to deliver public infrastructure and services (section 434-440), and reinforced the 2004 PPP Policy (Government of Zimbabwe, 2013). PPPs in this line were provided for under the private sector invitation in such areas as air and rail services, power generation, dam construction and national highways (Ministry of Finance, 2009). They were further reconfirmed under the Three Year Macro-Economic Policy and budget Framework (STERP II) which emphasised the use of PPP for the upgrading of road capacity, new construction works and maintenance (Zinyama & Nhema, 2015).

Furthermore, in 2010 the inclusive government through the office of the former Deputy Prime Minister (Professor Auther Mutambara), also made some renewed efforts to revitalise PPPs following a series of workshops on PPP which were undertaken in Zimbabwe focussing on the issues to be addressed for successful PPP between 2009 and 2010. Various PPP documents were also designed and presented to anchor the future road towards PPP in Zimbabwe. These documents include the PPP policy, (2010); PPP guidelines, (2010); Legislative Review for Zimbabwe, (2010); and the institutional Framework, PPP, (2010). These documents form the basis upon which PPPs would be structured (Zimbabwe National Chamber Of Commerce, 2009). The legal framework guiding the PPP arrangements was then enacted in 2015 in the form of a Joint Venture Act of 2015.

There are several factors that help account for the increased interest and popularity of PPPs. In the context of the developing countries, the added pressure from the international financial institutions such as the World Bank (WB) and International Monetary Fund (IMF) to shift to an efficient and facilitative role of government and adopt principles of market liberalization and privatization forced many to subscribe to the PPP approach (Walter, 2011). PPPs have become a rather popular institutional arrangement, as they are perceived to remedy a lack of dynamism in traditional public service delivery. Even though PPPs are unlikely to fully replace the traditional financing and development of infrastructure, they offer several benefits to the government trying to address infrastructure shortages or improve the efficiency of their organisations (Egger, 2006).

The above submissions relate to the Zimbabwean case in adopting PPPs. The government wanted to roll back the state and at the same time liberalise the market through inviting the private player in areas that used to be a preserve of the state. In this way the government was

operating in line with the provision of the New Public Management theory. This NPM theory acknowledges the accommodation of the private players through partnerships for the provision of public goods like educational infrastructure in state universities in this case. Public-private partnerships consist of organisations from public as well as from private sector working together in order to satisfy public needs. PPP as new concepts in New Public Management were designed in an effort to overcome inefficient allocation of resources in public bureaucracy and production of public goods and services (Rakić & Rađenović, 2011).

### **4.3 The Development of PPPs in Zimbabwe State Universities**

The government of Zimbabwe made renewed efforts to standardise and accelerate PPPs in the tertiary education sector in 2010 even though some PPP arrangements were already underway in other universities. In its efforts, the Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development developed an Operational Guidelines for the Implementation of Joint Venture Partnerships at State universities of Higher and Tertiary Education in Zimbabwe (2015). These Guidelines acknowledge that the Government cannot adequately provide public infrastructure and deliver quality services in institutions of higher and tertiary education on its own. As such Joint Venture Partnerships (JVPs) have therefore been reemphasised as the way to refurbish, rehabilitate, build and sustain infrastructural development in higher and tertiary education institutions.

The Ministry of Finance and Economic Development outlined in the guide therefore that PPPs or JVPs in institutions of higher and tertiary education would involve the sharing of responsibilities between the government and the private sector to finance as well as manage a package of capital investment in educational infrastructure such as accommodation and other related infrastructure in state institutions of higher learning such as universities, polytechnics and Teachers' colleges. Such shared responsibilities according to the operational guideline include the construction, management, refurbishment, maintenance and replacement of public sector assets such as student and staff accommodation and this was to be done in line with the Joint Venture Bill of 2015 which was proposed in the Parliament. It was equally recommended that a Special Purpose Vehicle (SPV) which is an operating company should be established as a form of JV to roll out the proposed projects.

The enunciation of JVPs was guided by the government's vision to promote public and private sector collaborations to support infrastructure development in these institutions of higher and

tertiary education. In the same vein the government then used the guideline as a launch pad to establish a framework to harmonise JVP arrangements in the higher and tertiary education sector. The specific objectives of the operational guidelines include among others: to standardise the section and contracting of partners for JVPs by institutions, creations of JVPs Committees in these institutions as well as setting out guides for the monitoring and evaluation process for JVPs projects (Government of Zimbabwe, 2010a).

Extant literature shows that PPPs can be an effective tool particularly in the delivery of educational infrastructure. PPPs have generally proven to be a valuable alternative funding options especially in countries such as United States of America, Netherlands, United Kingdom and Germany (Nuwagaba, 2013). Arguments in the international literature also suggest that PPPs can positively transform higher education as it leads to increased access, competition, efficiency and quality (Patrinos et al., 2009). PPPs have become a useful way to increase the funding available for constructing or upgrading school buildings and often yield better value for money than traditional public sector investments. In the Zimbabwe context, the study established a plethora of reasons which motivated the government to adopt PPP as an alternative funding option for capital projects in state universities and the following sections discusses these.

#### **4.4 Rationale for The Adoption of PPPs for Educational Infrastructure in Zimbabwe State Universities**

The increased infrastructure gaps in Zimbabwe state universities have been widely perceived as a justification why the government of Zimbabwe undertook to adopt PPPs. They were adopted as a way to improve the educational infrastructure at a time when the government was facing some economic meltdown and fiscal pressure. Zimbabwe came under pressure to expand university education in 1998 and yet it had very limited resources to do so. The expansion of tertiary education in Zimbabwe, particularly state universities resulted in the increase in demand for requisite infrastructure facilities for teaching, learning and accommodation. The number of state universities rose from five in 2000 to nine in 2014 and twelve by the year 2018. This increase of Zimbabwe state universities post 2000 era however did not commensurate with the government infrastructural support which was dwindling every year (Dube & Chigumira, 2010). As observed by Dube & Chigumira (2010), the rise of State universities without adequate infrastructural support created huge infrastructural gap. Various other reasons were pointed out by research participants as the motivations that therefore

necessitated the adoption of PPPs by the government as an alternative funding option for educational infrastructure development. The following subsections discuss these rationales:

#### ***4.4.1 Fiscal Challenges***

Most of the public sector participants including; the Ministry of Finance and Economic Development (MFED), Ministry of Higher and Tertiary Education, Science and Technological Development (MHTE), State universities, and Zimbabwe Council for Higher Education (ZIMCHE) concurred that the fiscal challenge is one of the major reasons that necessitated the Zimbabwe government to consider PPPs to foster educational infrastructure development in Zimbabwe state universities. They alluded that the government did not and still does not have adequate resources to finance infrastructure development and other capital projects and as such it realised that the government can tap such needed resources from the private sector which do have them but do not have the mandate for such projects.

A participant, a Director in the MHTEISTD said that the government could not fund infrastructure development from the national budgets and as such they had to incorporate the potentials of the private sector in their planning. His arguments were that the funding of capital projects like educational infrastructure development through the public purse had become impossible because a large percent of the budgetary allocation was catering for current expenditure and the allocation for capital expenditure had become very much inadequate. He also lamented that:

*Sourcing private sector participation in capital infrastructure projects through PPPs is actually on the rise world over due to fiscal constraints.*

Response from all the State universities pointed to the same notion, highlighting that the government has limited financial resources to fund educational infrastructures in universities. One participant, a Pro Vice Chancellor from the Harare Institute of Technology (HIT) said:

*As an institution they are inviting the private players to come and built university infrastructure like student accommodation on Build Operate Transfer (BOT) basis and the private partners would recoup their initial investment together with profit over a period of 20 -25 years after which they transfer the ownership rights to the university.*

*The justification for such an arrangement is based on the fact that state universities do not have adequate funding which these counterparties in the private sector do have.*

Another Pro Vice Chancellor from Midlands State University (MSU) echoed similar sentiments of limited resources and also added directly that:

*Lack of funding from the government has driven the adoption of PPPs as an option to finance infrastructure development. We used to get money through Public Sector Investment Programme (PSIPs) but however there is no money now.*

Yet, another participant from the National University of Science and Technology (NUST) also highlighted another dimensions of dwindling donations and other traditional sources of funding sources. In his own words the participant highlighted that:

*Donations and other traditional sources of monies were no longer coming in the predicted pattern*

All the PPP experts interviewed also alluded that PPPs were adopted in by the Zimbabwe Government in general and in Zimbabwe state universities because of the need to fund infrastructure development since the government had no money for capital projects. One of the key learned participants, a university lecture who has published extensively on issues of PPPs said:

*The general rationale is basically rising from the fact that government is facing fiscal challenges and that can be testified by the many PSIP projects that are highly underfunded. The failure to have sufficient resources saw the government extending a hand to the private sector to say let's work together. The private sectors too are interested parties because some of the infrastructure that has to be built is also critical for their performance for example energy infrastructure, road infrastructure, water infrastructure and all these are critical utilities for the performance of the private sector.*

Whereas the government points to state financial challenge, an important and underlying rationale is the symbiotic relationship between the two players. The state gains through the

infusion of private capital in public space with the private sector gaining through the execution of major public projects or works which hitherto would have been impossible to accomplish. The synergy between the two motivations thus cannot be ignored. Commenting on the symbiotic relationship that has also motivated the adoption of PPPs, a Director from ZIMCHE alluded that:

*The rationale is very clear that the government did not have enough resources and had to seek the assistance of the private sector because the private sector equally has a stake in education. The people that the private sector would want to employ are coming from universities and should they want to employ well trained employees, they have to have a hand in ensuring the quality of the learning environment.*

Limited resources however have as such been the major driving cause for the government of Zimbabwe to turn to PPP arrangement in an effort to foster capital projects development and reduce that educational infrastructure gap that has been compromising the quality of education in institutions of higher learning. One private sector participant, a Chairman of Costain Zimbabwe Limited also echoed similar response, alluding that the rationale for the adoption of alternative funding option was ignited by the failure of the traditional means to cover the infrastructure gaps in Zimbabwe. He said:

*The government of Zimbabwe clearly admitted that the Public Sector Investment Programme (PSIP) have failed the nation and has 592 uncompleted projects across the country (in 10 provinces) and they as such they made a policy to involve the private sector to provide the facilities in areas that used to be the preserve of the government.*

Zimbabwe National Chamber of Commerce (2009) equally concurs and adds that since the late 1990s the government capacity for new capital investment in Zimbabwe has been very limited due to tight fiscal pressures. The magnitude of funding requirements for educational infrastructure development in institutions of higher learning which according MHTEISTD Investor handbook of 2017 stands at about USD\$3.7 billion made the case for the adoption of PPP as an alternative funding option a key imperative in Zimbabwe state universities.

#### ***4.4.2 The Need to Tap Efficiency***

The other motivation for the espousal of PPPs as highlighted by the finance ministry, MFED (JV) was the need to tap in the efficiency which the private sector has. In his submission, the Director of the Joint Venture Unit in the Ministry of Finance and Economic Development said most projects that are implemented by the government alone where taking long and as such incurring more cost overruns and time overruns as compared to the ones implemented by the private sector which were completed within reasonable time frames. He said:

*There is that efficiency that the government wants to tap from the private sector through PPP arrangements.*

Another public sector participant, a Pro VC from one of the state universities, HIT agreed to the above sentiments stating that:

*PPPs enable the injection of expertise and efficiency because the private players are business oriented*

PPP experts also add that PPPs were also done to tap the efficiency and expertise from the private sector. The experts alluded that PPPs have been mainly opted because of their aptitude to yield efficiency gains from improved project delivery and management, as well as access to advanced technology. The private sector participants concurred to the above submission highlighting that the government's search for greater efficiencies and economies in the delivery of public services in key infrastructure projects have been the motivational factor for the use of use of PPPs in most key sectors.

The literature opines that PPPs have also been found to assist improve on the management of the twin risks of time and cost overruns better as compared to the traditional method (Otairu et al., 2014). PPPs have been mainly opted because of their capability to yield efficiency gains from improved project delivery, operation and management, and access to advanced technology (Quium, 2011). These sentiments tally with the submissions given by research participants in this study.

#### **4.4.3 Affordability and Availability**

Affordability has also been cited as another justification for PPPs by public sector participants. Responses from MFED (JV) unit indicated that if services are provided by the government they can be affordable but not available. He highlighted that:

*As such if you tap the efficiency from the private sector it therefore means that services will be affordable and available.*

The desire to establish an optimum matrix that might ensure the availability of educational infrastructure such as accommodation at an affordable cost has thus been cited by this participant as the motivational factors for the adoption of PPPs.

#### **4.4.4 Value for Money**

Value for money was also cited by a participant from the (MFED) as the other validation for the adoption of PPP by the Zimbabwe government and also in Zimbabwe state universities. The Director of the Joint Venture Unit in the MFED specified that:

*Value for money entails that the government will get value for the money that they spend and would get services delivered in an economic, effective and efficient way through PPP arrangements.*

The arguments of the participant were that through PPPs, services can be provided at a cheaper price as compared to them been implemented by the government alone. Cheaper entails that the government is exempted from certain responsibilities that they were supposed to finance and as such the burden is removed. The need by the government to get clear value for the money is also said to have interested the government to consider PPPs as an alternative funding option for educational infrastructure development.

The private sector because they are guided by business motive, they will ensure that they maintain efficiency in their endeavour to achieve their targets. The Result Based management approach which the private sector and as well as the public sector sometimes apply would normally mean that effectiveness will be achieved through the attainment of the set targets. Various countries have resorted to value for money as the main criterion for judging the validity

of a PPP option for a project (Quium, 2011). As such Zimbabwe has also equally followed this trend.

#### ***4.4.5 Introduction of New Technology***

The need for the introduction of the new technologies has also been cited as the other reason for embarking on PPPs arrangement for educational infrastructure development. Participant from both the (JV) unit of the MFED and the MHTEISTD alluded that the private sector is more innovative and they can come up with better technology as compared to the public sector especially in terms of design, construction and maintenance of buildings. The rationale here thus was to enhance technological transfer both to the locals and to the institution through PPP models such as (BOTs). By the time the infrastructure is transferred to the government the private sector ought to have transferred enough technology to both the locals and to the contracting authority.

One of the PPP experts interviewed also shared the same sentiments highlighting that:

*The government will also get some of the technical expertise and some technological transfer which the public sector might not have. Such expertise can also include managerial experience for an infrastructure that has been built by the government. In some cases, the government might have a dilapidated infrastructure and might invite the private sector to come and rehabilitate it and once that is done the infrastructure is given back to the government for management. In some cases, the government is simply interested in having an infrastructure built and they will have it transferred to them through a BOT arrangement.*

Literature also points to the notion that through PPPs, the public sector may gain new skills, technology, experience and knowledge from the private sector (Rakić & Rađenović, 2011) PPPs in this case bring innovations and modernisation of educational infrastructure in the case of Zimbabwe state universities for example. State universities will definitely need such modernisation which is in line with regional and global trends as hubs of knowledge generations.

#### ***4.4.6 Sharing of Risks***

Risk sharing has also been cited by public sector participants as the other rationale for the uptake of PPPs. There are certain risks that are allocated to the private party like the design risks, financing risk. So in this case risks are allocated to the party that is in a better position to manage the risk. Indicating on the benefits in terms risk sharing the Director of JV Unit in the MFED highlighted that:

*PPP's have become attractive to government of Zimbabwe as an alternative off-budget mechanism for the infrastructure development because it allows the transfer of certain project risks to the private sector.*

Literature also adds that PPPs appeal to the government in that they shift certain project risks from the public sector to the private consortium involved with the project. Among the risks that can be assumed by the private partner according to Egger (2006) are; design risk, meeting required standards of delivery, incurring excessive cost overruns during construction, completing the facility on time among others risks associated with the project. Within the PPPs, the risks are usually allocated to the partner who is apt to manage them more efficiently and to face the incentive they bring (Rakić & Rađenović, 2011). The private sector is usually considered better in managing the risks of building, operating and financing, whereas the public sector is better at dealing with political risks. PPPs as such were considered by many participants as a valid mechanism that would necessitate reasonable sharing of risks to enhance a successful completion of projects.

#### ***4.4.7 Management of Cost Overruns***

Participants from the public sector also indicated that PPP were also considered because of their ability to foster effective management of cost overruns as well as to instil time overruns efficiency. This will then improve availability of services. One participant from the MHTEISTD said:

*Some of the projects have been running for quite a time to the extent that one wonders whether these projects are still relevant*

The point in the above argument is that most government projects have been slow in the execution and some have become sluggish. This in itself increases the costs on the government part. However, the issue of effectiveness and cost overruns has been argued by a participant from the HIT who argued that:

*There is a general thinking and I do not know whether it is factual or not that when the private player comes in they have more experience and they are skilled in doing the job. I do not know whether it is factual or it's a perspective.*

To clarify on the above misunderstanding by the participant, extant authorities like Egger (2006) reveal that PPPs have a track record completing construction on time or even ahead of planned schedule. He gave an example of Terminal 3 at the Toronto Pearson Airport which was completed 18 months ahead of schedule under a PPP contract and equally this can happen in most educational infrastructure Zimbabwe state universities and this can go a long way in curbing intergenerational educational infrastructure shortages in Zimbabwe state universities.

#### ***4.4.8 To Run Higher Education as Social Enterprise***

The realisation that institution of higher education can run as a social enterprise unlike before triggered the need for the government to employ some business practices in these institutions through PPPs. Participants from the MHTEISTD alluded that:

*By running as social enterprises, this practice would eventually off load some of the financial burden from the national budget as PPPs presents an alternative funding option for infrastructure development in Zimbabwe institutions of higher learning.*

A Director from ZIMCHE also supported the rationale for the adoption of PPPs as a way to run higher education as social enterprises highlighting and exemplifying that:

*The other rationale has been that of the need to make money through education as business. The private sector which is driven by profit motive will obviously reap profits and some long term benefits. In China for example there close to 3000 tertiary institutions and three quarters of these are funded by the private sector including the payments of fees are funded by the private sectors and students get loans from the private banks and they are confident to do that because they know that immediately*

*after completion there is guarantee for employment and this guarantees the return of the loan together with the interest.*

However, despite this proposal, one participant from a State university posited that the introduction of the private sector has a higher tendency of introducing corruption. His argument was that the introduction of private players might trigger the institutional heads to act in a corrupt way such as inflating prices for their personal gains. Whether this position is factual or just a perception is something else, but however it seems to tally well with the provisions of the public choice theory which alludes that public officials are in some cases self-seeking individuals who seek to abuse public offices for personal gains. The author of the public choice theory asserts that governments have their own embedded interest and rarely act in the public interest (Buchanan, 2003). In this vein the argument of the participant that the inclusion of the private sector to work with the public sector may exacerbate corruption may hold water.

Despite the consequences that may erupt as a result of this partnership, the justification still stands that in line with the New Public Management theory, there was higher need for the government to decentralise the operations of such institutions as state universities such that they operate as social enterprise. The public choice theory equally concurs that the quality of service delivery by the public sector can improve if their operations are subjected to market forces. The public choice theory argues that non-competitiveness and monopoly enjoyed by public organisations on markets were posing some challenges in the public sector (Niskanen, 2012). Public choice theory thus proffers that ‘the type of goods and services provided by bureaus could be financed through government...but the provision of these services would be contracted out to the private sector’. The bureaucracy, in this way, would disappear, enabling the public sector organisations to be competitive and also productive. The submissions by the participants of this study seem to resonate well with what was discussed by the public choice theory and hence the Zimbabwe government is seen to be following the trends.

#### ***4.4.9 Management of Government Sovereign Debt***

Most of the PPP experts interviewed submitted that PPPs were also adopted as a government’s measure to avoid exposing the government of Zimbabwe to further sovereign debt or government debt. Raki & Ra (2011) asserts that the amount of public debt is limited by law in many countries and further incurring of debts may jeopardise public credit rating and also increases the borrowing cost. As such and in the regard, the adoption of PPPs would avoid

further recording of debt in the financial statements of public sector since some of the capital projects will be finance by the private sector. In this way, the adoption of PPPs would circumvent further growing of public debts which have some inter and intra generational effect to the society.

#### ***4.4.10 Shortage of Educational Infrastructure***

There is a visible infrastructure gap in many State universities which has been exacerbated by increase in student enrolment and dwindling capital budgetary support. The Southern Africa Universities Association equally notes that Zimbabwe public universities are also in priority need of teaching and laboratory spaces, administrative offices, staff accommodation as well as research facilities.

The student population has risen from 2240 in 1980 to over 200000 students by end of 2018 and this number does not commensurate with the available educational infrastructure. According to the MHTEISTD investor handbook of 2017, only 15-20% of this current student population in state institution of higher learning can be accommodated in student residence. About USD\$3.7 billion is required to cover educational infrastructure in Zimbabwe institutions of higher learning.

A participant from the MHTEISTD concurred to the above sentiments and made submissions that:

*Tertiary institutions student enrolment figures have since surpassed the existing the educational infrastructure like student accommodation offered. The shortage of campus accommodation as such provides ready off takers from the private sector through PPP arrangements for accommodation at tertiary institutions. Government is agreeable to consider various incentives that can enhance investor returns by providing various concessions such as National Project Status, which exempts projects from payment of such fees like duty payments and taxes, PA Status and tax exemptions. This would then present an opportunity for investors to participate in the development of university infrastructure such as hostels, dining halls, lecture theatres and technology parks.*

The above response confirms to the fact that there is indeed a shortage of educational infrastructure in state universities, a situation that has motivated the government to consider PPP in order to reduce the infrastructure gap. Inadequacy of educational infrastructure such as

teaching and laboratories space, administrative offices, staff and student accommodation, as well as research facilities has diverse implications on the quality assurance especially in state universities which are hubs of knowledge generation. One Director from ZIMCHE commented on the effects of educational infrastructure on quality assurance pointing out that:

*Obviously it does have a negative effective because quality infrastructure renders itself to quality learning environment. Taking for example in some universities, the infrastructure does not support the number and at the end some students end up learning whilst standing outside and chances are that they will miss what the lecturer says and that affects quality not only of delivery but also of learning.*

The continued shortage and deterioration in Zimbabwe's basic infrastructure over the years has had serious impact on the quality of services to the public, and this, in turn, has had a huge impact on national economic development. Infrastructure development is in fact a paramount tool for the advancement of socio-economic growth and other developmental objectives of any nation.

Furthermore, commenting of the shortage of educational infrastructure, the same Director from Zimbabwe Council for Higher Education openly admitted that there is a serious infrastructure gap in most state universities and in some cases the available infrastructure is in a horrible state and hence the call for PPPs. In his words he said:

*The state universities are invariably different. Those that were established a long time ago like University of Zimbabwe which were established when there was no competition for resources have comprehensive infrastructure unlike the other universities that were built later which are mainly characterised by lack of adequate infrastructure. Taking for example NUST, the big library is still a white elephant and fears are that it can be demolished because it has over weathered. When you look at such state universities like Marondera and Gwanda, I would not hesitate to say the educational infrastructure is still very horrible. Gwanda for example inherited a mine compound infrastructure and there is a lot that has to be done to turn this infrastructure into a viable learning centre. Manicaland also have deficient infrastructure and they still have high school kind of infrastructure yet we expect top of the range infrastructure. Marondera is still way back. HIT is slightly different because they inherited an already existing college, as an institute specialising in technology so the infrastructure is so solid and they simply*

*raised the standards. MSU is also a similar situation because it was once Gweru Teachers College and the just started from there and has been doing very well and has become the largest university in Zimbabwe in term of enrolment with around 30000 students. It has expanded very well and has one of the best infrastructure in the country including their latest innovation hub. MSU has also embarked on a multi campus system and have stretched further to go to Zvishavane where they have successful transformed what were former mining infrastructure to viable learning infrastructure. GZU is also the same they have done very well and again they inherited what was once a college and they have since developed the multi campus system very well and these includes Mashava, Robert Mugabe School of Education.*

He further said most states universities fall short of the minimum general expected infrastructure for the establishment of a university. He said:

*We do not have rigid expectations because universities are established for different purposes or mandate and as such each mandate dictates that kind of infrastructure required. But from a generic perspective, a standard conventional university which is not an online university should have such physical infrastructure which includes; the administrative block, the library, lecture rooms, offices for the staff members, seminar rooms, departmental libraries, laboratories, computer labs and ablutions. These are the basic key infrastructure for the establishment of any universities.*

As such his submission concurs with the rest that shortage of educational infrastructure equally triggered the adoption of PPP as an alternative way of providing them.

#### ***4.4.11 Expansion of Infrastructure Funding Options***

Increasing funding option has frequently been cited by most participants as the other key motivating factor for adopting PPPs. Their arguments are that government can no longer rely on tax funds and other traditional sources alone to foster for educational infrastructure development. Most participants said there was therefore a need for the government to cast their search for funding largely to the private players who now command a domineering role in today's economy and equally have creative ideas that can benefit growing countries such as Zimbabwe. Most participants from the public sector, private sector, PPP experts and the academia concurred in appreciating the paramount role the private sector can play in fostering

educational infrastructure development. PPP has as such been considered as a way that would enhance the cooperation of the public and the private sector and at the same time increasing the funding options for these capital projects.

Counterpart participants particularly in the financial institutions (CBZ) and other development financing institutions like (IDBZ) highlighted that PPP financing arrangement allows private partners to raise and provide funding required for the development of the educational infrastructure assets through the creation of Special Purpose Vehicle (SPV) with the Government or other public institutions. SPV as a new creation will thus become responsible for the construction, financing as well as operating and maintaining the proposed capital asset. The SPV will therefore assume certain rights and obligations relating to the project thereby ensuring transparency in the effective utilization of funding. This way PPPs are considered as an alternative funding option which can add to the traditional methods that the government rely on. The tertiary education sector requires over \$3.7 billion Unites States dollars for the development of student accommodation and other educational infrastructure to cater for over 200,000 students across the country (MHTEISTD., 2017).

Public sector participants particularly the MHTEISTD and some state universities proffered that the government was indeed on the drive to enhance university infrastructure in their various form. There is high demand for student and staff accommodation and other learning facilitates in an endeavour to foster quality assurance in these institutions of higher learning. Official documents from the MHTEISTD also indicated that the government also seek to establish Science and Technology Parks which have become the prime drivers of economic growth for any country in the world. Universities all over the world have identified and now harness technological innovation through the establishment of technology parks which have come to be known as Innovation Hubs and Zimbabwe is equally following the trends. Zimbabwean universities are encouraged to exacerbate efforts to increase Science, Technology, Engineering and Mathematics (STEM) Initiatives as such programmes places an economy at a vantage position. All these innovations however would require funding of which PPPs have been identified as one such an option.

Justifying the adoption of PPPs as an alternative way of increasing funding options, a public official document from the MHTEISTD cited that there are three peculiar challenges that are currently constraining the government. He outlines that:

*Three trends are emerging. First, governments are attempting to use increased infrastructure spending as a tactic for economic stimulus hence PPPs are viable as a funding option for infrastructural development. Secondly, tightened credit markets are posing an obstacle to raising debt finance for infrastructure delivery models that depend on high levels of up-front capital repaid over the long term through user fees or general taxation. Thirdly, government balance sheets are constrained, making it more difficult to fund infrastructure projects.*

The above submissions points to the fact that PPP financing models for infrastructure development will continue to gain momentum in the country as the governments continue to face a contraction in fiscal space. PPPs present an alternative that will not continually strain the government coffers as the funding can be brought through the private sector. These infrastructural developments are usually capital intense and in our Zimbabwean case cannot be funded by continued taxing of the already overtaxed citizenry. There was need for the government to introduce other funding options to assist the traditional methods like donations and PSIPs. Therefore, it was thus realised that the earlier the rudiments of PPPs are understood, adopted and implemented, the better.

#### **4.5 Traditional Funding Mechanisms for Educational Infrastructure Development.**

This section identifies and analyse other traditional funding options available for educational infrastructure development and further analyses how such options compare to PPPs. Various other usual ways have been cited by the participants as methods that are available to fund university infrastructure development. The study thus analysed these traditional ways in order to understand their strength and weaknesses as compared to the PPP option. These other traditional funding ways include:

##### ***4.5.1 The National Budget***

Traditionally the state is expected to fund capital projects through the national annual budget allocations. Each Ministry is expected to submit to the Treasury each year, its bid comprising of the both current and capital expenditure for allocation which will be reflected as a vote in the national budget. The Treasury which in this case is the Ministry of Finance and Economic Development will at the end have the discretion to allocate these funds and this is usually shown in a national budget that will be presented in the Parliament. Every Ministry will be allocated

its share of resources for the forthcoming year, money of which will be withdrawn from the Consolidated Revenue Fund gradually as inflows are collected during the course of the year. Majority of the participants concurred that the national budget has been the source of funding for most of the educational infrastructure in State owned universities. Most of the student and staff accommodation, and other learning facilities like the lecture rooms, libraries and laboratories in state universities were funded by the budget as Public Sector Investment Programmes (PSIPs).

Trend analysis of the Zimbabwe national budget however shows that allocations for capital projects development has been on a decline as more resources were now channelled towards current expenditure. This has posed a serious challenge to most of the state funded capital projects, some of which have come to a halt. State universities like National University of Science and Technology (NUST) submitted that their projects like the library and student accommodation among others have since come to a standstill because the state funding through PSIPs have since stopped. Observations by the researcher on most of the educational infrastructure projects in state universities reflected that some of the buildings are in state of standstill, partly completed and abandoned. Some of these buildings have even grown trees inside and the participants attributed this to lack of funding that used to come through PSIPs which is no longer coming in the expected fashion. Some of the participants indicated that they cannot even remember when they last received money for capital projects from the Treasury as they have since been instructed to come up the other new innovative ways of funding these projects.

Commenting on the state of national budget for educational infrastructure development, participant from the MFED equally echoed the same sentiments of the challenges associated with the shrinking capital budget allocations. In his own words, the Director within the MFED said:

*Our experiences are that most government projects have not been doing well and therefore a lot of these projects are still incomplete, some are still ongoing and some projects have even grown trees inside the buildings. All this relates to the fact that the traditional options of funding them have not been very adequate. The option of government funding through tax revenues- the budget (PSIP) has proved to be a challenge and as such there was need to explore other funding options which include but not limited to PPPs.*

Comparing the budgets to PPPs most of the participants regarded PPPs as a better financing options for financing infrastructure development. Their argument has been that if you are to finance capital projects from the fiscals it normally requires huge amounts of money and in most case poses some strains in the national purse which is already limited. Extant authorities such as Egger (2006) observes that PPPs allow the costs of the investment to be spread over the lifetime of the asset and thus can allow infrastructure projects to be brought forward by years compared with the pay-as go financing typical of many infrastructure projects. Conventional procurements typically require the public sector to provide significant upfront capital even though the benefits of the project may be delayed or uncertain. As a result, infrastructure projects can be brought forward by years allowing users to benefit from the investments much sooner that is typically under pay-as-you go financing (Egger, 2006). The private contractor in many cases has a strong incentive to complete the project as quickly as possible because it needs the stream of revenues to repay the capital costs (Egger, 2006). The creative financing approach used for the Virginia Pocahontas Parkway PPP project as observed by (Egger, 2006) eliminated what might have been a 15-year delay in construction while financing was assembled. Such arrangement is mainly suitable for many institutions of higher learning in developing countries like Zimbabwe with visible educational infrastructure shortages and can facilitate the availability of such educational infrastructure facilities by many years as compared to the national budget provisions approach.

#### ***4.5.2 Development Partners***

The study also established that development partners have also been influential in funding educational infrastructure development in state universities. Public sector participants for particularly from the MFED, MHTEISTD, State universities and the ZIMCHE submitted that these development partners have been assisting in the construction of lecture room among other educational infrastructure.

Illustrating on how these development partner operates, a participant from the MFED said:

*Development partners can just say let's co-fund or can be a pure grant and an example can be The ZIMFUND. These are just donations and the government might not be requested to repay or may be requested to repay a small percentage.*

Grants through development partners have always been welcomed as favourable option as they sometimes would be just donations with no cost of returning in some cases. Even though there has been glorious appraisal of the development partners by the responsible ministry (MHTESTD), State universities noted that due to some economic sanctions imposed on Zimbabwe, accessing these grants from these international institutions like Ford Foundations has become a challenge.

A participant from the finance ministry MFED also submitted another challenge citing that a grant has its own limitation in terms of preferred areas. In his own words he said:

*Normally people who offer grants mention their area of interest which might be different from the one with an immediate financial need and in some cases a grant is attached to a loan.*

Comparing this form of financing to PPPs, most participants again regarded PPPs as a better option that is business oriented and provides a win-win reliable situation to both concerned parties.

#### **4.5.3 Institutional Funds**

Most public sector participants cited institutional funds as the other traditional source of funding that can be used to build university infrastructure. Institutional funds include that fees that are paid by students and these differ with institutions, level of study and type of programme undertaken. These are also referred to as direct funds from the institution or internal funds. Some of the state universities alluded that even though this source of funding is not sufficient, they have assisted in the constructions of some of the educational infrastructures. A participant from the MSU submitted that:

*We have a construction unit which has builders, Architects, Quantity Surveyors and this is an in-house arrangement in which these people become our construction unit. This unit recruits labour as and when it is needed. The use of this building brigade / construction unit has proved to be cost effective as compared to hiring constructors and we also have been funding the operation this unit from our internal institutional sources.*

Despite their contribution to the infrastructure development, many participants have indicated that internal sources are not adequate due to the amounts that are paid by students and as such PPPs becomes a better financing arrangement. However, a participant from the MSU however differs and opines that:

*In terms of comparison well it depends which the deal that you have made and in this case we are using our building brigade because they are cheap. The rapid expansion that we have is mainly from our own initiative and not PPPs.*

Even though PPPs have been highly glorified, extant literature alludes that they in some cases are not an absolute panacea to everything. In this case the participant is highlighting that internal sources if well managed can also produce wonderful results as testified their massive expansion at MSU.

#### **4.5.4 Debt Financing or Loan Finances**

In order to construct educational infrastructure, most participants concurred that state universities can borrow money from the financial institutions. This method which is commonly known as debt financing entails that the state university can borrow money from open markets which can either be domestic or international markets. A response from the MHTEISTD participant indicates that debt financing is one of the traditional ways that has been used to finance capital projects in state universities. In his own words that participant from the MHTEISTD said:

*Debt financing from open market is a very traditional and routine way that can be used by any state university but it now depends on the rates you can borrow from the banks and other financial markets.*

Participant from the JV unit of the MFED concurred with above sentiments adding that loan finances can either be obtained from domestic markets or from international markets. The same participant however indicated that:

*Borrowing might however require of course the blessings of the Treasury who gives them the borrowing mandate or powers and the government may in this case offer a guarantee.*

Most state universities acknowledged debt financing as a sources financing but however indicated that such loans are in some cases associated with some interest rates which might be exorbitant. The issue of high interest rates has been highly cited by many participants as a major limitation of this option of financing. Participants from the MHTEISTD specifying on this point submitted that:

*Loan financing also is becoming a challenge primarily because we have huge debts which has become a major hindrance for us to attract fresh capital and as such these also are associated with interests and other costs of funding. At the end of the day it may become difficult to pay both the principal and the interest. Again our repayments of these loans have not been that good and as such we still owe a lot of countries and institutions. Once you do not repay, you do not get more and the projects will get stuck and suffer.*

The PPP experts and academia also indicated that loans are usually offered on a short term basis. One of them said:

*When you look at the banks, the money that they have is the short term deposit and they cannot fund long term infrastructure project. When we talk about PPPs we need long funding and that long term funding require institutional funds like the Pensions Fund and Life Assurance Fund.*

Making a comparison to PPP, most participants however said PPPs still offer better financing options than the other alternatives available in term of financing infrastructure development. They argue that a loan is associated with some costs in terms of the interests and in some cases government only opt for this options because of distress. Again these loans are not always available in adequate amounts and in favourable terms. The study established that local banks for example have funding but on short term basis and are not prepare to venture long term arrangements. The study also established that the pensions and insurance companies have such institutional funds that can be invested on a long term basis and might not be always prepared to extent a loan because of the economic dynamics.

Most of the participants from the State universities concurred and favoured PPPs as compared to other sources of funding. A Pro VC from HIT submitted that:

*PPPs however are normally cheaper than bank loans because they are on a long term basis. And their interest rate over this period of time can be as low as 2% per annum making it that cheaper as compared to bank loans which can charge up to 12 % per annum.*

Still in the same vein the another participant from NUST indicated that PPP are fast because the private sector players involved seek to make profit and as such they normally would want to operate bounded by business practices. This ensures that projects can be operated in a faster way.

#### **4.5.5 Private Accommodation**

Accommodation provided by individual house owners has also been considered as an alternative option for the provision for educational infrastructure such as student and staff accommodation. Submitting the claim, one participant from the MHTEISTD said:

*Private accommodation is an option in itself -people just stay wherever they stay. There is no university in the world that has provided accommodation for all the students and staff.*

However, the private accommodation cannot always be relied on as in some cases it can be that expensive for the general students. Even if it becomes affordable some of the houses do not match meet the suitable minimum standards for the students to undertake studies. In some cases, students will be overcrowded and this might not be healthy. This option however can only act as a measure to assist students but does not contribute in any valid way towards the promotion of educational infrastructure development in institutions of higher learning. As such participants alluded that this option cannot in any way be compared to PPP arrangement as an alternative option of funding infrastructure development in state universities.

#### **4.6 Comparative Analysis of PPPs to Other Funding Options for Capital Projects**

Comparing PPPs to other sources, most participants from the public sector, the public sector and PPP experts seem to favour PPPs. A Director in the MFED equally said that PPPs are becoming more attractive a source of funding capital projects as compared to other traditional methods. In his submission he summarised that:

*PPPs offer better financing options than the other alternatives available in term of financing infrastructure development. If you are to finance capital projects from the fiscals it normally requires huge amounts of money and in most cases, we have some constraints in our fiscal. If it is a loan it comes with some costs in terms of the interests and in some cases government opt for this options because it will be so desperate. A grant has its own cost in term of preferred areas. Normally people who offer grants mention their area of interest which might be different from the one with an immediate financial need and in some cases a grant is attached to a loan.*

PPP in this case is seen as a hybrid financing which makes use of both debt financing and equity financing and in this case both the public and the private are forced to contribute some kind of equity so that they have some kind of ownership in the project. Debt finance becomes a debt that is owned by both parties and in this case there is an element of risk sharing- hence PPPs has been considered the best option by the public sector participants.

Most government projects have not been doing well and there are a lot of projects that are ongoing and some projects now even have trees inside the buildings. Participants concluded that this heel dragging in progress therefore relates to the fact that the traditional options in use have not been very adequate and hence other options like PPP are emerging favourable.

#### **4.7 Summary**

The chapter traced the evolution of PPPs in Zimbabwe and in State institutions of higher learning. The rationale for the adoptions of such an alternative funding options has been explored and these include fiscal challenges, the need to tape efficiency, value for money, the need to introduce new technology, sharing of risks, to run state universities as social enterprise, management of cost overruns, to curtail government sovereign debt and to increase infrastructure funding options. Reflections on the other traditional ways of financing

educational infrastructure development were also made and these traditional funding options include; funding through the national budget (PSIPs), use of development partners, debt financing through borrowings, and also make use of private individual for student accommodation. The chapter concluded by presenting a comparative analysis of PPPs to other ways of financing in order to establish the strategic merits of PPPs and finding of the research established that PPPs are highly favoured and have been gaining momentum as compared to other traditional funding methods.

## **CHAPTER FIVE: REGULATORY FRAMEWORKS GUIDING THE IMPLEMENTATION OF PUBLIC PRIVATE PARTERSHIPS IN ZIMBABWE STATE UNIVERSITIES**

### **5.1 Introduction**

The chapter analyses policy, legal, institutional and process frameworks guiding public private partnerships (PPPs) in an endeavour to understand their empirical contents and evaluate their adequacy to support the implementation of PPPs in Zimbabwe state universities. This chapter also compares these frameworks with the other extant critical success factors (CSFs) and other theoretical guidelines that inform effective PPP implementation. Among the policy frameworks analysed include; Public Private Partnership (PPP) Guidelines of 2004, Short Term Economic Recovery Programme (STERP 1 & 2), PPP policy of 2010, Operational Guidelines for the Implementation of Joint Venture Partnerships in Institutions of Higher and Tertiary Education, Public Private Partnership (PPP). Guidelines of 2013, Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZIMASSET), 2004-2019 National Budgets Statements, Transitional Stabilisation Programme (TSP), ‘Zimbabwe is Open for Business’ Mantra and the Public Investment Management Guidelines. Legal frameworks include; Zimbabwe Investment Authority Act, Procurement Act of Zimbabwe (1999), Joint Ventures Act [Chapter 22:22] of 2015, Public Procurement and Disposal of Public Assets (General) Regulations of 2018 and Zimbabwe Investment Development Agency Act [Chapter 14:37]. The study also analyse the institutional and process frameworks by examining the PPP procurement procedures in Zimbabwe in an endeavour to understand the key institutions involved and how the process unfolds. This chapter concludes with a chapter summary.

### **5.2 Policy Frameworks Guiding PPP in Zimbabwe**

This section traces the policy frameworks that have been pronounced by the government of Zimbabwe to guide the PPPs in Zimbabwe ever since they were mooted in 1998. Various policies have been announced and this study gave an empirical content analysis of these policy frameworks in order to understand their adequacy in promoting the implementations of PPPs in Zimbabwe. These policy framework includes; PPP guidelines of 2004, Short Term Economic Recovery Programme (STERP 1& 2), PPP policy of 2010, Operational Guidelines for the implementation of Joint Venture Partnerships in Institutions of Higher and Tertiary Education, Public Private Partnership (PPP) Guidelines of 2013, Zimbabwe Agenda for

Sustainable Socio-Economic Transformation (ZIMASSET), National Budget Statements (2004-2019), Transitional Stabilisation Programme (TSP), Zimbabwe is Open for Business Mantra, Public Investment Guidelines or New investment policy.

### ***5.2.1 Public Private Partnership Guidelines of 2004***

Even though PPP were mooted in 1998, it was in 2004 that the government of Zimbabwe came up with guiding policy frameworks to underpin PPP investment in the country. Two critical reasons were observed as the rationale for the development of the PPP guidelines of 2004. Firstly, government was so obsessed with the command economy which was so characterised by price controls and this was scaring away various potential investors. Secondly, the government adopted these PPP guidelines as a way of unlocking private sector support to fund the maintenance and development of critical public infrastructure in Zimbabwe (Government of Zimbabwe, 2004). The realisation by the government of Zimbabwe of the critical role of the private sectors in the provision of the much needed country's public infrastructure thus pushed it to develop a PPP guiding framework of 2004. Commenting on the rationale for PPPs in the 2004 PPP guidelines, the then Acting Minister of Finance and Economic Development said:

*The large financial resource requirements to adequately provide for depreciation as well as new capital projects necessitate Public Private Partnerships. Successful Public Private Partnerships will not only overcome public financial resource constraints, but also introduce in some instances critical technical support, efficiency and expertise in the development of public infrastructure. They shall also provide improved project implementation management capacity.*

These guidelines which were developed after the government's consultations with various stakeholders equally had specific objectives. These guidelines were meant to protect the interests of both the investors and the consumers. Furthermore, the then Acting Minister of Finance also opined that the guidelines would provide the parameters for the development appropriate legal and regulatory framework. He cited that these PPP policy guidelines will assist to guide the potential private sector investors who intend to venture into PPP arrangements.

In order to achieve its objectives, the guidelines specifically outlined the criteria and procedures for the award of contracts and it also indicated the various principles and elements of the

implementation process of the Build-Operate-Transfer and Concession projects. The guidelines also acknowledged that PPPs were to take various forms such as management contracts, concessions, leases, de-monopolisation and full divestiture (Sale) of enterprises where possible (ZNCC,2009). Furthermore, the guidelines also indicated the institutional arrangements that would facilitate the promotion and co-ordination the PPP process, project implementation and monitoring as well as the termination of contracts. The guidelines also identified the potential sectors for PPPs, the financing modalities for PPPs and the incentives to be unveiled by the government.

These guidelines however did not incorporate adequate inputs particularly from other key stakeholders like the private sector, a situation that contributed to failure of the PPPs to take off. After five years, the government realised the PPP programme had failed to take off and as such a workshop was held in Harare on May 9, 2009 to make a review on the country's PPP policies and the guidelines that were passed in 2004 as well as to incorporate input from other stakeholder (Chigumira & Dube, 2010).

The government also considered to use the same platform to make reflections on how to enhance the role of the private sector in the provision of both infrastructure and basic social services which was identified as the other weakness of the PPP guidelines (ZNCC, 2009). The PPP guidelines can however be credited for unveiling a host of incentives meant to attract the private sector. Various incentives were crafted by the Zimbabwe Investment Authority (ZIA) in an effort to lure investors into PPP arrangements and these include a five-year tax holiday, and a reduced tax rate for the subsequent five years (PPPs in Zimbabwe Guidelines, 2004). These Guidelines however never really took off in a significant fashion despite some various incentives that were offered by the Zimbabwe Investment Authority to lure investors into PPP arrangements.

The PPP guidelines were just frameworks which had just made a provision of how PPP arrangements were to be done but there was no clear legal framework to support these arrangements. The 2004 PPP guidelines equally lacked sector specific regulatory arrangements to protect the interests of investors and consumes. Rather it assigns the line Ministries the responsibility to develop new regulations to:

- 1) Enforce and ensure that service providers comply with contractual obligations;

- 2) Foster competition and prevent abuse of market power by dominant operators;
- 3) Ensure competition and prevent abuse of market power by dominant operators;
- 4) Ensure adherence to appropriate operating regulations on safety, performance and quality standards;
- 5) Guarantee appropriate investor and consumer rights, as well as obligations regarding the provision of various services;
- 6) Arbitrate and mediate disputes among licensees and between licensees and consumers.

These proposed regulations however were not backed by any binding legal framework and could not boost the interest of the private sector investors. It was then resolved at the same platform of a workshop was held in Harare on May 9, 2009 that there is need to harmonise all PPP related institutional, legal and policy frameworks to make them transparent and responsive to the needs of both the investors, who bear the commercial risks, and the consumers who then should afford the services (Zimbabwe National Chamber Of Commerce, 2009). Amongst the resolutions submitted at this workshop was the need to institutionalise these guidelines through their enactment into an Act of Parliament.

Sabatier & Mezmanian (1979) in their study on the conditions of effective policy implementation outlined a set of five (sufficient and generally necessary) conditions under which a policy decision that seeks a substantial (non-trivial) departure from the status quo can achieve its policy objectives. One of the conditions outlines that the statute (or other policy decision) should contain unambiguous policy directives and structures the implementation process so as to maximise the likelihood that target groups will perform as desired. The authors highlight that policy objective should be precise and clearly ranked both internally (within) the specific structure and in the overall programme of the implementing agencies. The Zimbabwe's PPP guidelines of 2004 however fell short to such provisions and hence the PPP arrangements failed to take off.

### ***5.2.2 Short Term Economic Recovery Programme (STERP)-2009***

Short Term Economic Recovery Programme (STERP) was an emergency short term stabilisation programme and also part of the implementation of the Global Political Agreement, which was formed on the 15<sup>th</sup> of September 2008. The rationale for the establishment of STERP was to address the key issues of economic stabilisation and national healing, and at the same time laying the foundation of a more comprehensive economic framework which would

succeed the same (Government of Zimbabwe, 2009). Its specific goals were to stabilise the macro and micro-economy, recover the levels of savings, investment and growth, and lay the basis of a more transformative mid-term to long term economic programme that will turn Zimbabwe into a progressive developmental State.

STERP recognised that the private sector has a role in financing infrastructure development and in that way it could complement the government efforts. Under this programme, the private sector was invited to participate in the provision of infrastructure on a PPP basis. To incentivise the private sector, the government availed special dispensations and privileges to the private sector partners such that they contribute financial resources in the partnerships. Delivering a speech to the Parliament, the then Minister of Finance as captured by ZNCC (2009) narrated his support for PPPs and the need to model them on a win-win basis. He said:

*Government will simplify rules, regulations, and procedures to remove bottle-necks for smooth functionality of the Inclusive Government and its private partners. The fact that PPPs tend to fund projects that are long term in nature makes the issue of policy consistency and predictability key prerequisite for boosting investor confidence.*

Specific areas for possible partnership identified include; air and rail services, power generation, dam construction and the upgrading and construction of the main national highways were outlined by the programme. Invitations were also extended to the private sector for greater participation in urban housing development projects and infrastructure for Small to Medium Enterprises (SMEs). The policy was however silent on the possibility of the use of PPPs for educational infrastructure development.

The established PPP guidelines in the STERP document can however be credited for coming up with measure that were meant to protect the interest of the investors and facilitate the implementation of PPPs. These guidelines clearly outlined criteria, specialised institutional arrangements and procedures for the award of contracts. They also specified the principles and elements of the implementation process of Build-Operate-Transfer and concession projects.

### ***5.2.3 Public Private Partnership Policy of 2010***

In 2010 the inclusive government of Zimbabwe through the office of the former Deputy Prime Minister, made some renewed efforts to revitalise PPPs following a series of workshops on

PPP which were undertaken in Zimbabwe focusing on the issues to be addressed for successful PPP between 2009 and 2010. Various PPP documents were also designed and presented to anchor the future road towards PPP in Zimbabwe. These documents include the PPP policy of 2010; PPP guidelines of 2010; Legislative Review for Zimbabwe of 2010; and the Institutional Framework PPP of 2010. These documents form the basis upon which PPPs would be structured (Axis, 2013).

The national PPP legal framework was launched with the aim of drawing investors into infrastructure projects as well as government enterprises which were widely seen as a fiscal drag. The government was committed to explore this alternative funding option after its commitment to capital projects through the Public Service Investment Fund fell precipitously as a result of budgetary constraints (Government of Zimbabwe, 2010b). Advancing the development course, the then Deputy Prime Minister Arthur Mutambara indicated that the other rationale for legal framework was to forestall government bankruptcies by commercialising and privatising some of the parastatals / enterprises through PPPs.

Under the proposed framework, it was proposed that the private sector would farm into some projects and state- owned enterprises with technology, capital and human capital. Some of the listed projects and investment opportunities for PPPs in several key sectors as captured in the investor prospectus includes; transport, electricity generation, water and information communication technology. The framework was however not direct with regard to educational infrastructure development but rather was highly perceived as most viable option for state owned enterprises (SOE) recapitalisation. A number of PPP arrangements were proffered such as Built Operate Transfer (BOT), Built Own Operate (BOO), Rehabilitate Operate Transfer (ROT) and Deputy Prime Minister Mutambara also indicated that private players can take advantages of these models to participate in the development of the country's stock of infrastructure. Zimbabwe wanted to also emulate South Africa which had successfully commercialised some of its major SOEs these includes; Spoornet, Transnet and Eskom through PPPs.

As a way to facilitate these PPPs, the government proposed to launch a One-Stop Investment Shop such that it shortens the lead times for investment applications. The then Minister of State Enterprises and Parastatal also proposed to take 10 underperforming (SOE) which include; Telone, Netone, the Grain Marketing Board and the Zimbabwe United Passenger Company

(ZUPCO) among others to the Cabinet such that it decides on the most viable ways of recapitalisation each one of them. In his consideration of PPPs as an option, Minister said:

*We will then have some parastatals have public private partnerships and others leased in order to recapitalise these state owned enterprises.*

The drive the PPP framework of 2010 in a nutshell was mainly motivated by the government need to recapitalise the SOEs which had become a burden to the treasury.

#### ***5.2.4 Operational Guidelines for the Implementation of JV Partnerships in Institutions of Higher and Tertiary Education***

These operational guidelines conceptualise the concept of Joint Venture Partnerships (JVPs) in institutions of higher and tertiary education involving the sharing of responsibilities by government with the private sector to finance and manage a package of capital investment in the educational infrastructure development such as accommodation and other related infrastructure at state institutions of higher and tertiary education such as Universities; Polytechnics and Teachers' Colleges. These JVPs would include the construction, management, maintenance, refurbishment and replacement of public sector assets such as student and staff accommodation. The adoption of these guidelines came up out of the realisation by the Government cannot adequately provide public infrastructure and deliver quality services in these institutions of higher and tertiary education on its own. As such these Joint Venture Partnerships (JVPs) were therefore considered as the way to refurbish, rehabilitate, build and sustain infrastructural development in higher and tertiary education institutions (Government of Zimbabwe, 2010a).

The vision of these operational guidelines was to foster collaboration between the public and private sectors to support institutional development in institutions of higher and tertiary education. The goal of the guideline was to provide a suitable framework to harmonise JVP arrangements in higher and tertiary education. The guidelines equally had specific objectives in line with promoting JVP arrangements in institutions of higher and tertiary education. They sought to standardise the selection and contracting of partners for JVPs by institutions as well as to raise the profile and responsibilities of JVPs Committee in institutions of higher and tertiary education. The operational guidelines also sought to promote transparency and accountability of partners in JVPs arrangements in line with the Corporate Governance Code

and also to protect interests of both parties by ensuring their involvement in the drafting of the Joint Venture Agreement (JVA). Furthermore the guidelines sought to outline the process of cost benefit analysis and to guide monitoring and evaluation process for JVPs projects (Government of Zimbabwe, 2010a).

In order to achieve these objectives, the operational guidelines proposed various strategies as shall be briefly outlined in this section. Firstly, the guidelines proposed that the forms of procurement that may be used for JVPs arrangement can either be solicited or unsolicited bids. It then tasked the JVPs Committee to be responsible and deal with these bids and act according to the stipulations of the Procurement Act [Chapter 22:14] which provides for the overall guidelines for the PPP procurement process. In this regard, all the tendering was to be done in consultation with State Procurement Board (SPB) and the actual award to be done by SPB.

The guidelines defined an unsolicited bid is a bid extended by a private company to the Government/State Institution for a project whose proposals have not been requested for. An institution will therefore have the discretion to either consider it or not. An unsolicited bid can be considered if: the proposal is found to be essential by the committee and head of institution, the project has special cost advantages for the institution and beneficiaries of the service and is of inventive concept, and can also be considered where the public interest is protected. Once the Institutional JVPs Committee has been satisfied with the proposal, it then sends it back to the partner recommending the request for proposal (RFP) format that would then be taken for further processing (Government of Zimbabwe, 2010a).

On the other hand, solicited bids are bids which government/state institution identifies for private participation and announces an RFP leading to the selection of the successful bidder. The operational guidelines proposed the following steps in processing soliciting bids: advertising of request for proposal, reviews of the proposals against the RFP and any other stipulated criteria, undertaking of the necessary due diligence and finally the approval of the project (Government of Zimbabwe, 2010a).

The other strategy for implementing the JVPs in institutions of higher and tertiary education sector was to set up Institutional Joint Venture Partnerships Committee in these institutions. These JVP Committees were to be appointed in line with the institution statutes and were to possess the following skills as a prerequisite among its membership: tangible skills such as

technical, human resources, financial or accounting, business management, legal and public relations and intangible ones such as creativity, entrepreneurship and insight into market place. It was considered essential to include in the committee, people with a wide range of background and people with other skills would be co-opted as and when needed depending on the nature of the project. The Government of Zimbabwe (2015b) operational guidelines suggested that the JVPs Committee will constitute six (6) members of which two (2) should be from the institution's council; one (1) from finance; one (1) from procurement; the Director of Works and Estates or the Public Sector Investment (PSIP) Officer and the Head or Deputy Head of Institution. Findings from the research participants however seem to point out that there is not even one institution that has put in place this committee. When questioned by the researcher, all the research participants seem to point out or should it be said that they seem to confuse it with the ordinary procurement committee that they have in their respective institutions. This specific JVP Committee is still to be instituted in majority of state universities in Zimbabwe.

Proper selection of partners was also considered as one of the most critical strategy for the long-term success of a joint venture partnership (JVP). As such a long-term working relationship with a joint venture partner was regarded as a critical factor for the success of the partnership. To execute the selection process, the operational guideline proffered that the institution must give potential partners information on its needs or proposed project, project parameters, including the institutions contribution to the project, timeline and current condition of the situation to be addressed (Government of Zimbabwe, 2010a). Prospective partners should therefore be given as much information as possible. Majority of the state universities however seem to fall short on these expectations as expressed by some responses from potential private partners who were interviewed in the study. These private partners expressed concern over the lack of adequate information that they get from these state universities with regard to prospective projects for JVP arrangement. On private investor said:

*These state institutions are not sure about how things are supposed to be done. For example, you might request for a site plan and you will be told it is with the Ministry and the Ministry may refer you somewhere and that brings a lot of unnecessary delays and bureaucratic pathologies.*

The institution can request for expressions of interest to determine if there is any interest from joint venture partners to participate in a JVP. State institutions are expected to carry out some

due diligence checks to ensure the selection of a sustainable and proper joint venture partner. Some of the key information that the institution should request from a potential joint venture partner so as to perform to an in-depth review of each potential partner include; the partner's track record, management structure, ownership or shareholding structure, financial capacity, description of the proposed partner, qualification and experience of the proposed partner, reference from previous and similar partnerships, risk transference as well as litigation and controversy (Government of Zimbabwe, 2010a).

The operational guidelines also outlined the proposed timelines for the joint venture partnerships. The proposed timelines indicate that the JVPs Committee would need about 45 days to receive and select bidders (solicited or unsolicited), to select partners as guided by fulfilment of requirements (due diligence) and for the Committee to make recommendations to the Vice Chancellor. The head of the institution's approval would need about seven days before it's passed on for the council's approval which equally needs seven days. The guideline is however silent on the number of days it would take for the government to approve as well as the SPB to award the contract. After the award of the contract the implementation committee then takes over. This Committee deals with the key elements of drafting and signing of the Joint Venture Agreement. It will also responsible for the evaluation and monitoring of the proposed project throughout the life of the partnership and should also provide up to date management information for the institution (Government of Zimbabwe, 2010a).

Despite its various lucrative provisions with regard to implementation of PPPs in institutions of higher and tertiary education sector, participants interviewed submitted that these frameworks lacked legal backing. A Director from the MHTEISTD said:

*Yes, we once gave these state institutions of higher education some these guidelines (Operational Guidelines for the implementation of JV partnerships in Institutions of Higher and Tertiary Education in 2010) but they were just to remind them of standard processes that they can follow should they consider PPPs. They were just guidelines and the policy decisions that we are now allowing PPPs. But these frameworks were not backed by legal frameworks to enable its enforcement.*

Hardcastle et al. (2005) recommend that a favourable legal framework allows for a PPP/PFI project to be developed without undue legal restriction on the private sector involvement. As

such an appropriate risk framework should guarantee the legal status for project implementation. Cheung et al. (2012) also concur that an independent, fair and efficient legal framework is a critical factor for successful PPP project implementation. These Operational Guidelines for the implementation of JV partnerships in Institutions of Higher and Tertiary Education however fell short of the legal framework backing.

### ***5.2.5 Public Private Partnership Guidelines of 2013***

These guidelines came in as a recommendation by the Short Term Economic Restructuring Programme (STERP) after the realisation that there was lack of clear guidelines and a transparent process to guide the implementation of PPPs in Zimbabwe. Absence of such guidelines was observed as hindering investments into Zimbabwe and also hampering the implementation of PPP in Zimbabwe. The STERP document (issued in March 2009) highlighted that:

*It has become necessary and prudent to adopt PPP guidelines to provide step-by-step guidance to all PPP practitioners, whether in the public or private.*

The guidelines acknowledged that PPP are not a new form of procurement in Zimbabwe, but however there has been a low uptake of these PPP due several reasons. These reasons include: unfavourable investment climate, lack of local private sector capacity, non-existence of PPPs legislative framework, lack of institutionalisation of PPPs, lack of local PPP experts with extensive experience in the implementation of PPPs, lack of transparency and political interference in all major projects (ZNCC, 2010).

The 2013 PPP guidelines thus sought to provide best practice guidance for all phases of the PPP project cycle in Zimbabwe to PPP practitioners, in both the public and private sectors. The rationale here was that the guidelines would make the PPP practitioners become thoroughly conversant with the processes and this would expedite the completion of PPP projects by all parties and role-players.

The guidelines described all aspects including; the assessment of an Institution-sponsored initiative that can be potentially become a PPP, the registration of the project with the PPP Unit by the contracting authority, the procurement of a private service provider in line with the SPB regulations and PPP policy, the completion of a PPP agreement and its implementation. The

following diagram (Figure 5.1) illustrates the scope of the PPP Project Cycle Chart as captured in the PPP guidelines of 2013.

Government's development planning process identifies needs and proposes plans (projects) that meet these needs.

Identify projects for PPP procurement

Projects approved Plan are scrutinised for PPP procurement suitability

- ◆ Line Ministries
- ◆ PPP Unit

**Outcome:** Shortlist of Projects suitable for PPP procurement

PPP Feasibility Study

Detailed Analysis of procuring the preferred solution option by way of a PPP. Establishing Output specification, Risks, PSC, VfM and Affordability.

- ◆ Line Ministries
- ◆ PPP Unit
- ◆ TA Advisors
- ◆ Other technical inputs

**Outcome:** Output specifications, Affordability (PPP costing) and PPP feasibility assessment, including VfM potential.

**Approval:** Funding Approval to proceed with procurement  
PPP Feasibility (indicative VfM, market interest, etc.)

- ◆ MF
- ◆ PPP Unit

Pre-qualification

Pre-qualification documents are prepared, expression of interest are invited, received and assessed. Potential bidders are short-listed.

- ◆ Line Ministries
- ◆ PPP Unit
- ◆ TA Advisor

**Outcome:** Shortlist of potential bidders

- ◆ PPP Unit

Bidding

Tender documents are prepared bids are invited, received and assessed.

- ◆ Line Ministries
- ◆ PPP Unit
- ◆ TA Advisors
- ◆ SPB

**Approval:** Tender documents

- ◆ SPB

**Outcome:** Preferred and Reserve bidder

- ◆ PPP Unit

Negotiation

Terms and conditions of PPP contract are finalised.

- ◆ Line Ministries
- ◆ PPP Unit
- ◆ TA Advisors

**Outcome:** Final Contract documents for signature

- ◆ PPP Unit

**Approval:** Contract award

- ◆ SPB

**Execution of Contract**

- ◆ Line Ministry

Contract management

Project implementation (construction) commences. Progress is monitored. Contract is managed measuring service delivery against contracted standards.

- ◆ Line Ministry
- ◆ TA (optional)

**Outcome:** Service delivery over the life of the contract

### **Figure 5. 1: PPP Project Cycle Chart**

**Source:** Government of Zimbabwe PPP guidelines (2013)

#### ***5.5.6 Zimbabwe Agenda for Sustainable Socio-Economic Transformation***

Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim-Asset) was propounded as an economic blue print after ZANU PF Party victory in the 31 July 2013 harmonised elections and was meant to guide national development for the next five years. This economic blue print which was developed through consultative process involving various stakeholders recognised the continued existence of illegal sanctions, subversive activities as well as the internal interference from hostile countries. As such it was instituted as a sanction busting strategy that would focus on the full exploitation and value addition to the country's abundant resources. Its vision was to proffer an empowered society and a growing economy. Its vision was to provide an enabling environment for sustainable empowerment and social transformation to the people of Zimbabwe (Government of Zimbabwe, 2013b).

Zim Asset was designed as a cluster based plan which reflected the string desire to fully exploit the internal linkages and relationships that exist between the various facets of the economy. These clusters include; food Security and Nutrition, Social Services and Poverty Eradication, Infrastructure and Utilities; and Value Addition and Beneficiation. Under the Infrastructure and Utilities Cluster, which is the concern of this study, the blue print recognised the development of robust, elaborate and resilient infrastructure as critical if Zimbabwean economy is to register sustainable growth in both competitive and effective manner. The Infrastructure cluster focused on the rehabilitation of infrastructural assets and the recovery of the utility services in Zimbabwe (Government of Zimbabwe - Zimbabwe Agenda for Sustainable Socio-Economic Transformation, 2013). These services include water and sanitation infrastructure, public amenities, Information Communication Technology (ICT), Energy and Power Supply; and transport (road, rail, marine and air).

Various financing mechanisms were identified in order to ensure that the Plan is fully funded. These include among others; tax and non-tax revenue, sovereign Wealth Fund, issuances of bonds, leveraging resources, accelerated implementation of Public Private Partnerships (PPPs). Furthermore, other mechanisms include; securitization of remittances and re-engagement with the international and multilateral finance institutions and other financing options focusing on

Brazil, Russia, India, China and South Africa (Zim-Asset, 2013). The Office of the President and Cabinet was thus assigned to monitor and evaluate the implementation, monitoring and evaluation of the Plan.

### ***5.2.7 National Budgets Statements (2004-2019)***

Zimbabwe national budgets started to make serious sentiments about the essence of PPP as an alternative funding option as from 2004. Government started to include PPP as an option to provide infrastructure and as such they were included in most of the national budget statements as from 2004. This section provides a pithy analytical synopsis of national budget with regard to their consideration on the use of PPPs from 2004 to 2019. The concluding observations from these budget statements were that they lacked some consistency and remained too general until recent when the government became particular about its possible for educational infrastructure development.

In 2004 the then Minister of Finance and Economic Development highlighted that all infrastructure in the country required urgent rehabilitation, upgrading and expansion (Government of Zimbabwe National Budget, 2004). He acknowledged that the government's traditional financier and provider of infrastructure services was facing some severe financial constraints and alluded that there was need to partner with the private sector. He said:

*Therefore, the government will involve the private sector through concessions and Build Operate and Transfer (BOT) schemes in order to meet the gap. Concession will be explored with foreign operators for the rehabilitation and upgrading of these infrastructures in such sectors which include water, roads, airports, electricity, education, health, post and telecommunications.*

The above sentiments marked the government's full acknowledgment of the need in incorporate the private sector in various key infrastructure development. In 2005 budget, the same minister reiterated that the government on its own cannot meet the total requirement for critical projects due to resource constraints and other demands on the budget (Government of Zimbabwe National Budget, 2005). He further pointed out that the strategy for financing capital projects during the 2005 therefore recognises the essential role for the private sector. He highlighted that:

*As underscored in the recently launched Macro Economic Policy Framework for 2005-2006, some public infrastructure will be developed in partnership with the private sector. This is critical for significant funding of infrastructure.*

Even though these were still assumptions, the above submissions depict the government's growing confidence about the assistance that they can get from the private sector to finance capital development. In its effort to find alternative funding options and to promote private sector through PPPs, the government of Zimbabwe in 2005 established an Infrastructure Development Bank. Speaking about its launch in his 2006 budget the Minister said:

*The establishment of the Infrastructure Development Bank has created a window for raising long- term capital to finance infrastructure projects, some of which were being funded by government through the Public Sector Investment Programme (PSIP).*

Through the establishment of this bank, the government sort to raise finances from the market and in this way promoting private sector participation in infrastructure development. The minister further invited the insurance and pension funds, including the National Social Security Authority (NSSA) to take up part of the 30% of the equity in IDBZ (Government of Zimbabwe, 2006). Such efforts did not yield much expected results from the government point of view. This was evidenced by the continuous call by the same minister for private players' involvement in the development of infrastructure as also indicated in 2007 national budget where he said:

*Mr Speaker Sir, government cannot finance the maintenance and development of all public infrastructures from its own resources. There is therefore need to involve the private sector in the development of infrastructure.*

The repeated call by the Finance Minister showed the desperate need by the Zimbabwean government to seek for alternative source of funding for capital expenditure. Unlocking the interest of the private sector remained a challenge for the government as evidenced by the slow uptake and implementation of PPPs. Even though the government had put in place some operational guidelines which were meant to promote and facilitate the implementation of PPPs in infrastructure development, there has been slow progress owing to absence of effective institutional and legal frameworks arrangements. It was unfortunate that the budgets were only

making policy pronouncement and there was no regulatory framework that would support such policies and situation which was also observed by the same minister in his 2007 budget when he said:

*The finalisation of the institutional and legal framework arrangements will facilitate quicker approvals, effective co-ordination, implementation and monitoring of all PPPs.*

These efforts were expected to boost the confidence of the private investors to partner government in infrastructure development through PPP arrangement (Government of Zimbabwe, 2007). However, such effort was also faced with another mammoth task of trying to contain hyperinflation due to adverse economic meltdown experienced in the country. The 2008 budget was quite about the issues of PPPs but rather acknowledged that inflation had become a detractor to much of the government programmes and there was need to stabilise the economy back and put it back on a sustainable recovery and growth path (Government of Zimbabwe, 2008). In 2009, the new Minister of Finance and Economic Development also continued with the same rhetoric of partnering the private sector even though there was still no concrete legal framework in place. In his 2009, the minister said:

*Given budget resource constraints, there are opportunities for enlisting the participation of credible private investors, some of whom have already expressed interest to complement Government efforts through joint ventures under the Built Operate Transfer/ Built Own Operate Transfer (BOT/ BOOT) arrangement.*

The minister however acknowledged that some potential infrastructure investment projects have failed to take off and to him the reasons include lack of consensus on issues tariffs and other incentives. He outlined in the same budget that the government will be engaging investors as well as structuring appropriate incentives and other measures that will guarantee viability of identified projects (Government of Zimbabwe, 2009). Most of the notable sectors and projects identified for implementation under the PPP arrangements were mainly economic infrastructures like roads and railways, electricity generation, water and irrigation, telecommunications, iron and steel making and toll gates. The proposal was however silent of possibility of the use of PPPs to cover social infrastructure gaps like educational infrastructure development particularly in institutions of high learning like state universities. The government

thus continued with funding tertiary institutions from budget and in the 2009 budget the minister said:

*In an effort to turn around the tertiary learning, I propose to allocate an amount of \$1.1 quintillion (US\$29.9 million) for state universities, comprising \$437.5 quadrillion (US\$12.5 million) for recurrent expenditure requirements and \$609 quadrillion (US\$17.4 million) for capital projects, including teaching and learning equipment.*

Such amounts allocated for capital projects were so paltry given the financial resources required to cover the educational infrastructure gap which has increased due to the increase in the number of universities opened in Zimbabwe without adequate leaning facilities. To make matters worse the insufficient allocations were not spared by the hyperinflation which was at peak as evidenced by the figures mentioned in the budget. Even if the government wanted to attract the private sector to PPP arrangement such an adverse economic turmoil presented a very serious hindrance that reduced investor's confidence and appetite. These budgetary policy pronouncements proved to be insufficient to trigger the uptake and implementation of effective PPP in any sector owing to the lack of legal and institutional frameworks.

Under the Government of National Unity (GNU), the new Minister of Finance and Economic Development again appreciated the essential role of the private sector participation in infrastructure development (Government of Zimbabwe, 2010). In effort to expedite the implementation of PPPs, the minister in 2010 budget announced the establishment of a PPP unit which was to be housed within the MFED. He said:

*Cabinet has already acknowledged the potential of the private sector participation in infrastructure development under PPP Guidelines. To facilitate and expedite implementation identified projects, Government is establishing in the Ministry of Finance a dedicated and specialised PPP Unit.*

The establishment of the PPP unit was meant to assist in identifying and securing strategic partners who would participate in these joint ventures. The PPP Unit was also meant assist in raising finances from the local and external markets. The operation of this Unit however still

could not be effective without a legislative framework that would empower them to carry out their mandate.

Even though the 2011 budget acknowledged the need to rehabilitate and expand education infrastructure in state universities, particularly on issues of student accommodation, it was silent of the possibilities of the use PPPs as an alternative funding option in this sector (Government of Zimbabwe, 2011). His budget relied on the traditional budgetary allocation model of funding. He said:

*Students in most tertiary education institutions are facing acute shortage of accommodation the situation has exposed a number of students to situations and practices that are not conducive for, whilst in most cases, the students were open to abuse particularly, female students. In this regard an amount of USD\$30 million is being provided for the construction of halls of residence in all the country's State universities under the phase 2 programme.*

The Minister's exclusion of PPP as another funding option could have been driven by his confidence that dollarized economy might be able to sufficiently fund capital projects. However, this was not possible, a situation that made him make some renewed emphasis on the essence of PPP in his 2012 budget when he said:

*Public Private Partnership arrangements remain an effective avenue of spearheading various development projects in the country. This is particularly so, given the huge quantum of financial resources required, which are clearly beyond government's capacity.*

Despite the emphasis, the minister's call remained general and was not particular about the establishment of systems that necessitate the real off take and implementation of these PPP in institutions of higher learning in Zimbabwe. Rather he continued the PSIP programmes in 2012 increased his budgetary allocation for rehabilitation of infrastructure to US\$57.2 million for institutions of higher learning (Government of Zimbabwe, 2012). Such continued allocations signified that there was less progress in the use of PPP in this sector despite the government's general for the use of PPP to reduce educational infrastructure gaps. The state's failure to match the increased demand for educational infrastructure as a result of the increase in the State

universities clearly indicated that that the government was indeed in a financial quagmire and something practical was supposed to be done to make the PPP matrix work.

In 2013, the Finance Minister and Economic Development admitted that there was indeed a slow pace in the use of PPP in Zimbabwe despite global trends pointing to the involvement of the private sector in financing infrastructure development under such joint venture arrangements (Government of Zimbabwe, 2013). He complained and suggested that:

*Progress in the promotion of PPPs has been slow in the absence of dedicated institutional arrangements for their promotion. Treasury will, therefore establish a PPP Unit during 2013 to spearhead the PPP process at a faster pace.*

The above submission indeed indicated that there was slow pace. The proposal for a PPP Unit was made in 2010 but come 2013, such an institutional arrangement was still not in place. Those were some of the weakness of the budget statement that they were just pronouncement and some of these proclamations would not or would take time to materialise. In addition, some of these budgets statements were just general and also mainly biased towards economic infrastructures unlike social infrastructure.

After the GNU, national budget for 2014, 2015, 2016 were less specific with the use of PPPs for infrastructure development despite it being captured as one of the key instrument under the ZIMASSETS's Infrastructure and Utilities Cluster. Despite realising and acknowledging the under performance of the PSIP disbursement by about nine percent in 2013, the 2014 budget was silence in pursuing PPP as an alternative funding option and rather continued to its usual allocations for PSIP disbursements (Government of Zimbabwe, 2014). This however did not yield much positive results and the 2015 national budget clearly capture the continued need for accommodation in various state universities as depicted in Table 5.1, an extract from the budget.

**Table 5. 1: State University Enrolment vs Accommodation Facilities**

<b>Institution</b>	<b>Total Enrolment</b>	<b>Currency Carrying Capacity</b>	<b>Shortfall</b>
Midlands State University	22000	4000	14000
University of Zimbabwe	13000	4200	8800
Bindura University of Science Education	5000	400	4600
Harare Institute of Technology	1800	380	1420
Chinhoyi University of Technology	6600	1200	5400
National University of Science and Technology	10000	250	9750
Great Zimbabwe University	10000	1337	8663
Lupane State University	3100	700	2400
<b>TOTAL</b>	<b>71500</b>	<b>12467</b>	<b>55033</b>

**Source:** Government of Zimbabwe (2015)

These accommodation Infrastructure gap showed that there was immediate need for government to explore other avenues to support the construction of halls of residence. Despite its proposal as an alternative funding option in 2004, nothing much was done to realise its effective implementation. The 2015 national budget proposed to make use of infrastructure bonds to finance the construction of these halls of residence (Government of Zimbabwe, 2015). The budget indicated that:

*Government will mobilise funding amounting to US\$20 million through the issuance of infrastructure Bonds, in order to expedite the construction of halls of residence at state universities. Recoveries from hostels rentals will be channelled towards repayment of the loans.*

This move was a clear demonstration of policy inconsistency as the minister seemed to have given up on pushing for the implementation of PPPs in general and in state universities to be specific. Rather than strengthening on the institutional and other regulatory frameworks the minister rather brought it another funding mechanism, again a demonstration that he had little faith about the possibility of use of PPPs to cover educational infrastructure development. Despite the infrastructure shortages, the same year the minister announced the establishment

three more state universities in Manicaland, Mashonaland East and Matabeleland South. However, what was worrying was that the government had no clear way in which they would support the infrastructure development in state universities. State funding seemed to be the option that the national budget had resorted and in 2015 the budget highlighted that:

*ZIMDEF funding has enabled construction of temporary structures at the main Fem Valley campus for the Manicaland University of Applied Sciences on land donated by the Mutare City Council, whilst Mashonaland East and Matabeleland South Universities are making use of the old structures at Dozemery Training Centre and Epoch Mine, respectively.*

This shows that there was no clear commitment by the government to make use of PPPs to fund educational infrastructure development. Such actions affirm government's subscription that the provision of public education is the responsibility of public authorities and the perception that PPPs may promote the privatisation and commercialisation of education. Despite appreciation that infrastructure development requires government and private sector efforts, the 2016 national budget was silence on the PPPs regardless of the Joint Ventures Act which was now in place (Government of Zimbabwe, 2016). Rather in his budget, he said:

*The proposal for financing of infrastructure for the 2016 National Budget therefore entails Government funding, supported by loan and development financing as well as public entities own resources.*

There was no consistency in the desire to adopt PPPs for campus development by the government. The 2017 national budget resorted back and openly submitted that the government will have to continue to pursue initiative for mobilising additional financial resources for the construction of halls of residence through means such as joint ventures and issuance of infrastructure bonds. The budget allocated US\$200.9 million for Higher and Tertiary Education, Science and Technology Development of which US\$172.591 million was allocated for the remuneration of employees of state universities. Of the overall Budget appropriations, only US\$23.2 million was appropriated towards the completion of on-going construction works to alleviate shortage of institutional accommodation. Furthermore, the 2017 Budget allocated US\$1.75 million towards the development of master plans and designs for the new State

universities in Manicaland, Mashonaland East and Matabeleland South and also for the rehabilitation of Epoch Mine for Gwanda State University (Government of Zimbabwe, 2017).

The above minimum budgetary allocation for capital expenditure is a clear indication that the government has indeed financial constraints to finance infrastructure developments. This then justifies the reason why the government had to openly proffer for alternative funding options for educational infrastructure development which includes PPPs or joint ventures despite the fact that there was visible implementation inertia. The 2018 national budget again was not clear in budgetary presentations about the government's invitation of the private player to partner the government through PPP arrangements in infrastructure development (Government of Zimbabwe, 2018).

In its drive to foster the Transitional Stabilisation Programme, the government in 2019 became clearer on the need to use PPPs and further became more specific of the possible use to enhance infrastructure development in institutions of higher learning. The 2019 national budget prioritised the construction of student accommodation and faculty blocks at Marondera, Manicaland and Gwanda State universities and as such allocated US\$29 towards that (Government of Zimbabwe National Budget, 2019). As for other existing institutions, the minister expressed confidence that PPP is the rightful instrument to cover the gap. The 2019 national budget indicated that:

*With regards to already existing institutions, considering the huge amount of resources required for the provision of decent accommodation, and limited fiscal space, Government has turned to Joint Ventures initiatives for the construction of halls of residence through public-private partnerships.*

The minister was rather optimistic of the possibilities of the use of PPP and was also sector specific giving a lot of hope. The challenge with budgets statements ever since the onset of PPPs in 2004 is that they were just general and lacked emphasis particularly to the education sector. In instances that they would mention sectors, these statements were biased towards the use of PPPs in economic infrastructure that in social infrastructure. As the ministers of Finance change so was the PPP policy position and as such there was a lack of consistency in proffering the use of PPPs. Policy pronouncement is one thing and policy implementation is yet another case which requires proper legal and institutional frameworks. However, it took about 10 years

for the Government of Zimbabwe to come up with a legal framework which was the Joint Venture Act of 2013. These national budgets again could not support these legal frameworks, but the government rather came up with other funding models for infrastructure development such as the issuance of infrastructure Bonds. National budgets in this regards were not fully supportive of the noble idea of PPP which was initiated in 2004 until recent in 2019 when it became sector specific.

#### ***5.2.8 Transitional Stabilisation Programme (2018)***

The Transitional Stabilisation Programme is an economic blueprint which was adopted under the new republic and was meant to cover the period from October 2018 to December 2020. The Plan which contains and express the aspirations of the people of Zimbabwe, is guided and draws its policy thrust from the country's vision 2030. The vision 2030 aspirations are set to be realised through five strategic clusters, which are: governance, macro-economic stability and re-engagement, inclusive growth, infrastructure and utilities and social development. Vision 2030 was set to be realised through the implementation of a two and a quarter year 'Transitional Stabilisation Programme' which was set to run from October 2018 to December 2020. Subsequently there will be two five- year development strategies, with the first one spanning from 2021-2025 and the second one that will cover 2026- 2030 (Government of Zimbabwe, 2018c).

The objectives of the transitional stabilisation programme includes; to stabilise the macro-economy, and the financial sector; introduce necessary policy and institutional reforms, to transform to a private sector led economy; to address infrastructure gaps and to launch quick wins that will stimulate growth. Inputs from various stakeholders including the business, labour, development partners, civil society and other groups were taken on board when crafting this programme (Government of Zimbabwe, 2018c).

The Transitional Stabilisation Programme recognises the functional essence of public infrastructure as the key enabler that can unlock economic growth potential, increase competitiveness and productivity and can equip public services to meet the demand (Government of Zimbabwe, 2018c). As such the Programme targets to increase the capital expenditure allocations from the current 16 percent of the total Budget expenditure to over 25 percent starting from the 2019 and 2020 fiscal Budgets. The programme in this regard seeks some quick- win projects in water and sanitation, energy, housing, health transport and

communication and ICT focusing on expediting the completion of ongoing infrastructure projects and in this regard contributing to the revival of the economy (Government of Zimbabwe, 2018d).

The Transitional Stabilisation Programme equally acknowledges the essence of investing in education as a key poverty reduction strategy and also as a vehicle of producing a skilled and capable workforce. In line with the institution of higher learning, the programme proposed the continued support for the construction of Innovation hubs at six state universities which is currently underway with the intention of extending them to cover other universities. The leading example has been the Midlands State University whose innovation hub was commissioned in June 2018. Furthermore, the Programme prioritised the development of infrastructure at new state universities. The programmes proposed the use of joint ventures as an alternative funding model for the construction of accommodation, teaching and learning facilities in states universities. The private sector was identified as important to compliment government efforts through Joint ventures in an effort to address the educational infrastructure gaps in most of the institutions of higher learning in Zimbabwe.

### ***5.2.9 “Zimbabwe is Open for Business” Mantra***

The new dispensation under President Emmerson Mnangagwa adopted a new foreign policy mantra dubbed ‘Zimbabwe is open for business’ which marked a paradigm shift from the previous ways of the previous administration whose relations with the international community particularly the West had become less cordial. The new administration thus took a realisation that the belligerent, bravado-filled and verbally acerbic attitude towards the West was disastrous for the country’s economy, made her isolated, and equally made the Zimbabwe brand less attractive. Ending Zimbabwe’s isolation, re-establishing and normalizing relations with the West as such emerged as a key keystone of the new regime. The doctrine of ‘Zimbabwe is open for business.’ thus sought to engage Zimbabwe’s neighbours, strengthen regional ties, engage, re-engage and strengthen the country’s relations with her traditional allies such as Russia and China and also to re-establish better relations with Britain, United States of America, the European Union (EU) and the West following a decade of toxic relations under the Mugabe regime (Ndimande & Moyo, 2018).

To achieve this, the new administration proffered that improved diplomatic ties with the West would ameliorate Zimbabwe's standing and perception in the world. Furthermore, committed re-engagement of the West was regarded as an arsenal to for the country to access foreign capital and investment which she needs to resuscitate her economy. The new administration made a lot pledges that would see the country dispensing a new form of governance. The 'Zimbabwe is open for business' thus served as an advertising mode and communication strategy of the new economic investment policy which is founded upon the best practices such as non-discrimination, effective protection of property, property rights, transparency and high standards of living (Ndimande & Moyo, 2018).

Research participants expressed mixed responses with regard to the impact of this new doctrine in attracting the foreign investors who can partner the government in PPP arrangements. Whereas some public sector participants were optimistic about this new policy, such was not the similar case with private sector participants and some PPP experts. Participants from the MHTEISTD was positive about this new government stance and indicated they are implementing all their policies in line with the 'Zimbabwe is open for business' mantra. The Director of Finance highlighted that there has been some improvement in the influx of investors under this new dispensation. He said:

*In the old dispensation investors were coming but the rate has now increased in this new dispensation and so far we have more than 30 investors who have come to express interest in educational infrastructure within 6 months.*

In the same vein of hope, the MHTEISTD held a very crucial Higher and Tertiary Education Infrastructure Investment Conference which was held on the 09 March 2018 at Rainbow Towers Hotel in Harare. The Conference was organized by the MHTEISTD was attended by various stakeholders and deliberated prospects of Public Private Partnership in institutions of high learning to promote development educational infrastructure. Such targeted educational infrastructure includes; student and staff accommodation, technology parks as well as student learning facilities. Additionally, the infrastructure sought to mobilise resources, to support the STEM initiatives, to engage local and international investors, to mobilise Diasporas funding and to establish stakeholder buy-in and support of the infrastructure, student grant/ loan facilities.

Representative of the state universities at the infrastructure conference also expressed hope that the new government policy would bring more investment in the education sector. One of the representative of state universities expressed that:

*Universities are committed to significant enhancement of their essential infrastructure and are open for partnerships. He also said that universities require research infrastructure that are necessary for carrying out quality research which is a major driver of university work. Universities are in need of social services and amenities. Some of these include shopping malls, clinics and chapels which need to be constructed and at least US\$1.7 billion is needed for investment in critical infrastructure in these projects. We are optimistic that the 'open for business' position by the government should culminate in increased inflow of foreign investors to the education sector.*

All these sentiments pointed to the optimism that the public sector participants had with the government policy of open for business. The private sector participants interviewed on the other hand however complained that no major changes have been brought about by the new government policy. They complained that the business environment is still adverse and still associated with policy inconsistencies. One of the foreign capital investor highlighted that:

*There are still some dynamics in the economics systems and that's why we were calling for the guarantee of occupancy, currency and the pricing model from the government if we are to embark on the construction of hostels. We are still requesting the government to treat us as an export processing zone because we bring foreign currency and as such we must be allowed to charge and also remit returns in foreign currency such in this scenario such that the project become viable and sustainable. The new dispensation however has not come out clearer with regard to this in its 'open for businesses' mantra. The regime is still to adequately convince us that it is not 'same script, different cast' and simply a continuation of the same Mugabe-era policies.*

Some of the private sector participants and PPP expert also concurred that in order to convince the investors, the call of 'open for businesses' should not just be rhetoric but has to be accompanied by political will. They are also advised that the re-engagement should not only focus on countries from the West alone but should also target regional countries such as Botswana which are also important to boost Zimbabwe's bilateral trade and investments.

Despite its limitations, the new dispensation has also been praised by other scholars such as Ndimande & Moyo (2018) as being pragmatic and realistic as it has become mindful of the need for new alliances, new investment partners and the need to be reintegrated into global society. It also has been praised for giving optimism and expectation that the country could be on the path to economic reform and economic prosperity even though its implementation is still gradual.

#### ***5.2.10 Public Investment Management Guidelines***

Zimbabwe transitions to a new economic order saw the new Government of Zimbabwe under the leadership of President Emmerson Mnangagwa, on January 2018 pronouncing a new Investment Policy Statement, (Investment Guidelines and Opportunities in Zimbabwe) as a preparatory way to regain its place as a leading African economy. This policy was presented as a revision of the former administration's Zimbabwe's Indigenisation and Economic policy which granted the 51:49 percent ration in favour of Zimbabweans. This Indigenisation policy had become so unpopular and many global capital and potential foreign investors had become reluctant to invest in the country which they perceived as closed for business. The Government as such underscored the key role of investment in improving the well-being of Zimbabweans. In the same vein the GoZ recognised the provision for good infrastructure is a pre-requisite for achieving economic growth and development, and also to enable the smooth functioning of other sectors of the economy (Government of Zimbabwe, 2018a). Some of identified investment potential included; the expansion and modernisation of existing infrastructure, as well as the construction of new infrastructure such as modern highways and associated tollgates linking key cities, power generation, dam construction, water reticulation, budget hotel chains in the tourism industry among others (Government of Zimbabwe, 2018a). The investment policy statement sets out the key principles to guide Zimbabwe's investment policy and outlines strategies to expeditiously and effectively implement them.

The Government of Zimbabwe proposed to apply key principles which are found in modern investment agreements for its new investment policy. These includes; non-discrimination between domestic and foreign investors and among foreign investors, effective protection of property, transparency and good regulatory practices. The principles also include the maintenance of environmental and social standards, promotion of investment retention, avoiding of mandatory performance requirements, easy entry and sojourn of personnel and

pursuit of high standards of governance. As a mean to achieve the objectives of the policy, the Government proposed various action plans or strategies. These include; modernisation of the legal framework for investment, strengthening of investment promotion and retention framework, facilitation of investment entry and establishment, as well as investor retention strategies. In addition, the GoZ also unveiled a wide array of Investment Incentives (Government of Zimbabwe, 2018).

The Government of Zimbabwe committed itself to reform its investment legislation in line with the adopted principles. This reform was to be conducted in a transparent manner, in consultation with all relevant and interested parties and to be informed by best international practice. The new investment law was to ensure non-discrimination between domestic and foreign investors. It also promised to accord equal treatment to all foreign investors and their investments just as accorded to domestic investors with regard to the establishment, expansion, operation, and protection of their investments. The new investment policy also promised to enforce the protection of investors in accordance with the elaborated principles (Government of Zimbabwe, 2018a).

In order to promote investment and to retain investors, the guidelines proposed efforts to streamline all processes and procedures so as to reduce administrative costs, institute mechanisms to quickly address concerns and grievances reported by investors during the conduct of their business in Zimbabwe, and to ensure effective use of the incentives regime. In an effort to enhance the ability of firms to enter and establish in Zimbabwe, the law proposed for the identification and removal of legal barriers to entry that are concurrently contained in legislation. Furthermore, the law proffered for the elimination of prior screening of foreign investors and proposed the adoption of a risk-based approach that applies regulations to prevent infractions by any investors (Investment Policy, 2018). This new Investment policy outlines that the Government of Zimbabwe will take actions to enhance and upgrade the investment promotion function of the Zimbabwe Investment Authority (ZIA) and ensure its effective implementation.

The new investment policy of 2018 proposed to develop and publish an inventory of incentives that are currently offered to investors in Zimbabwe. ZIA was assigned to carry out the incentive award process in a manner that minimise distortions to competition and ensure transparency and good governance. The policy equally proposed that the inventory shall be updated periodically to ensure that it remains current and responsive to the changes that will be ongoing

in the global economy. An array of financial incentives in the form of corporate tax was unveiled to various sectors in an endeavour to promote industrial growth and development. With regards to BOOT and BOT arrangements, the law proposed zero percent tax for the first five years and 15% for the second five years (Government of Zimbabwe, 2018a).

The new Investment policy also assures to guarantee investment security to all the investors in line with international. It indicates that Zimbabwe is a signatory to a number of bi-lateral and international Investment Protection Agreements. These includes; Overseas Private Investments Corporation (OPIC) and Multinational Investment Guarantee Agency (MIGA), International Convention on Settlement of Disputes (ICSID), New York Convention on the enforcement of arbitral awards, and United Nations Convention on International Trade Law (UNCITRAL). In addition to that, it also highlights that Zimbabwe has ratified Bi-lateral Investment Treaties (BITs) with Germany, Denmark, Swiss Federation, Yugoslavia, Netherlands, China, South Africa and Russia (Government of Zimbabwe, 2018a).

### **5.3 Legal Frameworks Guiding PPPs**

This section traces the legal frameworks that have been pronounced by the government of Zimbabwe to guide and support the PPPs in Zimbabwe ever since they were mooted in 1998. This study gave an empirical content analysis of these legal frameworks in order to understand their adequacy in fostering the implementations of PPPs in Zimbabwe. These legal framework includes; Procurement Act of Zimbabwe of 1999, Zimbabwe Investment Authority Act [Chapter 22:14], Joint Venture Act [Chapter 22:22] of 2015, Public Procurement and Disposal of Public Assets Act and Zimbabwe Investment Development Agency Act [Chapter 14:37].

#### ***5.3.1 Procurement Act of Zimbabwe [Chapter 22:14]***

The Procurement Act [Chapter 22:14] of 1999 provides the overall guidelines for the application of the Act Build Own Operate Transfer (BOOT) or Built Operate Transfer (BOT) contracts. BOOT or BOT are some of the various models of PPPs. Procurement Act of Zimbabwe (1999) defines the BOOT or BOT contract ‘as a contract or any other arrangement under which a person undertakes to construct an item of infrastructure for the State, local authority or as statutory body in consideration for the right to operate or control it for a specified period, after which he will the transfer or restore ownership or control to the State, the local

authority or the statutory body concerned'. The Act provides that the Act shall apply, mutatis mutandis, in respect of BOOT or BOT contracts as if they were procurement contracts. This therefore means that every person who enters into such a contract shall be deemed a supplier and the State, local authority or statutory body shall be deemed to be a procuring entity. What it therefore means is that the JVPs/ PPP procurement process had to comply with the provision of the Procurement Act [Chapter 22:14]. In this regard, all the tendering was to be done in consultation with State Procurement Board (SPB) with the actual award of the contract done by SPB.

### ***5.3.2 Zimbabwe Investment Authority Act [Chapter 22:14]***

The Act provided for the establishment of the Zimbabwe Investment Authority (ZIA), a legal corporate body responsible for promoting and facilitating both foreign direct investment and local investment in Zimbabwe. The main function of the Authority was: to provide for the promotion and co-ordination of investments, to repeal the Zimbabwe Investment Centre Act [Chapter 24:16] and the Export Processing Zones Act [Chapter 14:07], and to provide for matters incidental to or connected with the foregoing (Government of Zimbabwe, 2006). ZIA as such was established as a result of the merger of the Export Processing Zones (EPZA) and the Zimbabwe Investment Centre (ZIC) in 2006, with the aim of creating a one stop investment shop for quicker and easier facilitation of investment.

The operations of the Authority were, subject to this Act, be controlled and managed by a Board to be known as the Zimbabwe Investment Authority Board as provided in section 4 of the Act. The Board was then supposed to establish an Investment Committee which was responsible for making recommendations to the Board to approve or refuse to approve any investment applications submitted to the Authority by any prospective domestic or foreign investors. Some of the refined functions of the Authority as provided by Section 7 of the ZIA Act include: a) to deal with applications for investment licences; (b) to plan and implement investment promotion strategies for the purpose of encouraging investment by domestic and foreign investors;(c) to identify sectors of the economy with potential for investment for the purpose of attracting domestic and foreign investors; (d) to respond to proposals from any domestic or foreign investor for joint ventures with State or otherwise; (e) to promote the decentralisation of investment activities in accordance with the development policy of the Government; (f) to supervise, monitor and evaluate the implementation of approved investment projects and to submit reports to the Minister concerning such projects;(g) to recommend to the Minister, the

granting of additional incentives, where necessary, outside of existing policy investment procedures. The proposed one stop investment centre however never saw the light of the day because some key departments did not send representatives and this resulted in further delays in the processing of investor applications.

### **5.3.3 Joint Ventures Act [Chapter 22:22]**

This Act which is administered by the MFED was propounded to provide for the implementation of joint venture agreements between contracting authorities and counterparties. The Act which was promulgated in 2015, and then gazetted on 27 May 2016 was meant to bring clarity policy environment and attract foreign capital. Government of Zimbabwe Joint Ventures Act (2015) outlines the various PPP models, procurement types and procedures.

Even though other public sector participants felt that the JV Act was adequate as a legal framework, the PPP experts submitted that the Act has its own flaws. In analysing the JV Act, one of the PPP experts interviewed alluded that although the Act outlines the institutional and process framework to guide the implementation of JV project, the Act is too broad and there is need for a regulations and procedure manual. In his words the PPP experts said:

*This JV Act is so broad and for one to implement it you would need further regulations and the manuals. These manuals which will act as a “bible” should then guide the interested parties involved, be it the private sector or the public sector*

Commenting of the above weakness, a Director of the JV Unit in the MFED said that they are in the process of drafting these said manuals to ease the implementation of JV projects. He said the manuals are in the draft form as it stands they have since done the validation exercises and consultancies were hired to do the work. He agreed that as of now what is available is the JV Act which was promulgated in 2015 and gazetted on the 27<sup>th</sup> of May 2016. In his own words the Director said:

*As for the Act what is outstanding are the regulations which should be legally binding. The JV Unit is supposed to do that and we have since done some groundwork with regards to this. We have done the draft guidelines as well as the procedures and operational guidelines. The regulation guidelines have to go through the parliament*

*and for the procedures and the operational guideline; the Ministry can be the highest office to approve them.*

This submission is a clear indication that the JV Act as a legal framework is not adequate and hence it could not sufficiently support the uptake and implementation of these PPP projects.

The other participant from the MHTEISTD however submitted that the JV Act is sufficient and he said we do not need to have many layers of the law. His argument was that the Act provides the framework and then any individual arrangement can then be discussed because every investment is unique depending on the needs of the investor. He also said there is no need for additional laws but there is rather a need to negotiate with each and every investor. Despite his argument, the fact remains the same that if the Act is not clearly understood by the targeted investors, then it becomes very difficult to instil confidence in them and worse still to lure them to partner you in infrastructure development.

Participants from state universities equally share the same sentiment that the JV Act is still very woolly. One of the participants from HIT commented that:

*I do not think the JV Act is very supportive and I find it so cumbersome and there require a lot of incentives to be put in place if PPP are to be successful. It is too broad and at the end of the day it becomes so general.*

The other participant from MSU also echoed similar sentiments and said:

*Legal frameworks in place are just a jungle but however we have not started to realise any challenges because we are dealing with local institutions but maybe challenges shall come as we deal more with the foreign investors. The notion that PPPs is just signing deals with private players is not correct because there are a lot that is involved in such arrangement and much of these expectations are not clearly captured in these legal frameworks. Private players require a lot of clarity particularly in terms of issues like guarantees.*

On contrary however some of the participants from the financial institutions said the JV Act is very comprehensive and clear. A participant from the IDBZ, a development financial institution said:

*The Act is adequate and clear and there are only some occasions where we have to explain the provisions of the Act to some of the stakeholders. Some institutions including state universities have challenges of understanding the provisions of this legal framework and in some instances we assist them in that regard.*

Another participant from the financial institutions, CBZ, also echoed the similar sentiments. In his own words the participant from CBZ said:

*The measures stipulated in the JV Act may be considered adequate in terms of attracting private investment and ensuring security of such investments. However, what Zimbabwe presently does not have in place a legal policy framework on the minimum standards of student housing at public universities. Other jurisdictions such as South Africa have regulatory frameworks that specify the minimum standards for on-and-off campus student housing at public universities.*

The PPP experts interviewed equally submitted that the current JV Act is actually very comprehensive and covers broad range of issues. They however said there are details in terms of the implementation of PPPs that need clarity and said these cannot be done within a framework of the policy but within the framework of the implementing guidelines or statutory instruments that provides the regulations. The PPP Expert from the Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU) proffered that:

*Other countries have developed manuals that outline very clearly the various steps to be undertaken within a PPP arrangement. In our case however work has been done in the development of these manuals but has not yet been published.*

The PPP experts concurred that it would be very premature to evaluate the adequacy of this Act without these accompanying enabling statutory instruments and manuals. Their observations thus work to inform that the highly glorified legal framework to guide the PPP

implementation in Zimbabwe is still incomplete and there is still more work to be done to enhance its effectiveness. In other words, the current JV Act is insufficient.

Favourable legal framework was considered as one of the CSF components to enhance PPP project implementation by Hardcastle et al. (2005) in their grouping of seventeen CSFs for effective PPP into five principal groupings. They considered that a favourable legal framework allows for a PPP/PFI project to be developed without undue legal restriction on the private sector involvement. An appropriate legal framework should therefore guarantee the legal status for project implementation. Equally, Cheung et al. (2012) mention that an independent, fair and efficient legal framework is a critical factor for successful PPP project implementation.

Hardcastle et al. (2005) further add that sufficient legal resources at reasonable costs should be available to deal with the amount of legal structuring and documentation required. In the Zimbabwe case however, such resources are not in place. National Treasury PPP Unit of South Africa (2007) also alludes that a transparent and stable legal framework helps to make the contracts and agreements bankable. The private players in Zimbabwe have always expressed concern over the dynamics of the legal framework and hence they said that makes any contracts and agreements unreliable. An adequate dispute resolution system should help to ensure stability in the PPP arrangements. Cheung et al., (2012) note that appropriate governing rules, regulations and reference manuals related to PPP should be well established to facilitate the effective application of PPP procurement approach. These are some of the missing links in JV Act as a legal framework guiding the implementation of PPPs in Zimbabwe.

#### ***5.3.4 Public Procurement and Disposal of Public Assets (General) Regulations, 2018***

This new procurement law, Public Procurement and Disposal of Public Assets Act (PPDPA) decentralised the procurement decision making and empowered the Procuring Entity (PE) to be responsible for managing its procurement requirements. Section 14 (1) of the PPDPA Act stipulate that:

*Each PE shall be responsible for managing its own procurement, where the values of the procurement requirement are below the prescribed financial thresholds stated below:*

- (a) US\$200 000, in the case of construction works; or*
- (b) US \$100 000, in the case of goods; or*

(c) US\$50 000, in the case of consultancy and non- consultancy services.

As for procurements that are above these financial thresholds, PEs will be then required to obtain authorisation from Procurement Regulation Authority of Zimbabwe (PRAZ). Section 15(1) of the Act:

*Prohibits a PEs from conducting any procurement in which the value of the procurement requirement is at or above the prescribed threshold unless the PE has been authorised by the Authority.*

This authorisation shall be given in writing and maybe subject to such terms and conditions as specified by the Authority; and shall be valid for a period of two years from the date on which it is given, and may be renewed for further such periods (Government of Zimbabwe, 2018b). This Statutory Instrument 5 of 2018 works in conjunction and as an improvement of the Joint Ventures Act [Chapter 22:22] (Act No.6 of 2015) and share the same meaning for the words and phrases that are outlined in the section 2 of the JV Act. This instrument made some the refiner clarifications which were not captured in the Zimbabwe's JV Act.

Firstly, the statutory instrument appoints the Chief Secretary to the President and Cabinet to be the Accounting Officer for joint venture projects which involves two or more Ministries, department or agencies as the parties to the joint venture agreement. The other refinement made is that submission of bids can now be made as a consortium. In this case if two or more persons combine as a consortium to submit a bid or an expression of interest in a joint venture arrangement, no such person will be also express as bid or extend expression of interest separately whether as an individual or as part of another consortium. As such that instrument clearly stipulates that if anyone bid or extend expression of interest in contravention to this provision shall be disqualified. Furthermore, the instrument alludes that the contracting authority is therefore expected to evaluate the consortium's bid according to the combined capability of its members.

In line with the expressions of interest from the counterparties as provided for by section 100(4) (b) of the Act, the Statutory Instrument require that such an invitation be particular of certain issues. According to the Statutory Instrument, the invitation notice should clearly identify the contracting authority and describe the earmarked joint projects and should specify the number

of counterparties that shall be shortlisted. Furthermore, the statutory Instrument provides that the invitation notice is also expected to indicate the minimum professional and technical qualifications, human resources, equipment and other physical facilities needed to carry out all the phases of the project that is including design, construction, operation and maintenance. The evidence and information that the potential counterparties shall be required to produce in order to demonstrate their capability to manage the financial aspect of the projects also has to be clearly spelled out in the notice. The statutory instrument also requires the notice to contain information relating to the minimum managerial and organisational capability, reliability and experience of the potential counterparties, including their previous experiences in providing or operating a similar infrastructure, assets, facilities or services.

The Special Procurement Oversight Committee according to the Statutory Instrument shall review the short-listed potential counterparties. The Accounting Officer of the contracting authority shall be required to communicate the outcome to all potential counterparties that submitted expressions of interest. A request for proposal is then sent to all the potential counterparties that have been listed. The request as such should indicate whether the bidding will be held in one or two stages, whether the project will be financed entirely from fees or tariffs or from other finances, the technical requirements, the environmental standards to be met by the project, the operational feasibility for the project and the quality of service expected of the counterparty.

When evaluating a submitted proposal from counterparty under this new arrangement as informed by Public Procurement and Disposal of Public Asset regulations, the contracting authority takes into consideration a number of factors. They will consider the proposed fees or tariffs and any proposed direct payment by the contracting party, the cost of designs and construction activities, presents value of capital costs and of operating maintenance costs, the extent of financial support expected from the contacting authority and the soundness of the counterparty's financial arrangements. They also consider the extent to which the counterparty accepts any negotiable contractual terms proposed by the contracting authority in the request for proposal, and social and economic development potential offered by the proposal. Finally, when negotiating the joint venture agreement, the regulations provides that the contracting authority and the successful bidder shall not negotiate or alter any terms that were stated as non-negotiable in the request for proposal issued or in the bidder's proposal.

Again, neither shall they change the essential elements of the project. Rather the regulations highlights that the negotiations shall be limited to finalising the details of the documentation and satisfying the reasonable requirements of lenders or funders of the project. Should the contracting authority and a successful bidder fail to negotiate a joint venture agreement, the regulations indicates that the former shall proceed to negotiate an agreement with the second - ranked bidder and shall not continue negotiations with the original successful bidder.

In his analysis of the new Procurement Act (Public Procurement and Disposal of Public Asset regulations), a Director of the JV Unit within the MFED highlighted that:

*Section 100 of this new Act exempts JV projects to be bounded by the Procurement Act once a private player has been secured. However, such provision can only start to apply once a private player has been secured and the securing of the private player has to be guided by this new Procurement Act.*

His position was that Joint Venture Act provide for its own way of procurement which exempts PPP projects to be bounded by this new procurement Act. He further alluded that Section 8 subsection 4 of the Procurement Act provides example of some projects which the government may regard as so sensitive and cannot be just be subjected to JV Procurement alone but have to undergo through the Procurement procedures. As such the cabinet might equally have a say on these projects.

### ***5.3.5 Zimbabwe Investment and Development Agency Act [Chapter 14:37]***

This Zimbabwe Investment and Development Agency Act [Chapter 14:37] which was enacted in 2020 provides for the promotion, entry, protection and facilitation of investments and Development Agency, provides for the establishment of the One Stop Investment Services Centre, repeals the Zimbabwe Investment Authority [Chapter 14:30], the Special Economic Zones Act [Chapter 14:34] and the Joint Ventures Act [Chapter 22:22].

Section 3 of the ZIDA Act provides for the establishment of this Agency as a body capable of suing and being sued in its own name. This Agency which falls under the Ministry of Finance and Economic Development is headed by the Chief Executive Officer and has various functions. Among its functions as provided in section 4 of the Act include: to promote and

implement investment promotions strategies, decentralization of investment activities, facilitate entry and implementation of investment projects, to promote Zimbabwe as an attractive investment destination, to establish and regulate special economic zones, to appraise and recommend the approval of PPPs with the State to the Cabinet, to maintain records related to investment certificates, work permits, visas and any other documents pertaining to the licensed investors (Government of Zimbabwe, 2020).

Section 5 of the ZIDA Act provide for the establishment of a One Stop Investment Services Centre which will be under the control and supervision of the Agency. This Centre consists of various desks as that to: represent the general investment division of the Agency, represent a unit in the Agency responsible for public private partnerships, responsible for special economic zones, Immigration Department, Zimbabwe Revenue Authority, Environment Management Agency, Reserve Bank of Zimbabwe, Office for the Registration of Companies and other Business Entities, National Social Security Authority, Zimbabwe Energy Regulatory Authority, the Ministry responsible for mines and minerals, ministry responsible for local authorities, Zimbabwe Tourism Authority, Ministry responsible for labour and any other additional desks that will be considered relevant for the success of one stop shop. Such an establishment can be applauded given that these various stakeholders are plenty and can now be accessed under one roof. This will improve the easy of doing business and it only leaves to be seen how the various stakeholders will coordinate and work together since the Agency is still new and yet to implement much of its mandates.

Section 34 of the ZIDA Act transfers the Joint Venture Unit which was established in terms of section 3 of the Joint Venture Act [Chapter 22:22] (No.6 of 2015) in the Ministry responsible for Finance and Economic Development to continue in existence and now known as Public Private Unit of the Agency. The functions of the Unit remain the same except that they will now report to the Cabinet through the Chief Executive Officer Unlike through Joint Venture Committee which is a slight reduction in some bureaucratic pathology. However, the PPP Unit still do not have ultimate powers to make a final decision on a submitted proposal and as such they still have to take a route of making recommendations to the Cabinet for its approval.

Section 36 of the Act confers certain powers to ZIDA in relation PPPs and this is done to enhance the implementation, monitoring and evaluation of PPP projects. The section empowers the Agency to; retain consultants to assist, demand accountability from chairpersons,

accounting officers or chief executive officer of any contracting authority, and examine such records and documents relating to a PPP projects and make copies thereof. Any person fails to comply with the request or wilfully gives any false or misleading answers to questions put by the Agency shall be guilty of an offence and liable to a fine not exceeding level 8 or to imprisonment for a period not exceeding three years or to both such fine and such imprisonment (Government of Zimbabwe, 2020).

#### **5.4 PPP Institutional and Process Frameworks**

This section analyses the adequacy of institutional and process frameworks guiding the PPP procurement in Zimbabwe in general and Zimbabwe state universities in particular. The study sought to understand the competitiveness, efficiency, openness, negotiation timeframes, private investor selection criteria and deal completion periods of the PPP procurement process. Effective procurement is one of the critical success factors (CSFs) for PPP as enunciated by Hardcastle et al. (2005) and as such this conceptual framework informed this analysis. The Joint Venture Act [Chapter 22:22] outlines the functions of crucial institutions that assist in the implementation of PPP project and these includes; the JV Unit, Contracting Authorities, JV Committee and the Cabinet. With regards to this study, these institutions relate to MHTESTD, MFED, Joint Venture Unit, Joint Venture Committee, State universities and the Cabinet. This institutional and process analysis therefore made some reflections on these institutions in order to understand the nature of PPP procurement process and how it relates to established CSFs for effective PPP implementation.

The majority of the research participants from the public and private sector as well as the PPP experts concurred that in Zimbabwe PPP procurement process can be done in two ways, that is through solicited and the unsolicited bids. Explaining the solicited bid, one of the public sector participants, the Director of the Joint Venture Unit in the MFED said:

*A solicited bid is where the contracting authority will identify a project and they call for the expression of interest and facilitate the conducting of the feasibility studies and they would do a request for proposals.*

Also elaborating what the solicited bidding entails, one of the PPP experts interviewed also submitted that:

*Solicited bid is whereby the government initial would identify projects for example in universities and they would say now we want to find partners. The JV Unit is then appraised about that and they would work with the project promoters to then flight Request for Proposal (RFPs) so that you can have partners who can respond. There after they will go through the adjudication process and they would do the selection of the partner.*

Most the state universities participants also submitted similar sentiments and also pointed out that the procurement procedures for the solicited bids are clearly captured in the JV Act and also highlighted that the process is normally ignited by the contracting authority and ends with a cabinet approval. The JV Act outlines the PPP procurement process from the initiation stage by the contracting authority to the approval of the project by the Cabinet and this study illustrates this process in detail in relation to its application in Zimbabwe state universities.

The JV Act provides that whenever a contracting authority wishes to have or enter into a joint venture agreement in line with exercise of any of its functions or responsibilities, it shall have to follow certain laid down procedures. The contracting authority according to the section 2 of JV Act refers to the public sector part which has entered into or is considering entering into joint venture. This contracting authority can be any Ministry, Government department or a public entity like State universities. The Act outlines that the contracting authority firstly has to identify, appraise, develop and monitor a joint venture project that will be implemented under this Act. A joint venture project according to the section 2 of the Act means ‘the design, construction, development, operation or delivery of a new infrastructure, asset, facility or service or the rehabilitation, modernisation, expansion, operation, delivery or management of an existing infrastructure, asset, facility or service’. In regards to Zimbabwe state universities, the possible identified project can be that of the construction of student hostels, lecture rooms, laboratories, administrative blocks or even sporting facilities.

Secondly the contracting authority will then invite expressions of interest in a project from various counterparties and this can be done through a public advertisement in the print, broadcast or electronic media or in any other transparent manner. The counterparty according to section 2 of the JV Act refers to ‘a party to the agreement other that a contracting authority’ and this include the private part like investors. Given that it has identified a proposed project

with an identified counterparty and has communicated this to the JV Unit, it then can undertake or cause to be undertaken a feasibility study and then submit it to the Unit for its approval.

Section 3 of the Joint Venture Act provides for the establishment of the JV Unit, a department set under the control and direct supervision of the Secretary of Finance in the MFED. The JV Unit is also called PPP Unit in other countries. The Act assigns the JVU the mandate to consider the submitted project proposals and assess whether they or they are not affordable to the contracting authority and that they provide value for money. The JVU also strives to ensure the optimum transfer of technical, operational and financial risks to the counterparty. It also seeks to ensure that the proposals are competitiveness and that they conform with the approved feasibility studies and it also advises the government on joint venture projects generally through a Joint Venture Committee (JVC). One of the PPP expert interviewed observed and asserted that:

*The establishment of the JVU and JVC automatically repealed the section 7(d) of the Zimbabwe Investment Authority (ZIA) Act, which had the function to respond to the proposals submitted from any domestic or foreign investor for joint venture with the state or otherwise.*

The other participant from the MHTEISD however criticised the establishment of such a Unit, arguing that it increases bureaucratic inertia.

When the feasibility study has been approved by the Unit, the contracting authority will then have to request the counterparty (is) to submit a project proposal and a model agreement on the basis the approved feasibility study. The Joint Venture Unit upon receipt of the project proposal from the contracting authority shall refer it to the Joint Venture Committee (JVC) which shall make recommendations thereon to the Cabinet for the Cabinet determination (Joint Venture Act, 2015). Section 4 of the Act provide for establishment and composition of the Joint Venture Committee as a body under the JV Unit. The Committee consist of the permanent secretary for the Finance Ministry, who chairs the committee, permanent secretaries from the Ministries of Industry and Commerce, Local Government, Transport and Infrastructural Development, Energy and Power Development, Justice, Economic Planning and a representative of the Attorney-General at director level and the director of the unit (JV Act, 2015). Section 4(2) (a) of the Joint Ventures Act provides that a minister can invite any other person to attend a

particular meeting or a series of JVC meetings if that person has the expertise which committee may require. Furthermore, a representative of a contracting authority whose project is on agenda of a meeting of the JVC can also be invited given the fact that the item of the agenda is under consideration by the committee. However, the last these two later invitees have no right to vote on matters put to the vote by the chairperson.

Section 5 of the Act provides that the Committee is staffed through the Public Service Commission. Among the functions of the Committee as indicated in section 6 of the Act include; assisting the Minister to formulate policy guidelines on joint ventures and also to ensure that all the projects are consistent with the national priorities that are specified in the relevant in joint ventures. The Committee also make recommendations to the Cabinet as to whether to approve or reject project proposal submitted to it by the JVU. Equally the Committee can perform any other function as may be conferred on it by the Minister in terms of this Act or any other law.

Upon the receipt of the project proposal, together with the recommendation of the Committee, Section 8 subsection 3 of the Act states that the Cabinet may approve the project proposal or reject the project proposal as well as give reasons for the rejection. Alternatively, the Cabinet may provisionally approve the project proposal on fulfilment of certain of certain conditions specified by the Cabinet. It also can also direct the contracting authority to receive tenders from the counterparties in accordance with the law relating to public procurement if no satisfactory counterparty has been identified within the provisional approval of the project by the Cabinet. In the effect that two or more proposed counterparties have been identified, the Cabinet has the discretion to select one of the proposed counterparties as the counterparty in the joint venture agreement. The Act however forbids the awarding of a project or signing of a joint venture agreement relating to the project by any contracting authority before the approval by the Cabinet. The Act clearly states that ‘any agreement required to be approved that is purported to be concluded without such approval shall be null and void’.

The other type of PPP procurement process according is the unsolicited bids and this has been brought about as a result of the new procurement law, the Public Procurement and Disposal of Public Assets Act. Concurring to the same observation a Director from the MHTEISTD alluded that there is now a new procurement Act and this allows for unsolicited bids to happen. Explaining how the unsolicited bid works, a Pro VC from HIT said:

*Unsolicited bids involve an investor just coming and offer that they want to invest and they can request for your concept note or your proposal. The proposal would include the cost of the infrastructure, how much of our students will pay, the quality of the hostel, the PPP model, period of tenure, and the standard Memorandum of Understanding (MoU). Before we sign the MoU we can do feasibility studies, go to the site and do the soil tests and there are preconstruction costs that can be involved. When we now have the MoU with the investor, we would then send it to the MHTESTD who will look into it through their legal advisor and after which they will send it to the Ministry of Finance and Economic Development particularly the JV unit for approval and then at the end of the day they go to the cabinet for approval.*

The other participants from the MSU confirmed the existence of the unsolicited bidding highlighting that besides the solicited procurement procedures, there are some cases whereby you can negotiate a deal directly with a service provider. He said that in such cases the procurement will be done at an institutional level in compliance with Procurement Regulatory Authority of Zimbabwe (PRAZ). PRAZ demands that the use of state fund should be protected through the appropriate tendering processes. When you have some exclusive arrangement with a supplier of a service, you then would need to affirm the PRAZ personnel so that they also approve your arrangement. The participant from MSU said:

*Currently there is an arrangement that we have with CBZ, in which we are using our own contractor- our own building brigade- but when it comes to for example we want to roof, we actually go for tender following the same tendering procedure as enunciated by the PRAZ.*

PPP experts also submitted that unsolicited bidding is the other type of the PPP procurement process. One of the PPP experts indicated that:

*Unsolicited proposals can come in where you have interested investors who can approach universities and would say I can assist to build the hostels and as such let's discuss. The only danger with this arrangement is that it is difficult to know whether what you are being offered is competitive or not.*

Narrating how the unsolicited bid operate as well, the participant from one of the development financial institutions (IDBZ) also shared how the process unfolds. He said the process can be ignited either by them as IDBZ offering a university that they can build them an infrastructure like hostels if they know that they need such facilities, or alternately the university can make an application to IDBZ for financial assistance for a facility like hostels. Upon agreement, engineering consultancy is then secured to do the project preparations which involve preparation of designs and obtaining of statutory approvals from institutions such as councils among others. He highlighted that:

*Each project you would need to hire about five to six engineering consultancy, among them include; one who is Architecture for Civil Engineering designs, one for Mechanical Engineering, someone for Electrical Designs, for Environmental Management Authority (EMA) Approval among others. All these services, cost around USD\$800000 to USD\$ 1,5 million dollars and we finance as IDBZ if we are handling the project.*

The participant also indicated that these resources are too much and he further highlighted that such a cost for feasibility studies is mainly a stumbling block for many PPPs to take off. These feasibility studies involve technical feasibility studies and not just general feasibility studies. The participant also adds that feasibility studies are necessary in order to justify the practicality of the project before it is implemented and it involves consultation and approvals by various key stakeholders. The participant from IDBZ the specified that:

*Approvals have to be sort at any point because there will be always a public function that has to approve such as the respective Council, Surveyor General, EMA. Again we work with the JV Unit who approves the feasibility studies.*

After the approval of the feasibility studies, the next stage according to IDBZ participant is the procurement of construction firms. For a single project, he indicated that you may have as many of these firms for various areas such as plumbing, electricity and roofing. In his words he said:

*We request these companies to bid for work and then we select from there. We have a very powerful construction team as IDBZ and some universities have requested us to help them in the procurement. We have expertise and all our work is done according to*

*the International Best Practices and we also do international bids as we open up our projects to international investor. We advertise to international players who want to participate and as such our process is open to anyone.*

In summarising the unsolicited PPP procurement process, the IDBZ participant said it start with the engagement with the concerned state university, then consultant is hired, feasibility studies are undertaken, then Statutory Approvals and JV Unit approval sort and then Construction is done. He indicated that IDBZ is a government formation as a Development Finance Institution meant to finance infrastructure development in the country and it used to be called Zimbabwe Development Bank (ZDB). It was formed because the government wanted a specialist in infrastructure investments both in repairing old infrastructure and construction of the new ones. In PPP arrangement they play a facilitator role and they have been building both learning and accommodation facilitates in many universities, both private and state universities. He indicated that they currently had four approved projects and these are in Chinhoyi University of Technology (CUT), NUST, Lupane University and BUSE. They are also currently developing concepts in Catholic University, Women University and Manicaland State University. In PPP arrangements, as IDBZ they do not always use their money. In some cases, they can put in a private player and never participant and they would have played an arranger role (prepare a project and find a private partner). In other cases, they can secure the fund from the private player and they invest it as IDBZ and for some private players who wants to control the business, the participant indicated that they can arrange that then enter into an arrangement direct with the university. In most cases they play a facilitator role.

The JV Act describes the unsolicited bid as ‘a proposal that is prepared or made without the invitation, solicitation, supervision or request of a contracting authority in terms of section 8, made solely at the initiative of the prospective counterparty’. The Act requires JV Unit to be notified if there is any expression of interest in joint venture by a prospective counterparty with an identified contracting authority. Upon receipt of an unsolicited bid or expression of interest, it is expected that within fourteen days, the Unit should have consulted with the relevant contracting authority to establish whether the proposed joint venture is acceptable or not. If the joint venture proposed by the unsolicited bid or expression of interest is of a type that is acceptable, the JV Unit shall then seek the approval of the Committee for the contracting authority to conduct a feasibility study, whose cost will be catered for by the unsolicited bidder.

If the reverse is the case and the joint venture is unacceptable, the Unit is equally expected to notify the contracting authority and unsolicited bidder accordingly (Joint Venture Act, 2015). Analysing the two PPP procurement process, participants expressed varied opinion with regards to their transparency, competitiveness and efficiency. Some of the public sector participants indicated that the process is competitive yet others subscribed to the other notion. Assessing the rules that apply for the request for proposal that are in the Procurement Act with PPP projects have to adhere to, the Director of the Joint Venture emphasised expressed confidence that the PPP procurement process is competitive and in his words he said:

*Competitiveness is one of the crucial benchmark that is considered. We are obliged to ensure that the process is competitive so much that we get the best deal from the market.*

The same participant in the JV Unit however also expressed concern over this second PPP procurement type (unsolicited bidding) and he indicated that there are still issues that have to be addressed through the regulation and the manual. He said the Joint Ventures Act requires that the unsolicited bidder funds the feasibility study but it does not say much about what happens to this person after funding the feasibility study. Expressing his concern, he said:

*Whereas the Act requires that we consider competition when bidding, the findings are that most private players do not like competitive bidding once they have funded the feasibility studies. We do not want a situation whereby if one funds a project, it becomes an automotive winner regardless of how much they charge, that does not promote competitiveness.*

The other public sector participant from the MHTEISTD also opines that the government should flight a tender and interested investors bid and this promote competitiveness and said currently the investors are just coming and expressing the interest to invest. He is of the opinion that this causes confusions. He further said they are currently obliged to expedite the unsolicited bidding so that they align with the new government mantra that ‘Zimbabwe is open for Business’ even though he emphasised that they always try to get the best deal. And he said the negotiation period is expected to be done within one month in which they should have signed a MOU which an interested investor.

Commenting on the nature of PPP procurement process in Zimbabwe, one of the private sector participants, Costain Zimbabwe said:

*The positive thing that the government has done is to change the PPP procurement process from PRAZ to the JV Act. You need to understand that the procurement process that happens in concession taking is very different from the traditional procurement. For PPP it a long process and can include call for expression of interest, then checks can be done on capability ability, financial ability. The people who procure the procurement bids must be the appropriate ones. Most of the personnel in respective procurement departments do not have a clue in the way the PPP procurement process has to undergo because they have not been trained about it. Some of them are Engineers and they do not understand the financial issues. We need to send our people to other countries for secondment and they learn how it is done in other countries so that we promote the cross fertilisation of ideas especially the Engineers.*

Commenting on the stakeholder relationship during the PPP procurement process in either ways, the IDBZ participant indicated that from their experiences, there have been some challenges and in his own words he said:

*Stakeholder's relationship during the PPP procurement process has been one on the challenges because they are too many and all these have interest to protect for example ZESA, EMA, Government Ministries, PTC, Ministry of Land and Department of Physical Planning. You cannot just overlook them as some of these can even derail your project. You need to consult them otherwise there are a lot of cables underground for example which might be disturbed by your project.*

Participant from the Joint Venture Unit concurs adding that the working relationship in the entire PPP process is not always smooth but they try to make it workable. He said that the public sector represents the general public and the private sector are interested in the profit/return for example decision on student accommodation where the students are the beneficiary here, the private part with the profit motive may compromise on their quality and this is how the relationship becomes difficult. He indicated that the conflicts are always there but they always have to be managed. One of the financial institutions (CBZ) concurred and indicated that available legal frameworks like the JV Acts have in place robust measures to ensure that

all stakeholder interests are safeguarded as a means of fostering symbiotic integration between the various stakeholders

Commenting on the stakeholder relationship, the Chairman from Costain Zimbabwe pointed out that:

*There is no coordinated planning in the procurement process and the concerned stakeholder always operate like 'burning chimneys' with each stakeholder doing his own way and that has been a serious challenge hindering effective implementation of PPPs in Zimbabwe.*

State university participants however alluded that the relationship with other stakeholders is not bad as they currently do not have many problems. They however expressed concern over the time frames that it takes to reach an agreement which they said is too long. A participant from MSU highlighted that:

*The relationship at the moment is good as we do not have so many problems. However, it's worth to note that it takes a long time to reach an agreement because on the part of the investors, they have to satisfy their funders and here as university institutions we have to satisfy council. And once that has been done you then have to set an implementation committee that will have to regularly meet to discuss and review.*

Another State university participant lambasted the PPP procurement process particularly the negotiation time frames describing them as bureaucratic, bit long, rigorous and dynamic, and still new that very few people are aware about it. In his own words this State university participant submitted that:

*In general, our procurement has some challenges because it is a very bureaucratic process and it's not as friendly to business as many people would expect. The process is bureaucratic, slow and there is a lot of dynamic because of the change of currencies in the nation which usually result in suppliers changing some prices. You sign a contract today with a supplier and then he buys money on black market and that might inflate the prices of the whole contract and you then need to go back to the procurement board to advise then and that becomes hectic.*

Commenting on the timeframes that it takes to complete some of these JV agreement that same university participant highlighted that the period sometimes become long because in some cases the government would sign a contract with a private investor and they would impose such a candidate to you. He said in such case it becomes a complex arrangement because as an institution they also need to take due diligence because they also need their legal people to be satisfied with the arrangement and in this case it takes time because there will negotiations up and down.

The participant from (HIT) also highlighted that the negotiation period varies but indicated that the minimum is 30 days. He said as an institution they cannot just engage a private player and start operating because they are government owned and as such the parent ministry must approve. The Director within the parent ministry which in this case is the MHTEISTD, also concurs indicating that they have been trying to expedite the negotiation process to ensure that within one month an MoU should have been signed with an interested investor. In his own words, the Director from the MHTEISTD said:

*The negotiation period is done within one month- we would have signed an MOU. We however are trying to expedite it so that we align with the government mantra that is 'Zimbabwe is open for Business' even though we want to get the best deal and also do some feasibility studies.*

The Operational Guidelines for the implementation JV partnerships in Institutions of Higher and Tertiary of 2010 outlined the proposed timelines and the negotiation periods for the joint venture partnerships. The proposed timelines indicate that the JVPs Committee at a state university would need about 45 days to receive and select bidders (solicited or unsolicited), to select partners as guided by fulfilment of requirements (due diligence) and for the Committee to make recommendations to the Vice Chancellor. The head of the institution's approval would need about seven (7) days before it is passed on for the council's approval which equally needs seven days. The guideline is however silent on the number of days it would take for the government to approve as well as the State Procurement Board (SPB) to award the contract. After the award of the contract the Implementation Committee then takes over. This Committee deals with the key elements of drafting and signing of the Joint Venture Agreement. It will also responsible for the evaluation and monitoring of the proposed project throughout the life of the

partnership and should also provide up to date management information for the institution (Government of Zimbabwe, 2015).

PPP experts interviewed indicated that the PPP procurement process in Zimbabwe is actual open to everyone and has been competitive both the internal and external investors because it is advertised in the public media. This position was equally seconded by participants from the state universities one of which said:

*Yes, contracts to PPPs are open to both local and international bidders. We have worked with a lot of organisation but I would not be at liberty to disclose much detail about because we sign Non-Disclosure Agreement.*

One of the financial development institutions involved in the study, the IDBZ also aired the same view of openness and said:

*We have expertise and all our work is done according to the International Best Practices and we also do international bids as we open up our projects to international investors. We advertise to international player who want to participate and as such our process is open to anyone.*

The research established that the criteria for the selection the private party (counterparty) varies. A participant from the JV Unit indicated that the criteria is usually outlined in the Request for Proposal and the criterion can be based on pricing, technology transfer, value for money, affordability, risk transfer to the private partner. He also highlighted that the selection will then be based upon consideration of who would have become best in the suggested criteria. The same participant indicated that the Request for Proposal can only be issued out by the contracting authority after the approval of the feasibility studies by the JV Unit. Equally, the Request for Proposal has to be approved by the Unit. In this case it can be clearly observed that while the contracting authority will be leading the process, the Unit is playing a quality control role in checking the selection criteria set by the concerned contracting authority. As an administrative measure participant from the JV Unit also indicated that the Contracting Authority has to form a Project Steering Committee of which JV Unit will a member in it even though this is not in the Act. This again indicates the committed desire of the Unit in

determining the operations of JV ventures and particularly in defining the quality of the counterparties to be engaged.

### **5.5 Summary**

The chapter empirically analysed policies, legal, institutional and process frameworks guiding PPPs in Zimbabwe in an endeavour to establish their empirical contents and evaluate the adequacy of these frameworks to support the implementation of PPPs. The research findings showed that some of the provisions of these frameworks still lag way below the expectations of what are considered to be the CSFs for the implementation of PPPs. Findings in this chapters indicated that Zimbabwe is still at its early stages with regard to the use of PPPs for educational infrastructure development in state universities and the regulatory frameworks are still inadequate.

## **CHAPTER SIX: IMPLEMENTATION OF PPPs IN ZIMBABWE STATE UNIVERSITIES**

### **6.1 Introduction**

This chapter explores the Zimbabwe state universities experiences in the implementation of PPP with a particular assessment on the progress made, success cases and PPP models preferred most by private sector investors. The study equally sought to understand the attractiveness of educational infrastructure projects to PPP arrangements, the challenges hampering the effective implementation of PPP in these institutions of higher learning and the possible remedial measures. CSF for the implementation of PPP, New Public Management theory, Public Choice theory and Sabatier & Mezmarian (1979)'s model for effective implementation of public policy were used as frameworks to inform this discussion.

### **6.2 Zimbabwe State Universities Response to Public Private Partnerships (PPPs)**

The standardisation of (PPPs) in 2010, which was enshrined in the Government's Operational Guideline for the implementation of Joint Venture Partnerships in Zimbabwe institutions of higher learning (2010), saw the government opening up the doors for the State universities to freely use PPP as an alternative funding option for their respective on and off campus educational infrastructure development. Research participants interviewed expressed mixed reactions with regard to how the state universities have responded to this introduction of the PPP for educational capital projects development. Most responses concurred that there has been general slow progress on the uptake and implementation of educational infrastructure PPPs in these institutions of higher learning. This section thus traces the trends of PPP uptake and implementation progress in state universities paying particular assessment on; success cases, PPP model used and private sectors' preferred areas of investments.

The four State universities under study expressed varied responses with regards to how they have responded to the call by the government to embark on joints venture as a way of funding capital projects in their respective institutions. These sampled State universities include; Harare Institute of Technology (HIT), Midlands State University (MSU), National University of Science and Technology (NUST) and the Great Zimbabwe University (GZU). Whereas some of these State universities indicated that they have since embraced PPPs and have since started using them as an option, some most of them professed little progress with regard to its

implementations and some however, indicated that they are still to adopt it for any of its projects. Three universities have highlighted that they have since embraced PPP for some projects in their institutions and only one indicated that it is still to use such an arrangement. Sharing their experiences with the use of PPP, Pro Vice Chancellor from MSU highlighted that they have since partnered the Commercial Bank of Zimbabwe (CBZ) as a kind of a mortgage facility in building student hotels. He said CBZ gave them grace period before they start repaying funds and in turn they used their own building brigade for the construction of these halls of residence. He highlighted that it was PPP arrangement because they used private money from CBZ with a special arrangement. In his narration the Pro VC from MSU said:

*Our PPP success case at MSU has been the development of hostels for student accommodation. We have multiple campuses in Zvishavane, Gweru and also in Harare. We have used PPP arrangement mainly for Gweru campus in which we taped a deal and got funding from CBZ, started working on the infrastructure and we agreed on the repayment period.*

The participant also indicated that student accommodation was the preferred area for investment in which a Build Operate Transfer (BOT) as a model of PPPs was used. He indicated that student accommodation was preferred because it has better returns unlike other areas such as lecture rooms, laboratories, administrative blocks or sporting facilities. He said the arrangement that they agreed with the financier was that they would build, and they operate and at the end the transfers take place. He however indicated that it is a very difficult model to use because it is difficult to get the long term investor particularly to operate on universities' state lands most of these do not have title deeds. He said it only took CBZ which is a local financier to understand the issue of this land unlike foreign investors.

The other research participant from the HIT also indicated that at first there has been very little movement in the use of PPPs due to a number of constraining factors such as the absents of the adequate legal frameworks, incentives, skills mainly in the government owned entities. He however applauded that despite the prevailing host of constraining factors, at least a legal framework in the form of the Joint Venture Act [Chapter 22:22] was put in place in 2015 to guide the implementation of PPPs even though the process is still slow and gradual. He however indicated that as an institution they have managed to build and set up a laboratory in partnership with a private investor and it is functioning very well. He indicated that the

investors also bought some laboratory equipment and gave the institution, and also provided the personnel to conduct some of the training activities with the institution on a win - win situation. The participant also specified that these arrangements were done using the Management or Lease model of PPP. Explaining how the model works, the Pro - VC from HIT said:

*This model involves a private investor giving you equipment and then request to be involved in the use and proper management of the equipment. The private investor in our case has interest in capacity building and is supporting the exercise through the provision of equipment.*

The participant further highlighted that even though they have incorporated PPP for their capital projects development, most of their PPP arrangements and projects are still in their infancy and negotiation stage. He said they have five to six PPP projects that they were seriously considering currently and these includes arrangements to build student accommodation which he said has been mainly targeted by most private investors. The same Pro- VC from HIT however complained that there are a number of sticking factors hampering the effective adoption and implementation of these PPP arrangements. Among these include issues to do with; the kind of PPP model to be adopted, the period of the project, the costs involved, interest rates, the payback period and the viability of the business. The participant highlighted that these are some of the factors that affecting their PPP arrangements as an institution. With such retractions among others, the participant said the uptake for PPPs for educational infrastructure development has been generally slow at HIT.

Pro - VC from National University of Science and Technology (NUST) equally echoed similar sentiments that their institution's experience with the use of PPP has been very limited. He indicated that they however have since managed to sign some Memorandum of Understanding (MoU) to initiate PPP arrangements for educational infrastructure development with some interested private investors. In his own narration the Pro VC from NUST indicated that:

*From 2010 up to 2017, I did not see much, because there was no push for these partnerships. As NUST we engaged about two possible private partners and they did not yield any development. However, from the beginning of 2018 there has been*

*awareness and many people at the university now understand what PPPs are, even though much is still to be realised.*

In terms of experiences with PPPs, the participant pointed out that they have succeeded to use PPPs to build a gate house with the assistance of the private sector using the Built and Transfer (BT) arrangement. He indicated that in a BT arrangement there was no ownership by the private player and as such the facilities was transferred to the university upon completion. He further said besides that, some partners have expressed interest in building students' accommodation, finishing structures for teaching and learning and social services. The participant said some of these partners have committed by signing a memorandum of understanding (MOUs). He also indicated that other small PPP arrangement that they have embarked on include companies like Delta Companies equipping the laboratories, and they requested that the laboratory be labelled after then like (Delta Theatre) for a specified period of time. He indicated that other collaborations have been mainly through research where the private sector companies sponsored PhD students. The participant said these are some of the success cases they have so far realised and alluded that most of other PPP arrangements are still at negotiation stage.

Unlike other state universities, a research participant from Great Zimbabwe University indicated that they are still to adopt the PPP arrangement for any capital project development at their institution. The Pro VC from GZU indicated that:

*Prior to 2012, GZU as a university had no infrastructure and we were using the teachers' college, churches and polytechnics. Our entire infrastructure including the Law School, student's accommodation, and School of Education, was in fact then built by prison artisans and the army through our institutional internal arrangement in which these artisans would provide labour at no cost.*

The participant said this had nothing to do with PPP arrangements and as an institution they are yet to implement such an arrangement for any educational infrastructure development due to various reservations. The following table summarises Zimbabwe state universities' responses to PPPs since 2010. The summary only depicts the progress of the four state universities that participated in the research outlining the PPP success cases, PPP model used and also other preferred pending PPP arrangements.

**Table 6. 1: Zimbabwe State Universities Response to PPPs since 2010**

<b>State University</b>	<b>PPP success cases</b>	<b>PPP model used</b>	<b>Other preferred pending PPP arrangements</b>
Harare Institute of Technology	Laboratory	Management Lease	Student accommodation. Have five to six PPP projects that they were seriously considering currently
Midlands State University (MSU)	Hostels for student accommodation	Built Operate Transfer (BOT)	Student accommodation
National University of Science University (NUST)	Gate House, Laboratory,	Built and Transfer (BT)	Student accommodation, finishing structures for teaching and learning and social services.
Great Zimbabwe University (GZU)	Not yet	Not yet	Student accommodation

The above information indicates that student accommodation has been highly favoured by most of the private investors unlike other educational infrastructure like administrative block and lecture room. However, despite the enthusiasm by the private sector, research indicated that so far only MSU have successfully made efforts to use PPP arrangement to build student accommodation using BOT arrangement. Indications again from these universities show that there is currently no one single PPP model that have since popularised. Evidence in the table depicts that the nature of the infrastructure provided through PPP determines the type of the PPP model that will be opted and as such there is no ‘one size fits all’ model in the implementation of educational infrastructure PPPs in Zimbabwe.

Other public sector participants expressed mixed reactions with regard to the use of PPP in most state universities. One of the participants from the parent ministry, a Director of Legal Affairs in the MHTEISTD supported that state universities responded quite well to the PPPs initiative and as such they complied with the regulatory framework such as the; Zimbabwe Council for Higher Education Act, Zimbabwean Investment Authority Act [Chapter 14.30], University Governance Legal Frameworks, Joint Venture Partnerships Act, Public Procurement and Disposal of Public Assets Act and other such guidelines. She highlighted that

PPP initiative were deemed fit for the infrastructural development in Zimbabwe state universities and there have been a lot of success cases in these state universities.

The other participant in the same MHTEISTD who is the Director of Research, Development and Innovation however argues that not much has been done in these State universities on PPP arrangements despite the fact that many investors have been expressing interest to a number of these universities. He said most of the investors have been calling for a proper legal mechanism and guarantees because of the higher country risks. He said:

*When the concept was introduced to institutions of higher learning; there was no legal framework to support the full execution of PPP. There were various factors that have been hindering the full implementation of PPP and what has been happening all along since 2010 has been the built up of momentum which has not yielded much developments. Most of the infrastructures built by some companies were given as donations to these institutions through the social responsibility (CSR) concept and GZU is one such an example where Mashava Clinic was built by one of the insurance companies.*

He also pointed out that these companies however could not go to the extent of building expensive infrastructure because there was not legal framework to permit that. The same participant from the MHTEISTD also added that when PPP concept was introduced in 2010, there were some various contending debates as some were regarding it as way of commercialising the social sector in general and education in particular. However, there were some who felt that it was a good idea. Even though the progress has been minimal, the same participant however indicated that there were some notable success cases in these state universities. In his narration the Director within the MHTEISD said:

*On success cases we can identify a project at NUST in which the institution partnered with IDBZ to build off campus accommodation. HIT has been taking to some investor but there is nothing that has been signed and done as yet. A project that has been done was more on a corporate social responsibility (CSR) side that there where many expression of interest that has been done to date and now that the legal framework in the form of Joint Venture Act is clear, a lot should be expected to happen and various negotiations are ongoing now. At MSU I know they have been mainly funding from their*

*own and in some cases they have been having assistance from the private sector but the aid that they were getting from these private players was more like a grant than an investment arrangement.*

Another public participant, a Director from ZIMCHE also maintained that there has been generally low uptake and implementation of PPPs in Zimbabwe state universities and pointed that:

*It's only beginning to tick now but generally state universities have been very slow in taking up the initiative. For example, if NUST had taken up this initiative, that 'huge elephant', the library would have been completed a long time ago.*

The above submissions indicate that despite the fact that the PPP concept has been availed and accepted in state universities, there is equally still minimum progress in its uptake to foster educational infrastructure development. The JV Unit in the MFED equally concur on the minimum uptake of PPPs in state universities and said nothing concrete has ever been approved by them for implementations but rather much of the projects are still in pipeline. The Director of the JV Unit in his narrations said:

*We are seeing some positive moves towards the uptake of PPPs. As for the MHTEISTD so far we do not have completed PPP project or any that we can say they are underway but we have a lot of PPP projects in the pipeline.*

The Director of the JV Unit said various PPP projects are currently being processed and one of them is the Information Management Systems which intend to accommodate statistics for all the institutions of higher and tertiary education. The other pipeline projects for the MHTEISTD according to the JV Unit are the Technological Incubation Centres in which the private sector is interested in partnering institutions of high learning to come up with these incubation centres. Furthermore, the MHTEISTD through its state universities are seeking PPP arrangements to advance potato breeding for seed production or even growing potatoes on a larger scale. The participant also informed the researcher that other pipeline project includes student accommodation where the private sector wants to partner state universities in the provision of student accommodation. Lastly the JV Unit Director highlighted that construction of medical hospital or school in which the private sector would want to partner these institutions to establish hospitals in state universities which will then serve students and can also be used to

provide lectures to students is also in pipeline. These submissions highly indicate that PPP has been considered as a suitable arrangement that can foster educational infrastructure development. However, indications show that most of the projects are still plans that are in the pipelines waiting for necessary execution processes.

Private sector participants particularly the financial institutions submitted that PPPs have been mainly considered by most universities because they do not result in financial obligations in funding the facilities. In addition, they also indicated that universities have been developing some interest in PPPs because their balance sheets are sometimes not adequate to offer any security if they are to borrow capital funding from financial institutions. One financial institution (CBZ) however pointed out that:

*Usage of PPPs in university infrastructure development, at present may be considered negligible because of various factors which include low student accommodation fees which usually results in low return on investment versus investor's required rate of return.*

The same participant equally observed that the continued deterioration of economic situation has seen local investors shying away from long term investments such as PPPs. He also added that the foreign currency liquidity challenges have made the foreign investors to be sceptical that they will not be able to repatriate capital and returns thereof. The participant also concurred that not much success has been recorded because of these varied hampering factors. He however pointed out that the MSU student accommodation development can be considered as a case in point which showcased the scope of private player participation in student accommodation development even though concerns around the quality of delivered infrastructure have been noted in the media.

The other financial institution, Infrastructure Development Bank of Zimbabwe (IDBZ) equally shared the same position of PPP gradual progress highlighting however that some universities have been forthcoming to request for PPP arrangements and they also have since approached some of these institutions to secure such PPP arrangements. IDBZ is an infrastructure development bank that was put in place by the government of Zimbabwe to coordinate and foster infrastructure development. The IDBZ participant also highlighted that even though they are trying to promote PPPs in state universities, various PPP projects arrangements are however

still in pipeline. The IDBZ participant indicated that they currently have about four approved projects with state universities that are in pipeline and are supposed to commence any time soon without fail. He said:

*We are building both learning and accommodation facilities in many universities, both private and state universities. We are building 5 blocks of student hostels at Chinhoyi University of Technology (CUT) which has since been approved by the IDBZ Board of Directors and awaits implementation soon. We also have a PPP arrangement with NUST, to build student accommodation outside the campus where we bought land adjacent to the university. We also intend to build student hostels at Lupane University. We equally intend to do the same at Bindura University, only that we have been experiencing some challenges with regard to issues of land, we could have started already. In these four state universities, plans have definitely been agreed upon and approved and we are going to be starting construction soon. We are also developing some other concepts for other universities such as; Catholic University, Women University and Manicaland State University under BOT arrangements.*

Explaining how they work with these institutions in a PPP arrangement, IDBZ indicated that they usually play a facilitator role and do not usually use their money. The participant pointed out that in some arrangements, they can put in a private player and never participated themselves and in this case they would have played an arranger role (prepare a project and find a private partner). In this case the private players come in as an equity participant. He also said that they are incorporating foreign players to facilitate the easy access of foreign currency because some projects require foreign currency (all projects now require about 40% foreign currencies). The IDBZ also said that the other option is to put in money either on their own or with the assistance with the private player. In this case they can secure the fund from the private player and they invest it as IDBZ. Alternatively, the participant indicated there are some private players who want to control the business, and in such a case the participant said they can arrange that the private player enters into a PPP arrangement direct with the university. In their facilitation role, the IDBZ said most of the plans that they have with some of the Zimbabwe state and private university are however still in pipeline.

The Chairman of the one of the private sector investors, Costain Zimbabwe Limited, a consortium that specialises in infrastructure development indicated that ever since the 2010

pronouncements of PPP in institutions of higher learning, state universities have been lethargic even though they are gradually changing. He said:

*At first I must admit that universities were reluctant but however they now have changed. We do not have any much successfully cases to talk about. The only meaningful one that has happened is that of MSU when it partnered with CBZ in which they created some student accommodation.*

His position has been that there has been a gradually uptake in the implementation of PPP with most plans still in pipeline. He also indicated that as a consortium they have been since been award various universities to provide educational infrastructure facilities through PPP arrangements even though they are still to start. In his words the Chairman of CZL, who worked at Costain in Britain since 1970s, specialising in concession taking in Infrastructure development before coming to Zimbabwe said:

*As Costain Zimbabwe, we have been awarded seven state universities by Cabinet to provide student accommodation and other educational infrastructure using PPP arrangement. These universities include; UZ, GZU, BUSE, Marondera University, NUST, MSU and Gwanda University.*

He said even though the PPP arrangement has been sluggish in Zimbabwe state universities, their company have a proven record in PPP as can be testified by one of the project they executed, the Ngezi road construction project which he regarded as the one of the most successful PPP project in Zimbabwe.

PPP experts interviewed expressed similar sentiments with regard to state universities responses to PPPs as an alternative funding option since 2010. Whereas the state universities accommodated the idea of PPP for infrastructure development, PPP experts indicated that there has been retraction to its effective implementation hence the progress has been lethargic. One of the experts expressed that there are a number of projects that universities considered to undertake using PPPs and these include but not limited to student accommodation. He however expressed concern over the capacity of most universities to undertake PPPs arguing that it is one thing to announce that you want to do PPP and it is another thing to then move to action. His observation was that even though PPP was a noble idea to assist the financial struggling

government, its implementation in state universities was faced with a number of hurdles which include lack of institutional capacity and hence there was minimum progress that has been realised to date. In his narration, one of the PPP experts said:

*PPPs involve a lot of activities such as the preparation of proposals, carrying out the feasibility study of the entire project and all these things takes a lot of time. I however am not sure how many universities could have taken that route as it is a new concept which most of them might not be well versed with.*

The other PPP expert who is in real estate management also alluded that there has been retraction to implementation of PPPs due to various reasons which include the dynamic adverse macro-economic situation which has disturbed active participation by the private partners. He also indicated that the government has not been proficiently supportive to such arrangements and the various institutions of high learning had to use other various initiatives to promote educational infrastructure development.

Commenting of the State universities responses to PPP, one of the academic personnel interviewed highlighted that the State universities have rather taken a gradual approach. He indicated that at first State universities opted for PPP option in order to contract out certain services such as the catering, and laundry. They later gradually opted to use it for infrastructure development even though there has been slow progress than expected in most of these State universities due to a myriad of reasons.

Most participants from all sectors however highlighted that student accommodation proved to be most lucrative and as such has attracted the interest of many private investors. The Pro VC from MSU said the private investors have mainly expressed interest in student accommodation because the return there is better unlike other areas. He said the student accommodation has a business concept that can be easily understood than other infrastructures such as the lectures rooms or the administrative blocks. A Pro-VC from HIT also concurred indicating that:

*If you are building student and staff accommodation, it's attractive and has business aspects. However, challenges come when you want to build administrative block, theatres, lecture rooms and laboratories because these do not have direct returns. So there are certain areas that are attractive and some which are not. Student*

*accommodation is very attractive because there is a lot of gap and students are ready to pay.*

These sentiments were equally confirmed by the Director of Finance in the MHTEISTD who concurred that most of the investors visiting their office were mainly making some inquiries on how they can partner these state universities in areas of student accommodation. Halls of residence were mainly preferred as it was regarded to have direct cash flow as compared to other educational infrastructure like lectures room or administrative blocks. One of the PPP experts said:

*The private players are now engaging with the government primarily because they have seen an opportunity in the education sector particularly on student accommodation. This has been a favourite to the private player because there is direct cash flow that can support the investment. The other infrastructure however has not been very lucrative because they are not associated with direct cash flows and might mean student fees have to go up in order to cater for the cost of which parents might not be in support of it.*

This again adds to the same position by other participants that student accommodation caught the interest of many private capital investors. PPP appears in various models and Build Operate and Transfer (BOT) was mentioned as the most preferred model of PPPs by most of the both the public and private sector participants. A participant from MSU highlighted that the model mainly preferred in these PPP arrangement is BOT. He however expressed that it is a very difficult model to use because it is difficult to get the long term investor because of various issues that also include land ownership issues. Explaining how the BOT arrangement operates and why it the most preferred model, a participant from MHTEISTD said:

*The Build Operate and Transfer (BOT) was the mostly used PPP model. This is primarily because is it a simple and conventional PPP model where the private partner takes the responsibility to design, build, operate (during the contracted period usually for a period of 10 -15-20 years) and would transfer back the facility to the public sector. Role of the private sector partner will be to bring the finance for the project and take the responsibility to construct and maintain it. The public sector in return will allow the private sector to collect revenue from the users.*

The Zimbabwean case show that despite widespread indications that PPP presents a prominent alternative options for the funding of educational infrastructure development, there has been generally low progress in their implementation.

### **6.3 Attractiveness of Educational Infrastructure Projects to PPPs**

Most participants indicated that economic infrastructure has been favoured by the private sector than the social infrastructure. Economic infrastructure which includes road constructions has attracted the interests of the private sector because they have a more direct business element and direct return. Making a comparison, a Pro VC from HIT alluded that there are many examples to cite in the economic infrastructure for example the Limpopo Bridge, Harare – Mutare road, Bulawayo-Plumtree road and Newland Bypass. If you look at the numbers, these are more than what has happened within the education sector. He adds to say that there was no clear policy with regards to the use of PPPs within the education sector than the other sector. Another participant from the MHTEISTD added that economic infrastructure supports economic activity and is often characterised by ‘user-pays’ or demand-based revenue streams (such as tolls on toll roads or landing fees for an airport). In his own narration the same participant indicated that:

*Basically there is a bigger interest in economic projects than in social infrastructure because the private players are more interested in the profit. And in case of the social infrastructure and if it is that crucial the government has to chip in and offer some subsidies or government support mechanisms so that the project is then viable. The government will have to come up with viability gap funding.*

PPP experts also shared the same position that the private sectors have been mainly opting for economic infrastructure than the social infrastructure development. One of the PPP experts, a Director from Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU) said:

*Yes, there is much interest in economic infrastructure than the social infrastructure. But in some cases where the infrastructure does not have the direct return, a framework can always be put in place to allow the private sector player to recover their money.*

An academic interviewed also highlighted that:

*The economic infrastructure has received more favour in terms of PPPs arrangement than the social infrastructure. The private investors normally follow case that have a business element and hence there are visible PPP projects in roads, railways among others. The social infrastructure might need to depend on endowment Funds of their development.*

The private sector particularly the financial institutions also made similar observations and one participant submitted that:

*Educational infrastructure development has lagged behind compared to economic infrastructure projects mainly because educational institutions rely on student accommodation fees as a revenue source. Most often student fees in most countries are difficult to increase as this eventually affects students from less privileged backgrounds. As a result, PPP projects in the educational sector will scoop low on project viability.*

The other private sector participant from Costain alluded that you cannot begin to talk about the provision of social infrastructures without a right economy because the provision of social infrastructure is a consequence of the economy being right. This participant, Chairman of Costain Zimbabwe Limited said:

*It has always been the norm that the economic infrastructure provision will supersede the social infrastructure provision.*

He thus said that most government prioritise economic infrastructure development first which they believe will have a trickle down effects to social infrastructure development. Again he said most private sector investors are lured by the lucrative returns on investment that are mainly associated with economic infrastructure development. Other participants however shared a different opinion and said the social infrastructure have gradual been gaining the interest of the private sector particularly in the areas of student accommodation. One foreign capital investor (Infra-Dev UK) indicated that:

*We have come to realise that the social infrastructure has a long term benefit unlike some of the economic infrastructure and hence we are tempted to the former. Take for example there you are depending on toll gates and things change and there is a better railway line system, it means you will be greatly affected. Or alternatively imagine if a new boarder has been opened, again you find that traffic can be reduced and business wise you will be affected. This is unlike social infrastructure like student accommodation which is guaranteed. This guarantee is actually making the social infrastructure investment become attractive to private investors like ourselves.*

This position was also supported by one PPP expert who said that the private sector usually follows where there is business. He said:

*Normally private sector is interested in the return whereas the government is interested in the provision of a social public good. Social infrastructure like student accommodation can be lucrative because as the student pay rental, the private player can then be able to recuperate their cost. Such arrangements can make it a candidate for PPP arrangement.*

The IDBZ participant also supported the gradual attractiveness of the PPPs in the social sector and indicated that:

*PPPs have to be financially sustainable and where it is not sustainable the government has to chip in through subsidy. However, there have been more uptakes in economic infrastructure as compared to social infrastructure. In social sector like schools, the government has been targeting projects that can bring financial viability if tackled through PPP arrangement such as student accommodation. One good example is the Chinhoyi university and the accommodation been built there shall be catered by the rental from students alone. For other infrastructures such as lecture theatre, the government will have to use other forms of revenue or other funding options.*

Another participant from state universities also echoed that the private is gradually gaining interest in educational infrastructure development through PPP arrangements. The Pro VC from HIT highlighted that:

*Private players are very simple because as long as they are assured on the return on capital they are attracted and are prepared to come in and that is why they mainly choose hotels because they know that there is an income coming. Their basic consideration is money and with student accommodation shortages, they have seen the opportunity and they have been attracted. They have mainly been attracted by student accommodation and not building lecture rooms or laboratory. In these later infrastructures, they can only be attracted maybe if you have a Building Fund where you can be extracting money, yes.*

Despite the private sector's attraction to social infrastructure particularly the student accommodation as a result of sustainable number, the research established that there has been low uptake and implementation of PPPs in Zimbabwe state universities. A number of reasons that have been stalling the use of PPP as an alternative funding option were cited by research participants.

#### **6.4 Critical Factors Hampering the PPP Uptake and Implementation in Zimbabwe State Universities**

The education sector has greatly welcomed the idea of PPP for infrastructure development. However, there has been retraction to its adoption and implementation due to various reasons which shall be discussed in this section. The study sought to understand some of the critical factors that have hampered the effective uptake and implementation of PPPs in Zimbabwe state universities. Various responses were submitted by the research participants:

##### **6.4.1. Lack of Guarantee on Private Sector Investments**

Private investors interviewed both local and foreign expressed some reservations in partnering with the state universities in a PPP arrangement. Most of these investors alluded that they do not have satisfactory confidence to partner government institutions like state universities in PPP arrangement primarily because they are not so clear with regards to issues of guarantee and security on their investment. One of the investors indicated that:

*As capital investors we require that our investments be ring-fenced through a sovereignty guarantee which the government and its various institutions are not always prepared to offer.*

The basis of this argument is that a PPP arrangement is a long term venture which can take between 15 to even 30 years and there are a lot of changes that can happen and this can be so averse to their investment if they do not have a guarantee. Private sector investors highlighted that lack of confidence with the government as a result of lack of security on their investments have made some of them to shy such PPP arrangement despite the lucrative call for such a union by the government. They equally indicated that various changes can occur during this long tenure and such changes can include that of universities leadership like change of Vice Chancellors who have a contracted term and as such new management might equally entail new arrangements if there is no guarantee.

Justifying on the need for investors guarantee, another private investor said:

*As investors we need security for our investment because traditionally what happens with the university set up is that when there is a change of a Vice Chancellor, a lot of standing arrangements can also change as the new Vice Chancellors might say he has nothing to do with what was previously agreed upon, same applies with a change of government and this lack of continuity on the way we do things has been a major hindrance.*

These sentiments show that the investors were sceptical about the changes that can happen within the long term arrangement of a PPP set-up and it is upon this basis that they are requesting guarantee on their investment. Adding another dimension, the Chairman of Costain Zimbabwe Limited, which is a consortium in infrastructure development said:

*In terms of the guarantee, the issue has been that the private sector investors have not been convinced particularly by the guarantee from the government and respective ministries. Politician changes and so do governments. Investors would rather prefer Reserve Bank guarantee. As such even if the government of Zimbabwe wanted to, it cannot give guarantees that the investors will not think much about.*

These sentiments speak volumes not only about the need for guarantee to incentivise the private sector participation in PPP arrangement, but also about the nature of the guarantee required. Research established that the government has however been reluctant to offer these Reserve

Bank backed indemnities and this has worked against both domestic and foreign investment attraction to PPP arrangement.

Concurring to the above concerns, most of the participants from the state universities also said investors have been shying them primarily because they require a guarantee on the investment. One Pro-VC from a state university said:

*There was lack of guarantee for investors who normally require a sovereignty guarantee. Taking for example, when an investor comes in and invest Usd\$10 million for example, who is going to guarantee him? The Vice Chancellor (VC) can change and cannot be an enough guarantor. So there is need for guarantee between the investor and the institution, then between the investor and the MHTEISTD, then another agreement between the investor and the Ministry of Finance and Economic Development. As such if the VC retires, these two ministries would act as guarantors to the investment otherwise these investors will not put in their money.*

Again this indication from the state universities prove to the fact the lack of guarantee has been a contributing factor towards the lack of investor confidence and hence low uptake and implementation of educational infrastructure PPPs in Zimbabwe state universities. The Ministry of Finance and Economic Development also shared the same sentiments. One of the Directors within the same ministry, Director of the JV Unit submitted that:

*There is generally lack of investor confidence. Most of the investor that we are trying to tap from do not have confidence because every time that we negotiate with them, they will end up asking for some sovereignty guarantee from the government. This means they do not have confidence in our economy and they want to protect their investment from various factors such as hyperinflation. As such most of the investors are more on the fence and they do not want to inject their monies.*

All the PPP experts and academics interviewed also said similar words that there was indeed lack of investor confidence because of the lack of guarantee by the government. This has been one of the factors hindering the forthcoming of the private players to partner state universities in educational infrastructure development.

Government guarantee was considered as a third principal factor grouping in the factor analysis of critical success factors (CSFs) for successful implementation of PPPs by Hardcastle et al. (2005). This principal factor was regarded as a critical factor particularly in the early stage of PPP/ PFI. Zimbabwe is still at this infant's stage with the implementation of PPP and therefore it is highly recommended by these authorities that a guarantee be extended to the private counter parties in order to safe guide their investment. The authorities equally observed that even in well-established nations like United Kingdom, the private sector does not yet have full confidence in PPP/PFI procurement and is subsequently demanding revenue guarantees or firmly committed policies from government to ensure that investments are protected. They further recommend that if necessary government guarantees can be used to protect the project revenue streams and in this way PPP can become prominent and sustainable. Findings from the Zimbabwe case however indicate that there has been generally lack of government guarantee and this has scared away potential investors for PPP arrangements in state universities. These findings as such concur with the stipulations of this extant CSFs model for PPPs.

#### ***6.4.2 Lack of Prerequisite Capacity Within State Universities***

Some of the public sector participants particularly the state universities acknowledged that PPP is a very complex concept and as institutions they do have personnel with requisite skills in such a field as yet. In his own words, one Pro VC from a state university admitted that:

*PPP is a very complex concept and we do not have the requisite skilled personnel with skills in such areas in most Zimbabwe state universities at the moment. Taking for example, we do not have deal making and negotiation experience and skills in these PPPs arrangements as yet and at the end of the day any deals tempted may be heavily skewed against the government. There is indeed little understanding of how these things work out.*

A finer investigation on composition of the most of the state universities Procurement Committees by this study revealed that although most of them have personnel with various expertise, majority of them are not very much familiar with the PPP arrangements and processes. The study established that even though Procurement Committees personnel are highly skilled, they need capacity building on issues of using PPPs arrangements. The Operational Guidelines for the implementation of Joint Ventures Partnerships of 2010 requires

that these institutions establish Joint Venture Committees, but however none of the state universities under study have so far established such a committee in their respective institutions. The institutionalisation of the provisions of these guidelines is still to be practiced and there is still lack of identified personnel with requisite capacity to understand the flow of PPP arrangements in Zimbabwe state universities.

Most of the private sector participants also expressed concern over the capacity of the state university leaders to comprehend the entire PPPs process and how it should unfold. One of the private investors said:

*There is generally lack of knowledge on the part of the government institutions particularly on how the PPP process works. For example, you go to an institution and you want to sign Non-Disclosure Agreement, you can be referred to the Ministry and the Ministry can refer you back to the institution again. This shows lack of understanding of how things should be done and you cannot expect to have a serious arrangement when you are dealing with people who are failing to understand the process themselves. These institutions are not sure about how things are supposed to be done. For example, you might request for a site plan and you will be told it is with the Ministry and the Ministry may refer you somewhere and that brings a lot of unnecessary delays and bureaucratic pathologies.*

The JV Unit however argues that the issue of institutional personnel capacity is not an issue as they have already embarked on a capacity building exercise already in these institutions. Expressing his content, the Director of the JV Unit said sensitization awareness campaigns were done when the JV Unit was established in May 2017. The study however established that this sensitisation programme seems to have had minimum impact because even participants from these institutions themselves expressed that they still need for capacity building of key personnel in their respective institutions on issues of PPPs.

PPP experts also opine that capacities to handle PPP arrangement still lacks within the state universities. One of the PPP experts recommended that:

*There is need to build the capacities of the universities to handle PPPs project because I do not think that most of our universities are structured in such a way to accommodate*

*such transactions. For example, you can find that this could have been handled by the Projects Department or the Business Development sector but these departments are not much well versed with this. Most universities are used to just put up their Public Sector Investment Programme (PSIP) budgets and submit to the Treasurer and they would get money and built. This is a different ball game altogether. There is thus need for capacity building and exposure. They need to see where these things have worked and how have they worked and how is it managed because there is also issues of governance. If you enter into this arrangement blind folded, you can be convinced in a wrong parameter for example where you are supposed to enter into a 5-year arrangement you enter a 20-year programme with the private player and this will be unfair.*

Also alluding to the same facts of limited capacities within state universities, the other PPP experts from ZEPARU also adds that:

*In some cases, there might also be capacity problems within universities as they might not have competent people who can understand this concept and be able to craft those proposals. In some cases, there is need for Transaction Advisors who can advise on how you can package all these things and normally in other countries they have what we call Project Facilitation Fund or Project Development Fund (which are funds that are used to build proposals to bankability). Most of these proposals in our state universities have not been developed to bankability but it is just a list (we want to do ABC) and this cannot be adequate and attractive.*

A Director from ZIMCHE also made similar observation of the limitations on the part of state universities adding that they lack innovation and are equally too much dependent on the government for financial support. He said:

*There is too much dependence by state universities on government through PSIP. Universities have suffered from dependency syndrome. Traditionally they have not regarded themselves as creators but as receivers from donors. So every time they are looking for donations and rarely do they go to banks to borrow money, they are looking for free money from donors.*

As such he alludes that most state university leaders have not geared up to embrace capacities that would allow innovation and creativity. He advocated that there was need for some serious capacity building programmes within these state universities such that they understand how these PPPs should operate and he further exemplified that if such capacities were there, the current incomplete library at NUST would have been completed long time ago but it is still there. Lack of prerequisite capacity has been highly cited by most participants and this capacity is in various dimensions and these participants alluded that these were some of the factors that have been hampering the effective implementation of PPPs in Zimbabwe state universities.

In their effective procurement as the first principal grouping. Hardcastle et al. (2005) included a well-organised and committed public agency as one of the inherent CSFs for effective implementation of PPPs. Effective procurement cannot be separated from actors (stakeholders). Policy makers, government departments and their agency are fundamental in the implementation for successful PFI/PPP implementation (Hardcastle et al., 2005). Although they mentioned the essences of government departments like State universities as is the case in the study, they were not very particular with regards to their requisite capacities as submitted by the research participants. In their study on the conditions of effective policy implementation, Sabatier & Mazmanian (1979) outlined in their condition three that the leaders of the implementing agencies should possess substantial managerial and political skill and are committed to the statutory objectives. They assert that policy support is rather useless if it is not accompanied by political and managerial skills in utilizing available resources. In this regard the support for the implementation of educational infrastructure PPP policy in Zimbabwe state universities requires that the respective responsible leaders be equipped with necessary requisite capacities about how to handle PPPs.

#### ***6.4.3 Unstable Macro-Economic Conditions***

The state of the economy is very fundamental for the successful implementation of PPPs. The country's macro-economic conditions have been unanimously cited by all participants as other major factors that militated against the effective adoption and implementation of PPPs for educational infrastructure development in Zimbabwe state universities. Research participants from all sectors alluded that Zimbabwe's macro-economic conditions have not been and is still not very much conducive to attract both local and foreign investors which are needed to partner the government in a PPP arrangement. One of the participants from the financial institution, CBZ, summed it up by saying that:

*The major challenges affecting the implementation of PPPs in Zimbabwe are akin to the issues hampering the inflows of foreign direct investment (FDIs) in the country.*

The macro-economic conditions of a country are a major component in attracting investors in PPP projects. Majority of the private participants concurred that Zimbabwe state of the economy has not been very conducive and supportive. The country has not been performing very well for almost over two decades due to various factors and has not been able to attract FDIs and at the same time exports has been dwindling, the resultant effects of which has been major reductions of foreign currency reserve in the country. Foreign currency shortage had various effects to the implementation of capital projects under PPP arrangements. Commenting on the effects of foreign currency shortages, a participant from the Infrastructure Development Bank of Zimbabwe (IDBZ), a development financial institution said:

*The economic situation really had a negative impact on the generation and inflow of foreign currency. Right now some of our projects require foreign currency which we do not have. Some of our contractors would require to be paid in foreign currency which we do not have. As such you can see some delays even in some universities capital projects because some contractors might be requesting payments in foreign currency.*

Investors have equally not been happy with lack of the country's own currency and official exchange rate. The country has been using bond notes which can only be used within Zimbabwe alone for quite a long time now. These conditions made it difficult for investors to have the confidence to bring their investment in foreign currency which they will then unable to repatriate to their home countries. The country has also been associated with hyperinflation and this brought a lot of uncertainty that scared away investors. Uncertainty as a result of the economic turbulence has been a major hindrance towards the uptake and implementation of PPP in Zimbabwe state universities. One of the private capital investor involved in infrastructure development and construction PPP projects said:

*Macro-economic conditions really had serious impact. Sadly, our business fortunes in Zimbabwe follow our political fortunes and our adverse macroeconomic condition has been the major hindrance.*

One of the PPP experts interviewed also lamented that macro-economic environment can be either facilitates or can also inhibit the implementation of any government policy. Explaining the effects of the macro-economic environment towards PPPs, the expert said:

*The macro-economic environment can facilitate or inhibit the smooth implementation of government programmes. Stable macro- economic environment entails that macro-economic parameters are stable and this can facilitate the costing and projection of a project particularly PPP projects which have a long term life span. Remember this is a long term project and in infrastructure development one can get a concession of 10 to 15 years. You ought to have a firm stable economic environment such that one is able to make reliable projections. However, when it is not the case, and there is an ever dynamic economic condition, then there will a lot of uncertainties, for example you might not be able to tell what the inflation rate will be tomorrow. So when the environment is unstable, then the private investors become hesitant because the risk is high.*

The uncertainty of the economic conditions has equally made it difficult for the investors to commit their funds on a long term basis, but rather opted for short term investments. This made it difficult to secure funding for PPP projects which operate on a long term basis. Explaining the effects of unstable economic conditions on the availability of funds, the IDBZ participant said:

*The state of the economy is very fundamental for the implementation of PPPs. The environment determines the possible availability of finances. All the relevant stakeholders are equally affected by the environment and for example under the present environment it is difficult to get long term loan from even Old Mutual because there is lack of uncertainty. When the environment is bad, financial institutions will not give you money on long term basis but rather on short term basis like six months. Investors have a short term horizon when the economy is bad. This becomes so difficult specially to necessitate the implementation of PPPs which are done on long term basis like 15 to 25 years. You can only get money to finance recurrent and not capital expenditure for infrastructure development. People are not certain on whether they will get money in which currency especially if the environment is that dynamic like in the case of Zimbabwe.*

Even though the economic challenges have been mainly cited as a detractor to the effective implementation of PPP projects, some of the responses from the public sector participants expressed optimistic that the new government under the leadership of President Emmerson Mnangagwa, would bring more stability that will attract more investors in the country. The researcher had an opportunity to attend the Infrastructure Investment Conference which was hosted by the MHTESTD in 2018 at Rainbow Towers Hotel in Harare in which many State universities attended and equally expressed hope for more investors because of the ‘Zimbabwe is open for business’ mantra that had been unveiled by the new president of Zimbabwe. Expressing their new hope, some of the State universities participants said:

*Yes, sure the situation was not conducive at all and there were too many risks for private capital before. However now even though risks are still there, there is now new hope. Now we have the new government that is trying to do things differently unlike before where things were very difficult for the private sector.*

The MHTESTD participants also concurred that there was hope that the new dispensation will invite more investors than before. One of the participants said that even though in the old dispensation investors were coming but the rate has now increased in this new dispensation and so far we have more than 30 investors who have come to express interest in educational infrastructure within six months.

The other participant within the same ministry, a Director of Research, Development and Innovation however refuted that the macro-economic was in major ways a hindrance to the uptake and implementation of PPPs in state universities. His position was that the old dispensation was mainly characterised by a lot of policy inconsistency; a situation which he said was being rectified by the new government. Asked on the possible effects of the macro economic conditions as a drawback to the successful implementation of PPPs, the same participant said:

*I do not think that the impact of the macro economic conditions is that much as long as you have a very good business case. So the issues were not much to do with the environment but it was more to do with the policies.*

The above submissions by the most participants indicate that Zimbabwe economic turbulence contributed immensely to the loss of investor confidence to partner government to build educational infrastructure through PPP arrangements. These unstable macro-economic conditions posed a great risk to the private investors and hence that hampered away the call for partnerships by the government which was accompanied by a myriad of incentives.

Literature indicates that favourable economic conditions (stable macroeconomic conditions and sound economic policies) are very important for PPP project development both in developed and developing countries and these were equally identified as CSF for PPPs, (Hardcastle et al., 2005). The authors proffered that government must ensure that economic conditions are favourable if successful PPPs/PFI project implementation is to be realised. They also alluded that the private sector lenders and investors are more interested to develop public infrastructure projects when the environment in which these projects will be operating from is favourable. The private sector usually prefers a favourable and lower risk market and usually perceived that lower risk markets increases the opportunities for PPP success. Again literature advises that government should adopt economic policies to maintain a stable and growing environment, where the private sector operate with confidence (Hardcastle et al., 2005). The economic situation in Zimbabwe however has been dynamic and as such fell short of the favourable economic conditions as CSF for successful implementation of PPP as proffered by (Hardcastle et al., 2005).

#### ***6.4.4 Limited Local Financial Market***

The participants expressed mixed reactions over the stability and adequacy of the local financial markets to support the implementation of PPPs in Zimbabwe state universities. These financial markets include; Pension Funds, Investment Houses and banks. Whereas the public sector participants expressed conviction that the local financial institutions have limited finances, the private sector seems to dispute that arguing that they have the finances, a position which was seconded by PPP experts interviewed.

In their submission, the public sector participants, particularly the JV Unit in the MFED reiterated that it is an undisputable fact that the local financial market does not have adequate funding and that has been a hindrance to PPP arrangements. In his specific narration, the participant said:

*Our local financial markets have limited finance and this is not a secret and it's known that they are facing some liquidity challenges. These local markets as such cannot adequately meet the financial requirements for the development of infrastructure in Zimbabwe state universities. There are some good private players that are into construction but in order for them to implement the project even under PPP arrangements they need finances and the local markets do not adequately have these kinds of finances.*

Concurring to the same sentiment, another a Director of Finance in the MHTEISTD said:

*Locally, yes, we have financial market in the form of Pension Funds like NSSA and local banks which are very important but however they are not adequate. As such there is need for foreign financial markets which at the moment are coming through to inquire on the investment opportunities in Zimbabwe due to the 'open for business' mantra ushered in by the new Zimbabwe government.*

The public sector participants concurred that the capacity of the local markets is limited and as such there is need for more outside investors. They further added that the markets are not stable because of the dynamic is the currency issues which has severely affected their savings. Local financial markets constitute of banks, stock market, insurance firms, Development Finance Institutions, micro finance institutions and pensions schemes.

Bringing the other view of the local financial institution, the state university participants expressed concern over the cost of the local finances. They argued that even through the local financial market has the money; the cost of the money is rather too high. This makes the PPP projects expensive to implement and hence most of the PPP arrangements were shelved and failed to take off. These state university participants also said even though the local markets like banks have money, they are however conservative and are in some cases reluctant to offer loans to finance projects that involve the government. In his specific words, one of the interviewed state university participants highlighted that:

*Yes, the money is there in the local financial institutions but however finances are just expensive. Again banks are not keen to lent money specially to projects that involves*

*the government because the government has a bad record of returning loans; in fact, it is regarded as the borrower of money but returner of none.*

The state university participants concluded that local financial markets which include pension funds like First and Old Mutual were not adequate. Private investors, particularly financial institutions like banks on the other hand added another dimension with regard effects of the local financial institutions towards the implementation of educational infrastructure PPPs. One of the banks, CBZ which is the lead financial advisor of the government on issues of fund raising from the market, insurance and pension funds among others however posits that local markets have both stable and sizeable resources to support PPPs. In his narration, the participant from CBZ argues that:

*The financial markets in Zimbabwe are generally considered stable despite the many economic headwinds that have been facing the economy. The markets, supported by an adequately capitalized and well-regulated banking sector, may be considered adequate in supporting PPP implementation. The local financial market has sizable resources to support PPPs.*

This position however contradicts with the view of another key development financial institution, the IDBZ which alluded that none of the local financial markets including insurance firms like Old Mutual and First Mutual, and Pension Firms like NRZ Pension Fund have been exempted by the adverse conditions of the economy and as such they are equally unstable. However, the participant was quick to point out that when faced with a capacity and adequacy limitations, the local insurance and financial players also have their sister companies abroad who also can partner the government upon their recommendations. For example, Barclays Zimbabwe may recommend Barclays UK to fund certain lucrative projects which they might not have a capacity to fund.

Both banks however concurred that the financial markets are now opting for short- term investment vehicles which can be promptly exited should the need arise. This has not been favourable to PPP arrangements which require funding on a long term arrangement. Their position was that participation in PPPs would lock the funds and should market conditions become that adverse, losses are usually realised. As such, of late the local financial markets

have been avoiding long term investments, a situation that has also contributed to the heel dragging in the effective implementation of PPPs in Zimbabwe state universities.

The participant from IDBZ also indicated that the government have since instituted a policy to regulate some of these financial markets like insurances and pension firms so that they invest at least 25% of their reserves towards capital projects like infrastructure development. The government enforces the Capital Reserve Requirements on them such that they would invest part of their money in productive infrastructure. Of all the liquid assets through premium that they collect from people, the government requires them to invest 25% to Infrastructure development. With this they do not have any choice except to visit such institutions as IDBZ and look for these long term bonds such that they comply with the statutory requirements. In his words the participant from the IDBZ said:

*We as IDBZ we will then invest in productive infrastructure on their behalf as a requirement of the government. These financial markets usually like to invest in short term money markets and as such the government have put a policy to regulate them.*

Concurring with the need to regulate these financial institutions, one of the PPP experts considered that there is indeed dearth of capacity in terms of the financial markets to support PPPs, but if properly regulated the local finances can go a long way in addressing such infrastructure issues as student accommodation. This expert proffered that these local financial markets have to be regulated so that they can pool resources together to support PPP arrangements because in some cases it is not a matter of capacity but choice. He said the markets have the money which can cover some of the infrastructure arrangements like student accommodation in Zimbabwe state universities. Exemplifying, the PPP experts indicated that:

*Taking for example the Pension Funds Industry as at 2012 stood at around USD\$4 billion and this is more than enough to create the 70 000 beds for student accommodation required in Zimbabwe state universities which required about USD\$400 million. In this case I insist that the government has to give some concessions especially to the Pensions Industry (to regulate) because they have a minimum set prescribed asset ratio. They have the prescribed ratio of about 25% but most of these industries are operating below this ratio. These companies have to be compelled by the*

*Insurance and Pensions Commissions to comply and they can be able to invest in the student accommodation because they have the funds.*

Adding to the above statements the PPP experts also said that Pensions Funds are some of the primary sources that can be used to finance and support PPP arrangement. His position was that there are both the small pensions Fund and the large pension Funds whose funds are managed by Asset Managers and Pensions Administrative Companies and these can pool their resources together and invest them in PPP opportunities unlike in stock markets. He indicated that Small Pensions like the Tongaat Hullets Pensions has over usd\$80 million dollars and they can just put at least 10 million in student accommodation. He also pointed out that some of the larger pension funds like the NRZ pension Funds, Local Authorities Pension Funds, Communications and Allied Industry Pension Fund equally have huge amounts of money some of which is invested in other countries like United Kingdom. He singled out NRZ Pensions Funds which he said started a long time back and opted to invest abroad in off shore markets because there were few local infrastructure investment opportunities to venture into. The PPP expert thus recommended that such funds be regulated and equally channelled to support the PPP arrangement in Zimbabwe.

Despite their conviction that the local market has fund, the PPP experts equally expressed concern over the nature and adequacy of funding that found in the local market. They posit that banks now have short term money and again in some cases borrowing for capital projects is constrained by asset-liability mismatch. In this case, one PPP Expert said liability is such a scenario will be for a short term yet your assets are for a long term. He further said banks for example have money as short term deposit and they cannot fund long term infrastructure project. As for the bond market, the Expert highlighted that they have been affected by the hyperinflation and as such they have not been very active and further indicated that the government now wish to active them. He however expressed high hope on development financial institutions and Pension schemes, indicating that these have the great potential to support the implementation of PPP in Zimbabwe. He said although it depends with the nature and quantum of the project, but capital projects like student accommodation can be funded through the Development Finance Institutions like IDBZ who have the capacity to raise money through other market which then can be used locally to develop infrastructure. As for Pensions schemes, the PPP expert said they offer long term funding which is required in a long term arrangement such as PPPs. In his narration he said:

*When we talk about PPPs there is need for long terms funding and that long term funding require institutional funds like the Pensions Fund and Life Assurance Fund.*

Available financial market has also been identified as the other principle factor that can necessitate the implementation of PPPs, (Hardcastle et al., 2005). The availability of a stable and adequate financial was emphasised as the CSF in this conceptual framework. Extant literature occurs that project financing is a critical factor for private sector investment in public infrastructure projects, (Akintoye, 2001; Jefferies, 2002; Corbett & Smith, 2005; Zhang, 2005). Furthermore, Cheung et al. (2012) observes and asserts that that the availability of a mature and an efficient financial market with the benefits of low financing costs and diversified range of financial products is a lucrative incentive for private sector taking up PPP projects. Findings from this research however indicate that Zimbabwe local financial markets are not adequate and neither do they have favourable packages that match the expectation of a long term PPP arrangements. Despite the availability of other markets that are considered suitable for PPPs, in Zimbabwe, the concluding remarks are that their stability and adequacy has been affected by the prevailing dynamic macro-economic conditions. Zimbabwe as such fell short of stable and adequate financial markets and this equally affected the uptake and implementation of PPPs for educational infrastructure development in most State universities.

#### ***6.4.5 Lack of Funding for Feasibility Studies***

PPP projects require feasibility study before they are fully embarked on. The Joint Ventures Act [Chapter22:22] requires that no project shall be carried out without a feasibility study. Funding to undertake such studies however has been a challenge and the private sectors investors have not been prepared to cater for such expenses which is estimated to be about 6 to 10 % of the total cost. Infrastructure projects runs into millions of dollars and as such the cost for feasibility studies will be a relatively high figure. Most participants from the public sector submitted that lack of funds to undertake feasibility studies has been a major hindrance to the uptake and implementation of PPP projects in Zimbabwe state universities. Concurring to the same positions, the participants from the IDBZ which is a government infrastructural financing institution that also promotes PPPs said the feasibility studies are both a statutory requirement and are equally costly. In his narration, the participant said:

*In a PPP arrangement, feasibility studies are necessary in order to justify the project. At first there is need to procure Engineering Consultancy for project preparation, preparation of designs and also to obtain statutory approvals such as council approval among others. For each project you need 5 to 6 Engineering Consultants. You need someone who is Architectures, for Civil Engineering designs, for Mechanical Engineering, for Electrical Designs and for Environmental Management Agency Approval among other. These services are costly and might require around USD\$800000 to USD\$ 1,5 million dollars and these resources even though we sometimes fund, are mainly a stumbling block for many PPPs to off take.*

Majority of the private sector participants interviewed alluded that it becomes very difficult to commit such huge amounts of money without a guarantee that you shall be accorded such a PPP arrangement. This study established that it is not obvious that if you sponsor the feasibility study you will then be automatically considered the rightful partner and because of that most investors end up losing interest and give up. PPPs experts also agreed to the fact that the unavailability of funds to undertake feasibility studies has also been a challenge towards the off take and implementation of PPPs in Zimbabwe state universities. One of the PPP experts said:

*The issue of feasibility studies is such an expensive exercise which requires money and as such the promoters of the project should also have an envelope to finance all these preliminaries and this is where most of the PPP proposals in our state institutions have fallen off. Most of the private investors are not so willing to fund these preliminary works such as the feasibility studies when they do not have the guarantee that they will win the proposed PPP contract.*

Defending the essence of the feasibility study, the Director of the JV Unit in the MFED highlighted that such studies help to show how feasible or profitable or practical a project is. He further indicated that:

*In the construction of student accommodation for example, a feasibility study assists to establish information on how many students are going to be accommodated in the proposed hostel, how much are they going to pay, the projected revenue of the project versus the cost of construction, and establish how long is it going to take for the investor to recuperate his money.*

He also expressed feasibility study helps to avoid certain serious blunders such as giving an investor 15 year for example to recover money when it only required 5 years. Furthermore, the participant pointed out that a feasibility study assists to establish the potential clients' willingness to pay so that you do not construct something that does not have up-takers.

PPP experts also highlighted that feasibility studies also include other technical aspects and these include issues to do with structural design which are done to establish whether the structures are acceptable in Zimbabwe or not? They said that there are some structures which cannot be accepted for example prefabs for student accommodation. The government through the Ministry of Public Works might reject that. One of the PPP experts also indicated that:

*Feasibility studies also involves other issues like the Environmental factors to consider whether the proposed project is not going to cause pollution to the environment and if so what measure are in place to mitigation the effects? Feasibility studies also involve an issue of Option Analysis and this is done to establish the best route of executing a project. These technical aspects thus are so costly and have equally been a hindrance to the adoption and implementation of PPPs particularly given the fact the feasibility study is a statutory requirement as dictated by the Joint Venture Act.*

The State university participants also expressed concern that despite more proposals coming from private investors, there is little to no uptake because there is no money to undertake the feasibility study. The participants also indicated that:

*A feasibility study has to be done by a credible firm and an independent party who is not an interested person.*

An independent consultant is needed whose findings can be able to convince the government and contracting such consultancy has always been cited by most participants as a challenge because they are usually expensive.

#### **6.4.6 Land Ownership Rights**

Land ownership has also been mentioned by majority of the participants from both the public and the private sector as another factor hindering the uptake and implementation of PPPs for

educational infrastructure development in Zimbabwe state universities. The research established that state universities do not own land with title deeds as their land is regarded as state land and this also has been a sticking point with investors who would want to use the title deeds as collateral security to borrow money. One of the state university participant indicated that universities operate on state land and this land does not have title deeds. In his submission he said:

*Most State University operate on state land and this land does not have title deeds which are required by private players when then want to borrow money from financial institutions. State universities have state land and do not have private mortgage land which can be turned into liquid as this is only leased land. The challenge again comes when you want to subdivide the land for construction purposes it can be difficult as the authorities can indicate that there is no such land available for that purposes.*

This State university participant also highlighted that the private investors normally want to have the full control and have exclusive rights over those pieces of lands as security of their long term investments. On the other hand, the government however has also been fearful to extend such rights primarily because it fears to lose the infrastructure to the private players in the long run if certain promises are not fulfilled. The issue of land ownerships rights as such has been a sticking point to the effective uptake and implementation of PPPs for educational infrastructure development in some state universities. It was equally established that the investors were at the end opting to buy separate land with full and proper deeds somewhere near the state university for such projects as student accommodation. This option was triggered by the investors' desire to have exclusive rights over the land so that they secure their investments and also to enable them to borrow money which is needed for such long term projects.

PPP experts also concurred with similar observations of the demand by most investors to have full over the land where the projects will be stationed. One of the PPP experts, Director at ZEPARU submitted the following practical examples and said:

*I am aware that MSU is partnering Old Mutual to deliver some student accommodation for the Gweru campus. However, this was done on privately owned land by the universities because the funding partner was not prepared to invest on state land primarily because they wanted sufficient control over the property. The MSU had its*

*own land which had nothing to do with the state and it was private land and they hold title to this land and they partnered Old Mutual to deliver student accommodation and that project is currently underway. IDBZ is also considering partnering NUST to deliver student accommodation and in this arrangement the IDBZ has actually purchased the land and they are seeking an understanding with the university to promote this project.*

Above indications disclose the great desire by most funders to have a security over their long term investments and in this case control over the land was considered as a better indemnity. Failure by most universities to have title over the pieces of land that they operate from thus dispelled the interest and confidence of even some few investors who had a genuine standing of partnering them in educational infrastructure development. Hence it was highlighted that this also hampered the effective implementation of infrastructure PPPs in most Zimbabwe state universities. Title was required by investors both to ring fence their investment and also to borrow money from financial markets like banks which normally require title deeds as collateral security against the borrowed money.

Investing in educational infrastructure and also borrowing finances to do so is a risk on the part of the private investors. Appropriate risk allocation and risk sharing was thus considered as one of the inherent CSFs for PPPs by Hardcastle et al. (2005) in their second principle factor grouping, termed project implementation. Cheung et al (2012) advises that the government should be reasonable to take up risks that are out of the control of private sector participants. Furthermore, they caution that in all cases, the government should ensure there are measures in place to manage the risk exposure rather than leaving it open to the private sector. In this case the government should equally understand that it is such a risk for any investor to commit his investment on land whose land ownership is not backed by a title deed. Kyei & Chan (2015) also advises that that governments should refrain from the idea of transferring all the risks to the private sector as this can affect the participation of private investors in PPP projects and this has equally been the case with Zimbabwe state universities. Even though the extant CSFs for PPP model by Hardcastle et al. (2005) did not have any inherent factor that was so particular about the need for title deeds on the piece of lands to be invested on, they however indicated the need for government to consider multi-benefit objectives when dealing with the private sector and this way assures security on the part of the investor. The issue of multi-benefit

objectives asserts that apart from the direct objectives in achieving public services, a PPP project needs to consider the private contractor's objectives.

#### ***6.4.7 Insufficient Support from the MHTEISTD***

State universities submitted some concerns which they wanted their parent ministry, MHTE to address in order to support the effective use of PPPs for educational infrastructure development in Zimbabwe. Most of the state university participants alleged that the support from their parent ministry was not strong enough to give adequate direction on how PPPs has to be applied to these institutions of higher learning in Zimbabwe. They confessed that even though the PPP concept is not relatively new, there is no clarity on the appropriate way it has to be executed particularly in the social sector in general and in state universities in particular. This lack of a clear road map has left state universities in an undecided wait and see mode as they try to clearly establish and appreciate how the processes should unfold. They equally appealed that if their ministry could come up with a clear, comprehensive and updated manual that would indicated how the process has to be applied in state universities.

State universities participants also expressed that they also wanted support in securing the interest of the private players to partner them in educational infrastructure development. Their proposal was that the government ought to support these private counterparties by offering them guarantee on their investment. They also indicated that the security on investment has been a concern in the previous dispensation. Investors wanted certainty in terms of the ownership of the land and this was not very clear. Investors were concerned about the title deeds or the concession of the land and they needed clarity on it. Equally the private players wanted certainty in terms of any dispute resolution mechanism as they tried to protect their investments particular. They equally wanted to know whether they could repatriate profits to their home countries after investments and also the issue of currency. These were some the hurdles that state universities participants wanted to be dealt with and as such they indicated that that they wanted the support of the MHTEISTD to secure the interest of the investors.

Defending the position of the parent ministry, one participant from the MHTEISTD however said:

*We do not take a lead role in PPPs for state universities, they have to, but when they bring it to MHTEISTD we will then take it to the JV unit for evaluation. These institutions have to search for their investors and they have to discuss on the terms and*

*the ministry has not centralised the procurement process in order to do away with the bureaucratic pathologies. Our duty is to facilitate and they have the autonomy to carry out their mandates because they have been given the leeway and they are free to approach investors just as much as the investor are also free to make unsolicited bids to these institutions.*

State universities however also indicated that they do not have the absolute autonomy as indicated by the MHTEISTD. One of the state universities participants proposed that:

*There is need to give universities absolute autonomy. Current level of autonomy is very limited. The Vice Chancellors cannot do things that are at variance with government policy, definitely they will remove you. Even the appointment of the VC should be done separately and not by the president of a country. Normally he who appoints can also disappoint. When you deal with international institutions, they also consider all that because they know that when a new government takes over power, some of the established standing arrangements can also be altered.*

ZIMCHE participant however also blamed the responsible ministries for not rendering sufficient support to promote the uptake and implementation of PPPs in Zimbabwe. Commenting particularly on issues of regulatory frameworks, the Director said:

*We do not seem to have comprehensive pieces of legislation supporting the use of PPPs or if we do, there is very little sensitisation about these so the private sector is not aware and the universities are not sure. So here the people who are supposed to marry do not know each other. The politicians are saying marry-marry and the people who are supposed to marry do not know each other.*

Sabatier & Mezmanian (1979) alluded that the statute (or other policy decision) should contain unambiguous policy directives and structures for the implementation process so as to maximise the likelihood that target groups will perform as desired. The authors highlight that policy objective should be precise and clearly ranked both internally (within) the specific structure and in the overall programme of the implementing agencies. Sabatier & Mezmanian (1979) further asserts that precise and clearly ranked in importance statutory objectives assists as an indispensable aid in programme evaluation as well as unambiguous directive to implementing

officials, and as a resource available to supporters of these objectives both inside and outside the implementing agencies.

#### ***6.4.8 Some Projects Not Lucrative to PPP Arrangements***

Responses from both the public and the private sector participants also indicated that nature if some projects in these state universities are in such that they are not that lucrative to PPP arrangements and as such have failed to attract the interest of the investors. Even though student accommodation has attracted the interest of the private investors, participants felt that other infrastructure such as the lecture rooms, laboratories, sporting facilities and administrative block have not been that rosy to investors. A Pro VC from HIT highlighted that:

*The other facilities were so difficult to fund using PPPs as they looked less attractive than the student accommodation. These facilities such lecture rooms and administrative blocks might require innovative arrangements such as the use of Endowment Funds which can be generated through their Alumina because they have not received many inquiries from investors.*

This is primarily because there is no clear business concept in these infrastructures as compared to the student accommodation. Private sector participants also added that some of the projects are not suitable for PPP arrangements. In his narration, one of the private sector participants said:

*Normally as private sector we are interested in the return on investments whereas the government is interested in the provision of a social public good. Educational infrastructure like student accommodation can be lucrative because as the student pay rental, the private player can then be able to recuperate their cost. Therefore, such arrangement can be a candidate for PPP arrangement. However, in some cases like lecture rooms, a private player might participate maybe as a corporate social responsibility and require no refund because in some cases the business aspect might not really come out.*

Despite being highly glorified; student accommodation has not gone unchallenged by some of the participants. One participant from a local financial institution, a Deputy Director from Investment Banking sector at CBZ observed that some of the accommodation fees that are paid

in Zimbabwe are far below what is charged within the region making them not highly attractive to PPP arrangements. He said:

*Student accommodation fee levels here are considered lower than in other regional countries, for instance, Zimbabwean students pay around USD100 per month whilst in South Africa accommodation fees can range between USD400 to USD600 per month. On a comparative basis, investors are likely to consider other investments with higher returns.*

The local economic conditions have equally made these projects less lucrative. Education has been considered as a right in Zimbabwe and as such exorbitant prices particularly on accommodation has not been tolerated especially in state universities. The CEO from IDBZ, a development financing institution, also alluded that some projects to be accomplished through PPP arrangements in some cases are not lucrative. He equally expressed concern over the issues of pricing which he said was not enticing because of the need to accommodate students concerns with regard to affordability. He said they thus had to compromise the quality such that they can sustain the costs versus the returns. In his narration, he said:

*All these PPP projects that we have been entering into, they are right on the margin in terms of financial viability. We are just break-evening and if we make any mistake we will make losses. If you look at the designs that have approved, they are of low quality. Even some of the hostels that we are going to construct at Bindura University for example, are not the best in this era; they are just basic hostels to make them affordable to the students. In some areas like Chinhoyi University, we have prescribed (bunking) such that the project can be viable. This is primary because if the hostels are of high quality then each student will have to pay more money and they cannot afford that and as such (bunking) was prescribed. Capital market players have financial analyst who look into financial viability of a project. They always want to make sure that they get a good return out from their investment.*

These sentiments suggest that even student accommodation itself has not being that lucrative in terms of returns hence most investors have not honoured most of their pledges. A representative of the MIPF Investment Division also said they have not highly prioritised educational infrastructure in the investment priority despite various request by state

universities. One PPP experts suggested that there was need to packages these PPPs in this sector well and prepare bankable project proposal in order to lure the interest of the private sector whose main concern is on return on investment.

#### ***6.4.9 The Traditional Organisational Design of State Universities***

Some research participant highlighted that the current set up and design of most state universities in particular and the whole education system in general are in such a way that they do not promote innovation and creativity as well as the private player participation. Lack of innovation and creativity has been exacerbated by state universities' too much reliance on the government for funding of capital projects particularly through the PSIPs. The Director from ZIMCHE highlighted that:

*Our universities have largely been dealing with a traditional type of education, far removed from innovation, creativity. There is too much dependence syndrome by these universities and I wish one the government would work up and instruct them to pay for themselves salaries for their worker. You will see that they will work up and embark on creative income generating ventures that would the private sector investors through a PPP arrangement.*

These sentiments indicate that there is generally lack of innovation and aggressiveness on the part of the universities and the participant advocated that was need to follow current Minister of MHTEISTD's call to operate education as business and as such force universities to engage in serious profit making projects. He equally shared an example from China and India and said:

*I visited a university called South China University of Technology in 2010. It is a university on one side, but they are also running an automotive industry on the other side. They are not just theorising cars, they theorise and build cars. So their factory employs their entire graduates and that entails expansion of the industry. So with each graduation ceremony, the factory expands. So it's a profit making university and if you are a profit making university then every private sector would be willing to associate with you. Our universities have never been structured to operate like businesses. University of Zimbabwe for example have very big land, and they have a whole Faculty of Medicine, they can build a huge private hospital which can accommodate everyone in different categories like what Sharda University has done in India. They have a*

*university hospital which measures the size of Parirenyatwa and Harare Hospital and has several wings covering the ordinary public, local top class and the other one for the diplomatic community.*

He highlighted that our universities have not been operating like business and hence their poor relationships with the financial markets like banks. PPP experts also observed that the institutional arrangement in most university set-up does not promote private sector participation particularly through PPP arrangements. They said such could also be other factors that have caused the inertia with regards to the uptake and implementation of PPPs in this case. They alluded that PPP is such a technical concept which also calls for some organisation redesigns such that they become practical.

The other school of thought given by the research participants with regards to the traditional designs of both the universities and the education has been an error of totally excluding the private sector players in the education planning processes. One private investor participant complained and submitted that:

*Because of the traditional nature of the curriculum, the private sector did not play a big role even in the design of the content of the courses, so if they are just invited in the building of infrastructure, then it becomes a challenge. So they need to be included in all levels of educational developments such that they feel important in participating and this can even work well with such PPP arrangements.*

This shows that there was need for the involvement of the private sector not only in the construction of educational infrastructure but also in the design of some of the educational programmes. In this matter, the private players highlighted that it would not only make education relevant with the current practical trends, but would also increase the enthusiasm of the private investor to partner them for other capital projects.

#### **6.4.10 Political Alignment of the Private Sector**

Most research participants did not rule out politics as a catastrophe that has also stalled the effective and smooth implementation of PPPs for educational infrastructure development in Zimbabwe state universities. Various intricate effects of politics were mentioned by

participants, cementing the notion that indeed politics affected the uptake of PPPs unlike in UK where it was reported by Hardcastle et al. (2005) that it had no impact.

Some participants highlighted that poisoned politics affected of willingness of the private sector to participate in government programmes. They said political alignment of the private sector usually determines their willingness or lack of it in participating in PPP arrangements. Explaining the effects, the Director from ZIMCHE said:

*Most of the private sectors in Zimbabwe are generally aligned to the opposition politics whilst government efforts are associated with the ruling party. So that in itself creates resistances and antagonisms and active sabotages. Zimbabweans are very rich but individuals in such cases would rather take their millions of dollars to buy cars because there is no genuine commitment on the party of the private sectors that have the resources. This is primarily because of the poisoned politics.*

Politics as such have been regarded as a serious and sensitive phenomenon that discouraged that private sector investor from joining the government in educational infrastructure development through joint ventures. Most of these private sectors sympathises with the opposition parties and in this regards some of them despite the availability of resources, they act in sabotage ways and never come forth to assist in any ways and if they decide to partner, the assistance will be of trivial essence as compared to capital investments which will expected. Another school of thought on the effects of politics that have been noted by the private sector participants is the failure by the government to separate between government business and party business. This has been pointed not only as a Zimbabwean challenge but that which is usually associated with most African government. They posit that the moment such a distinction has not been observed and the demarcation remains blurred, then the confidence of most private sectors is compromised. One private sector participant said:

*The other prominent African problem is the failure to separate the government business from party business. We need to emulate China which has a clear separation between government business and party business. This separation helps PPPs a lot in China because when you are dealing with the government you are not necessarily dealing with the Communist Party. When the Communist party chooses people to work in the government, they do not look at the party background, they consider merit and whoever*

*has the highest merit will occupy the position even if he is from opposition. When the candidate performs well the credit goes to the government and not to the party. But when you have collusion on party and government, it means those who are opposed to the party will also oppose government initiatives.*

Again the above sentiments indicate that the politics in Zimbabwe did not only dilute the interest of some of the private sector who had a genuine cause for PPPs, but also led to the selection of unqualified partners to universities in infrastructure development. Some of the university participants said they equally had challenges with some of the private investors that were imposed on them from the parent ministry because they would have come through unsolicited biddings. This created challenges because to then they complained that they equally wanted to have due diligence on whoever would partner with them, and hence most efforts were either shelved or suffered a natural death. Poisoned politics were equally associated with corruption particularly in the selection of those who are supposed to partner the government in PPP arrangements and this heel dragged the effective implementation of PPP projects in most state universities.

The above behaviour has been well explained by the Public Choice theory which was also used in this study to explain why some government programmes fail to produce the intended results. The theory regards that public officials as self-seeking individuals who seek to abuse public offices for personal gains and this implies that the governments have their own embedded interest and rarely act in the public interest (Mueller, 2012). Public choice theory further explains how decision- makers and policy-makers define and determine the policy content and also the policy instruments to influence policy implementation.

The theory asserts that these officials make self-interested choices about the making government interventions during market failures due to monopolies as well as mainstreaming of private sector processes and systems during government failure if government interventions are not achieving the desired effect in service delivery (Buchanan, 2003). Furthermore, Howlett (2019) equally concur that “policy and decision-makers in public management, like economic ones, act rationally in calculating fashion, to maximize their ‘utility’ or ‘satisfaction’”. The corruption allegations submitted by the research participants could thus be a reality as public officials could have been calculative to establish the benefits and effects of PPPs to them.

Delays in the effective implementation of PPP can also be explained in such a way as given by the Public Choice theory from both the government and institutional level.

### **6.5 Summary**

This chapter explored the Zimbabwe state universities experiences in the implementation of PPP with a particular assessment on the progress made, success cases, models used and the most preferred projects by the investors. In this analysis the study equally sought to understand the attractiveness of educational infrastructure projects to PPPs and the challenges hampering the effective implementation of PPPs in these institutions of higher learning and the possible remedial measures. A number of critical factors affecting the uptake and implementation of PPPs in Zimbabwe state universities were discussed. These detracting factors include lack of guarantee on private sector investment, lack of prerequisite capacity within state universities, unstable macro-economic conditions, limited local financial market, and lack of funding for feasibility studies, land ownership rights, insufficient support from the MHTEISTD, some projects not lucrative to PPP arrangements, the traditional organisational design of state universities and political alignment of the private investors.

## **CHAPTER SEVEN: A CRITICAL SUCCESS FACTORS MODEL FOR THE IMPLEMENTATION OF PUBLIC PRIVATE PARTNERSHIPS IN ZIMBABWE STATE UNIVESITIES**

### **7.1 Introduction**

In this chapter, a generic Critical Success Factor (CSFs) model for Public Private Partnerships (PPPs) dubbed the Educational Infrastructure Critical Success Factor Model (EICCSFM) to promote the implementation of PPPs for educational infrastructure development in Zimbabwe state universities is constructed. The model is a product of verified refined sector specific suggestions given by research participants and relevant documentary analysis with regard to PPP implementation experiences in Zimbabwe state universities. It embodies and synergises submissions from both the public sector (government and institutions) and the private sector (business and investors) as main sectors in the partnership. The study appreciated that the success of PPPs is determined by context realities and as such acknowledged that there is no ‘one size fits all’ approach in terms of CSFs necessary for effective implementation of PPPs. This thus study followed the emerging scholarly work and methodology by scholars like Onyemachi et al. (2015); Sehgal et al. (2015) which acknowledges that CSFs for PPPs vary. They further assert that it is still difficult for both practitioners and researchers to identify the most important CSFs for the effective implementation of PPP projects irrespective of the country, sector, stages or project model. These authorities also suggest that that it is even more important for countries that are new at adopting PPPs to identify CSFs for PPPs in order to maximize the advantages of this method and to reduce the risks for all concerned parties. These justifications thus form the fundamental basis for the development of this Educational Infrastructure Critical Success Factor model which outlines sector specific conditions necessary to foster effective and sustainable implementation of PPPs in Zimbabwe state universities whose progress has been slow and lethargic. The study also sought to understand how this model relates to the extant widely used CSF for PPP model by Hardcastle et al. (2005) which was used as a conceptual framework in this study.

### **7.2 Educational Infrastructure Critical Success Factor Model for PPPs**

Critical Success Factors (CSFs) relates to those few key areas of activity in which favourable results are absolutely necessary for a particular manager to reach his or her own goals (Rockart, 1982). The concept of CSFs was first introduced by Rockart and the Sloan School of

Management and studies of CSFs of PPP projects emerged since the 1990s (Jefferies, et al, 2002; Hardcastle, 2005). CSFs are significantly important elements that firms and organisations that should focus on in order to be successful in a project (Rowlinson, 1999). Extant studies shows that there are two types of literature on CSFs of PPP: firstly, studies that evaluate CSFs of PPP and, secondly there are studies that assess CSFs of a specific PPP project (Sehgal et al, 2015). This study establishes CSFs of PPPs projects in the social sector in general and for educational infrastructure projects in Zimbabwe state universities in particular and hence the study produced a model dubbed, Educational Infrastructure Critical Success Factors Model for PPPs.

Research participants identified various factors that have been hampering the effective implementation of PPPs and submitted suggestions which they considered would make PPPs work in Zimbabwe state universities. Responses were sourced from purposively selected participants from the public sector, private sector, PPP experts and academics. Participants were from: The Ministry of Higher and Tertiary Education, Innovation, Science and Technological Development; Ministry of Finance and Economic Development; Zimbabwe Council of Higher Education (ZIMCHE); Zimbabwe state universities; financial institutions, Development Financial Institutions; Pensions and Insurance houses; local and foreign capital investors, constructions industries, PPP experts and academic personnel. Suggestions given by research participants related to the implementation of PPP in the Zimbabwean context in general and narrowed to the social sector, to Zimbabwe institutions of higher learning. Since implementation of PPP requires sector specific consideration as espoused by emerging scholars such as Onyemachi et al. (2015); Sehgal et al. (2015), propositions given by research participants in this case were highly biased towards PPPs in Zimbabwe state universities.

### **7.3 Development of EICSF Model for PPP in Zimbabwe State Universities**

Suggestions from research participants and information from documentary analysis formed the framework and contents of this EICSF model for PPP in Zimbabwe state universities. The study outcome suggested and validated the following 18 factors as the CSFs for educational infrastructure PPP in Zimbabwe state universities:

1. Transparent PPP procurement process
2. Competitive and efficient PPP procurement process
3. Continuous capacity building
4. Favourable adequate sector specific regulatory frameworks

5. Availability of a PPP manual
6. Clear land ownership rights in State universities
7. Strong risk mitigation mechanism
8. Sovereignty guarantee or Indemnity
9. Government support for less lucrative projects
10. Stable economic conditions
11. Adequate and supportive domestic financial markets
12. Autonomy of state universities
13. Creation of institutional PPP Committees
14. Creative and vibrant institutional leadership
15. Good business orientation in State universities
16. Innovative PPPs model for social infrastructure projects
17. Creation of project bankability and attractiveness
18. Exhibition of political will and trust

This study adopted the CSFs model for PPP developed by Hardcastle et al. (2005) which was used as conceptual framework in this study and as such made use of their principal groupings to categorise the suggested CSFs. Classification and comparison of the developed CSFs for PPPs in this study to this extant CSF for PPP model revealed that the proposed success factors can be categorised into two groups. The first category of factors was regarded as the general or tallying factors in this study since they were similar to the ones mentioned in the model by Hardcastle et al. (2005). The second category of these success factors was regarded as the sector specific or emerging factors since they constitute new factors that would promote the effective implementation PPP projects in Zimbabwe state universities as identified and validated by research participants.

The general or tallying factors comprises of; transparent procurement process, competitive and efficient procurement process, continuous capacity building, adequate sector specific legal and regulatory framework, creation of a PPP manual, land ownership rights/availability of title deeds to university land, strong risk mitigation mechanism, provision of indemnities/ sovereign guarantees, government support for less viable projects, stable economic conditions, adequate and supportive domestic financial markets. These factors fit well in the principal factor groupings established by Hardcastle et al. (2005). The study however established that even though these critical factors tally with these extant principal factor groupings, their explanation

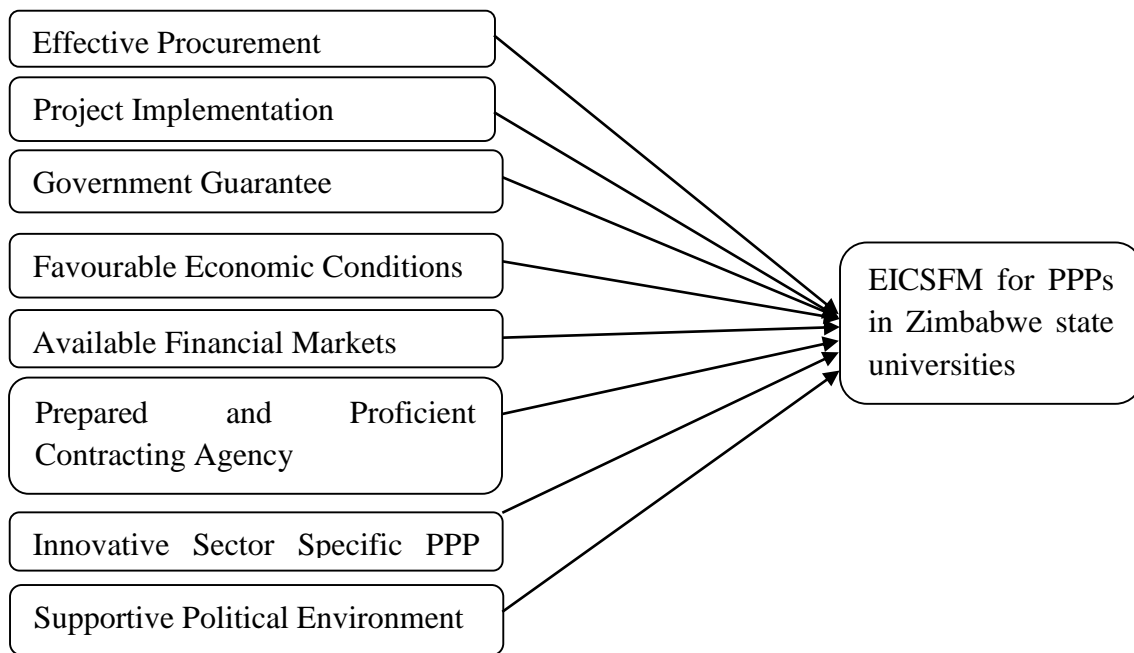
and application differ. Hence the study offered a refined explanation of how these factors affect PPP implementation within the Zimbabwe context in general and in Zimbabwe state universities in particular.

On the other hand, identified sectors specific or emerging CSFs for effective implementation of PPP in State universities include; the need for autonomy in State universities, establishment of institutional PPP Committees, creative and vibrant leadership, good business orientation in State universities, establishment of innovative PPPs (IPPPs) models for educational infrastructure projects (social infrastructure projects), creation of projects bankability and attractiveness to investors, and the exhibition of political will and trust. Classifying and synergising these factors as general and sector specific, the study produced an EICSF model for PPPs projects in Zimbabwe state universities as can be depicted in the following table:

**Table 7.1: Educational Infrastructure Critical Success Factor Model for PPP Projects in Zimbabwe State Universities.**

<b>Index</b>	<b>Principal Success Factor Grouping</b>	<b>Inherent CSFs components</b>
	<b>Tallying Factors</b>	
<b>1</b>	<b>Effective Procurement</b>	a) Transparent PPP procurement process b) Competitive and efficient procurement process c) Continuous Capacity Building
<b>2</b>	Project implementation	a) Adequate sector specific legal and regulatory framework b) Development of a PPP manual c) Clear land ownership rights in State universities
<b>3</b>	Government guarantee.	a) Provision of Government indemnities/guarantees b) Strong risk mitigation mechanism c) Government support in other less viable projects
<b>4</b>	Favourable economic condition	a) Stable economic conditions
<b>5</b>	Available financial market	Adequate and supportive domestic financial market
	<b>Emerging Sector Specific Factors</b>	
<b>6</b>	<i>Prepared and Proficient contracting agency</i>	Autonomy of State universities Institutional PPP Committees Creative and vibrant institutional leadership Good business orientation in state universities
<b>7</b>	<i>Innovative sector specific PPP model</i>	Innovative PPP (IPPPs) models for social infrastructure projects Creation of project bankability and attractiveness
<b>8</b>	<i>Political Will</i>	Exhibition of political will and trust

A combination of these established synthesised CSFs into principal grouping brought out what has been created and dubbed in this study as the Educational Infrastructure Critical Success Factor Model for PPP projects in Zimbabwe State university as can also be depicted diagrammatically as shown in the following figure 7.1.



**Figure 7. 1: Educational Infrastructure Critical Success Factor Model (EICSFM) for PPPs in Zimbabwe State Universities**

A good appreciation of these factors is very essential in the study of CSFs for PPPs. As such this study gives a refined discussion of these factors in detail so as to extract their implications on sustainable implementations of PPPs for educational infrastructure development in Zimbabwe state universities.

#### **7.4 Analysis of the Educational Infrastructure Critical Success Factor Model for PPPs**

This section presents a refined explanation and analysis of the principal groupings and various inherent CSFs of the established Educational Infrastructure Critical Success Factor Model. Some principal groupings tallied those established by Hardcastle et al. (2005) and these include; effective procurement, project implementation, Government guarantee, favourable economic conditions and available financial markets, whereas other additional emerging principal groupings which include: prepared and proficient contracting agency; innovative sector specific PPP model; and supportive political environment. The refined explanation and analysis sought to extract the insinuation of these suggested CSFs in necessitating the effective implementation of educational infrastructure PPPs in Zimbabwe state universities and how they inform the extant CSF model by Hardcastle et al. (2005).

#### ***7.4.1 Effective Procurement***

Effective procurement principal grouping consists of three suggested CSFs which include: (i) transparent procurement process; (ii) competitive and efficient procurement process and; (ii) continuous capacity building. Suggestion here is that the two PPP procurement processes in Zimbabwe; (solicited or unsolicited bidding) have to be transparency, competitiveness and efficiency. There is need for clarity through regulation and manual with regard to how unsolicited bidding in particular should be undertaken. The Joint Ventures Act [Chapter 22:22] of Zimbabwe requires that the unsolicited bidder funds the feasibility study but it does not say much about what happens to this bidder after funding the feasibility study and in most cases the funders would expect to be obvious winner of the bid yet they might not be competitive. There is need to flight an open tender such that investors, both local and international can bid even when an unsolicited bid has been presented. This will promote competitiveness, transparency, attract quality investors, avoids imposition of investors some of which do not have capacity but just seek to be regarded as politically correct.

The procurement process needs to be efficiency and the engagement process has to be as swift as possible before investors lose patience and move to other sectors or countries. The PPP procurement process has been regarded as bureaucratic and the negotiation time frames as a bit long, rigorous, dynamic and not as friendly to business as many people would expect. Efficient procurement can also be necessitated by improving easy way of doing business and cutting the unnecessary bureaucratic red tape. Various stakeholders are involved in the PPP approval process needs to be synchronised and these may include: Zimbabwe Electricity Supply Authority (ZESA), Environment Management Authority (EMA), Government Ministries, Ministry of Land, and Department of Physical Planning. This way will promote efficiency in the procurement process and reduce the procurement negotiation time frames.

Continuous Capacity building to enhance an understanding on the PPPs process to the involved stakeholders is also considered essential in promoting the success implementation of PPPs. As a technical and complex concept, effective PPPs would require the implementers from both responsible institutions and State universities to be trained through vast related continuous capacity buildings programmes. There is need for the sensitisation of all key stakeholders and there is need for serious lobbying and advocacy to convince both parties concerned to understand how the whole process should unfold. Effective implementation requires a competent public sector especially with regards to issues to do with negotiation, feasibility

studies and the whole project preparation. There is need for people who can analyse a feasibility study and according to the new Zimbabwe Public Investment Management Guidelines of 2017, there is need to do preliminary analysis and pre-feasibility study before you even go to the final feasibility study. This requires competent people who can understand this concept and be able to craft those PPP proposals.

Continuous capacity building was identified as a new inherent factor with the extant effective procurement principal grouping. Even though the extant model by Hardcastle et al. (2005) acknowledge that there is need for well- committed and organised public agency, this study established that the concept is relatively new in Zimbabwe and there is thus need for capacity building of the public agency so that they have an appreciation of this PPP concept and this will enable its effective implementation.

Alternatively, relevant competent personnel with adequate deal making and negotiation experience in areas of PPPs have to be hired. Furthermore, exchange programmes with institutions in other countries with success cases are also recommended. This is a completely new funding option and as such it requires capacity building and exposure. There is need for responsible personnel to see where these things have worked and how have they worked and how is it managed because this is a new ball game. Continuous capacity building exercise of even the hire staffed around this concept will thus ensure its effective and sustainable implementation.

#### ***7.4.2 Project Implementation***

Project implementation principal grouping consists of three inherent CSFs and these include: (1) adequate sector specific favourable legal and regulatory framework, (ii) PPP manual and, (iii) clear land ownership rights or title deeds. Favourable sector specific legal framework was considered as one of the CSF component to enhance PPP project implementation. There is need for an adequate and clear legal framework that has some sector specific indications with regard to the implementation of PPPs in Zimbabwe state universities. Although the Joint Venture Act [Chapter 22:22], which is a legal framework in Zimbabwe outlines the institutional and process framework the guide the implementation of JV project, it is considered too cumbersome, all embracing regardless of the sector and does not have specific provisions that directly inform how PPPs are to be conducted in institutions of higher learning. Equally the legal frameworks have to clearly capture the expectations of the private investors particularly the issues of

guarantees which ring fence their long term investments in a PPP arrangement because the current one is silent on that.

Furthermore, appropriate governing rules, regulations and PPP reference manuals should be well established to facilitate the effective application of PPP procurement approach in this social sector. Sector specific streamlined administrative procedures for PPP projects should also be captured in this PPP manual that outline very clearly the various steps that should be taken within a PPP arrangement. The manual which will act as a 'bible' should then guide the interested parties involved, be it the private sector or the public sector with regard to the conduct of PPP. Other countries have developed these manuals and in our case these manuals are still to be published.

Favourable legal framework was considered as one of the CSF component to enhance PPP project implementation by Hardcastle et al. (2005) in their grouping of seventeen CSFs for effective PPP into five principal groupings. They considered that a favourable legal framework allows for a PPP/PFI project to be developed without undue legal restriction on the private sector involvement. An appropriate legal framework should therefore guarantee the legal status for project implementation, a situation that has been scaring away investors in Zimbabwe state universities. Equally, Cheung et al. (2012) mentioned that an independent, fair and efficient legal framework is a critical factor for successful PPP project implementation.

EICSFM equally appreciate the importance of favourable legal framework to ensure project implementation, however further suggested that there is need for sector specific legal framework not just a general legal guide. This model suggest that the existing legal frameworks have clauses that speak to implementation of PPPs in tertiary institutions or a complete separate law be set for this sector. EICSFM further suggest for an accompanying PPP manual and guidelines that will dissect and interpret the provisions of the legal framework as a new concept in Zimbabwe state universities and the extant model was silent on this. This position concurs with the submission by Cheung et al (2012) who proffered that appropriate governing rules, regulations and reference manuals related to PPP should be well established to facilitate the effective application of PPP procurement approach.

Land ownership rights have also been considered to be of paramount importance in enhancing PPP project implementation. There is need for title deeds for State university lands where PPP

project will be erected as they currently do not have and are regarded as state lands. Private investors require these title deeds as guarantee to reinforce their long term investments and to use them as collateral security to borrow money from financial institutions like banks. Appropriate land ownership right is also required when subdividing the land for construction purposes as required by responsible local authorities.

Private investors normally want to have the full control and have exclusive rights over those pieces of land in order to secure their long term investments they require title deeds to be available. Their position is guided by the desire to minimise risk in the whole arrangement. Acquiring a title deed is thus not only considered for the purpose of collateral security to acquire finances alone, but also as a way of sharing risks and in the process minimising the risk premiums on the part of the private investors. Hardcastle et al. (2005) ranked appropriate risk sharing as the second most important factor for achieving successful PPP implementation. The government of Zimbabwe need to extend even certain guarantee to leverage issues of title deeds on these state lands. Land ownerships rights as such has been a hampering the effective uptake and implementation of PPPs for educational infrastructure development in some state universities and in some cases investor were at the end opting to buy separate land with full and proper deeds somewhere near the state university for such projects as student accommodation. This options were triggered by the investors desire to have exclusive rights over the land so that they secure their investments and also to enable then to borrow money which is needed for such long term projects. Appropriate land ownership right is thus considered as a CSF model for PPP in Zimbabwe state universities.

#### ***7.4.3 Government Guarantee***

Government guarantee principal factor grouping consist of two CSFs which include: (1) Provision of indemnities or sovereign guarantee and, (ii) Government support for other less viable PPP projects. Private investors require that their investments be ring-fenced through a sovereignty guarantee and the government it expected to avail this in order to attract quality partners in sustainable PPP arrangements. A PPP arrangement is a long term venture which can take between 15 to even 30 years and there are a lot of changes that can happens and this can be so averse to their investment if they do not have a guarantee. Various changes can occur during this long tenure including that of universities leadership changes and some turbulence in economic conditions can also occur. New university leadership for example a change in a Vice Chancellor (VC) who normally has a contracted term might equally entail new

arrangements and usually investors are not comfortable with this particularly if there is no guarantee. Investors usually require a guarantee on the investment. As such there is need for guarantee between the investor and the institution (State university), then between the investor and the MHTEISTD, then another agreement between the investor and the Ministry of Finance and Economic Development. As such if the VC retires, these two ministries would act as guarantors to the investments and in this way investors can be enticed to enter into PPP arrangements with State universities.

Where possible the study suggest that the government offers Reserve Bank guarantee which most investors consider to be safe than any other guarantees from either the government or any other respective ministries. Politicians do change and so do governments and as such serious investors cannot think much about guarantees that they offer but would rather consider Reserve Bank guarantee. Alternatively, there need for called shadow tolling which can boost private sector confidence and ensure security of private sector investment. Shallow tolling entails equal sharing of either a profit or loss that will be realised from a project. It will be wrong for the government to off load the entire risk responsibility to the private sector because provision of infrastructure is and still remains a national obligation and as such the government needs to be continuously involved in its provision and management. Adequate guarantee increase investor's confidence and attracts private players to partner State universities in educational infrastructure development.

Government guarantee was considered as a third principal factor grouping in the factor analysis of critical success factors (CSFs) for successful implementation of PPPs by Hardcastle et al. (2005). This principal factor was regarded as a critical factor particularly in the early stage of PPP/ PFI (Hardcastle et al., 2005). Zimbabwe is still at its infant's stage with the implementation of PPP and therefore it is highly recommended that adequate guarantees be extended to the private counter parties in order to safe guide their investment. The authorities equally observed that even in well-established nations like United Kingdom, the private sector does not yet have full confidence in PPP/PFI procurement and is subsequently demanding revenue guarantees or firmly committed policies from government to ensure that investments are protected. They further recommend that if necessary government guarantees can be used to protect the project revenue streams, then PPPs can become prominent and sustainable.

Not all educational infrastructure projects are lucrative to private investors and as such the government has to support other less viable PPP projects. Research outcomes show that most private investors have developed interest in partnering State universities in building student's accommodation unlike other facilities such as lecture rooms, administrative blocks and sporting facilities. Their justification has been that, student accommodation has more direct business particular given the fact that students will pay for these hall of residence. Indications from most state universities shows that student accommodation has been highly prioritised in most of their PPP plans which are still in pipeline. However educational infrastructure does not only entail student accommodation but has to include other infrastructure that is also required for the establishment of a university as required by ZIMCHE. Some of the minimum infrastructure required for the establishment of a university according to ZIMCHE include but not limited to lecture rooms, laboratories, libraries and ablution facilities. There is therefore need to establish mechanisms of supporting the development of other less economic viable educational infrastructure in a PPP arrangement.

One of the long term options for supporting education infrastructure is for the government to promote private sector development, through such economic venture like mining, so that they collect enough taxes to fund social infrastructure development. Less lucrative social infrastructure does not easily get the favour of the private sector whose motive is mainly profit making. In order to promote PPPs, there is need for the government to financially support these arrangements such that they become attractive to investors. State universities also have to create endowment funds such that there are available finances to enable and support PPP arrangements in this social sector.

In his study on some of the international experience and issues that should inform policies that can promote the wider application of PPPs in the key social sectors, Cook (2015) observed that PPPs in social sector are usually associated with certain inherent challenges. The author observed that social sectors usually present a unique set of problems for PPPs and this distinguish them from the conventional PPPs in the economic sectors. As such in developing and planning viable social sector PPP programmes and projects, it is essential to clearly understand some of the social sector challenges to PPPs which include; segmentation of the beneficiary class, bankability, stakeholder involvement, performance indicators, operation and maintenance, and regulatory risks. Fostering PPP arrangements in the social sector like

education sector thus requires no usually approach given the fact that some of its projects that are less attractive to investors.

#### ***7.4.4 Favourable Economic Conditions***

Stable economic condition as a principle grouping consists of one CSF which is: stable macro and micro economic condition. Stable macro-economic environment is essential to facilitate the smooth implementation of government programmes such as PPP arrangements. Zimbabwe's macro-economic conditions needs to be conducive to attract both local and foreign investors which are needed to partner the government in a PPP arrangement. The macro-economic conditions of a country need to be stable, predictable and supportive in order to instil confidence and attract investors. The study established that investors considers certain variables particularly when making a long term investment decision and these includes; stability of currency and availability of foreign currency, inflation rate, remittance of investment returns to parent countries, rate of return, and stability of economic policies. These variables need to be positive in order to attract investors to partner State universities in PPP arrangements.

Stable macro- economic environment entails that macro- economic parameters are stable and this can facilitate the costing and projection of a project particularly PPP projects which have a long term life span ranging from 10 to 25years. Uncertainty as a result of the economic turbulence and hyperinflation has been a major hindrance towards the uptake and implementation of PPP in Zimbabwe state universities. So when the environment is unstable, then the private investors become hesitant because the risk will be high. The uncertainty of the economic conditions makes it difficult for the investors to commit their funds on a long term basis, but rather they will opt for short term investments. This has a negative effect on PPP projects with require funding for a long term basis.

Stable currency was considered to be crucial in the dynamic economic like Zimbabwe. Pricing of such services like student accommodation in stable currency was regarded as essential in order to attract the investors in this sector. In as much as the government considers education as a right to every citizen, pricing of such services as student accommodation would need to be allowed to be set within the range that match regional rates and also in stable currency. Indications from the research show that most investors would rather opt for student accommodation in other countries with better rates and stable currency than charging such

services in local currency with is frequently turbulent. Establishing stable economic conditions is a long term variable with cannot be easily realised given the fact that the country has been in economic challenges for more than two decades. Some of the sector specific measures that will promote stability are thus recommended by EICFSM particularly in student accommodation which most investors have regarded as sustainable business.

The government also need to make available foreign currency for some PPP arrangements because some projects require foreign currency to import certain material and as such some contractors would require to be paid in foreign currency. Equally there is need for investors to be allowed to charges services in a stable currency which is not dynamic. In case of foreign investors, the suggestion is that they need to be allowed to remit their return again is foreign currency and this can attract their attention and interest, hence promoting their engagement in PPP arrangement.

Literature indicates that favourable economic conditions are very important for PPP project development both in developed and developing countries and the two CSF components involved: stable macroeconomic conditions and sound economic policy (Hardcastle et al., 2005). They proffer that government must ensure that economic conditions are favourable if successful PPPs/PFI project implementation is to be realised. They also alluded that the private sector lenders and investors are more interested to develop public infrastructure projects when the environment in which these projects will be operating from is favourable. The private sector usually prefers a favourable and lower risk market and usually perceived that lower risk markets increases the opportunities for PPP success. Again literature advises that Government should adopt economic policies to maintain a stable and growing environment, where the private sector operate with confidence, (Hardcastle et al, 2005). The economic situation in Zimbabwe however has been dynamic and as such fell short of the favourable economic conditions as proffered by the extant CSF model for PPPs.

#### ***7.4.5 Available Financial Markets***

Available financial markets principal grouping consists of one CSF which is: (1) Adequate and supportive domestic financial market. There is need to have supportive local financial markets which have a better appreciation of the local environment and concerns than to depend mainly on international markets which are always sceptical and can pull out at any time. These local

financial markets constitute of banks, stock markets, Development Finance Institutions, Micro Finance institutions and, Insurance and Pensions funds.

Current efforts by local financial institutions like by Old Mutual, CBZ and IDBZ are usually considered sustainable because they understand the local context and its dynamics than the foreign institutions and as such they are expected to be the first to support PPP initiatives. Even though in most cases they are considered to have dearth of capacity in terms of the financial markets to support PPPs, if properly regulated to pull resources together, local finances can go a long way in addressing such infrastructure issues as student accommodation. Local financial markets have to be regulated and encouraged to pool resources together to support capital projects in a PPP arrangement because in some cases it is not a matter of capacity but choice. Taking for example the Pension Funds Industry as at 2012 stood at around US\$4 billion and this is more than enough to create 70 000 beds for student accommodation required in Zimbabwe state universities which required about USD\$400 million. Both small and large pensions firm whose funds are managed by Asset Managers and Pensions Administrative Companies like; Tonguett Hullet Pensions, NRZ Pension Funds, Local Authorities Pension Funds, Communications and Allied Industry Pension Fund equally can pool their resources together and invest them in PPP projects unlike in stock markets.

Various strategies can be employed to enhance the local financial markets support for PPP projects. Lending institutions like banks need to be regulated to offer long term loans expressed in stable currency and the cost of money in terms of interest rates should be favourable particularly for PPP projects. Most financial markets are now opting for costly short- term investment vehicles which can be promptly exited should the need arise due to some economic dynamics. This has not been favourable to PPP arrangements which require funding on a long term arrangement. Equally many financial markets have been conservative and in some cases reluctant to offer long term loans to finance projects that involve the government which they regarded as the borrowers of money but returner of none. The government need to put adequate commitment and guarantee to trigger the interest of and assurance to local financial markets. The government also need to enhance the enforcement of the Capital Reserve Requirement regulation for financial markets like insurances and pension firms so that they invest at least 25% of their reserves towards capital projects like educational infrastructure development. Of all the liquid assets they collect from clients through premiums, they should invest 25% to productive infrastructure development project. Most of these insurance and pensions industries

are operating below the stipulated capital reserves ratio and they need to be compelled to comply. The Insurance and Pensions Commission needs to assist to ensure this compliance such that funds can be made available to invest in the student accommodation as productive infrastructure projects. These financial markets usually like to invest in short term money markets and as such the government through the assistance of IDBZ have to prioritise educational infrastructure development should these insurance and pensions firms search for capital projects investments.

The Investor Handbook from the MHTEISTD of 2017 indicates that there is need for about US\$3.7 billion dollars to cover the educational infrastructure gap in Zimbabwe institutions of higher learning. Indications and arguments can be that the local markets are limited and they do not have such sufficient funds to cover this capital expenditure requirement. However, suggestions are that if we have supportive local financial markets, they are able to approve and sought for huge financial support from their sister companies abroad. Other willing investors will as well follow such a good reputation and business. This becomes an indirect way of also luring foreign direct investments in educational infrastructure PPP arrangements. For example, Barclays Zimbabwe may recommend Barclays (UK) to fund certain lucrative projects which they might not have a capacity to fund. The local financial markets should just be supportive and they become the first reference point by most foreign investors and this will promote the implementation of PPPs in Zimbabwe state universities.

Available financial market has also been identified as the other principle factor that can necessitate the implementation of PPPs, (Hardcastle et al., 2005). The availability of a stable and adequate financial was emphasised as the CSF in this conceptual framework. Extant literature occurs that project financing is a critical factor for private sector investment in public infrastructure projects (Akintoye, 2001; Jefferies, 2002; Li, 2005). Furthermore, Cheung et al. (2012) observed and asserts that that the availability of a mature and an efficient financial market with the benefits of low financing costs and diversified range of financial products is a lucrative incentive for private sector taking up PPP projects. Local financial markets in Zimbabwe equally need to be supportive and unveil favourable financial package that match the expectation of a long term PPP arrangements. EICFSM propose for the availability of more adequate and supportive domestic financial markets which are considered to have a full appreciation of the local context. This is not to disregard the foreign financial markets but it

was realised that foreign investors usually benchmark their investment on the performance and support rendered by local markets.

#### ***7.4.6 Prepared and Proficient Contracting Agency***

This sector specific emerging principal grouping consist of four CSFs including: (1) Autonomy of State universities; (ii) Institutional PPP Committee; (iii) Creative and vibrant university leadership and; (iv) Good business orientation in State universities. It is suggested that the government gives State universities relative to absolute autonomy if they expect them to be fully innovative and creative. The current level of autonomy is very limited and that create a lot of dependency syndrome of these institutions on the government. Suggestions are that a self-independence institution will promote innovation such that they can finance some of their capital expenditure unlike to depend of grants and donations which should come forth as a privilege when they are unveiled. Autonomy should equally stretch to the appointment of top university management. The appointment of the Vice Chancellors for example should be done by a separate independent board and not by the president of a country. Normally he who appoints can also disappoint. When you deal with international institutions particularly in PPP arrangements, they also consider all that because they know that when a new government comes in it also can bring with it some institutional changes as well which might affect their investments. Autonomy allows state universities to be innovative and creative and enter into some agreements that are independent of much government interference even though it still remains ultimate guarantor. Despite their interest, indications from most of the private investors suggestions and research is that they are sceptical on some of these issues that include the guarantee for their investment given the fact that VC are on contracted terms which can expire and new arrangements are likely to take course when the new leadership come in place.

A finer investigation on composition of the most of the State universities procurements board/ committee by this study revealed that although most of them have personnel with various experts, most of them are not very much familiar with the PPP arrangement. The study established that even though procurement committee's personnel are highly skilled, they need capacity building on issues of using PPPs arrangements. There is need for specialised section or Institutional PPP Committee at each State university that oversee the implementation PPP projects. The knowledge factor is one such a critical factor and each State university much have an adequate knowledge base about the use of PPPs and as such a set-up of a PPP committee on this at each institution becomes a necessity. This specialised Unit would concentrate on

creating up to date PPP programmes and source potential investors who can partner State universities. A committee thus becomes a point of contact each time an investor would inquire about investment particularly in line with PPP arrangement. Such a committee would advocate for appropriate budgets to be set that would promote the implementation of PPPs at institutional level. The Institutional Committees should also consist of such specialised personnel as Transaction Advisors who can advise on how you can package all the PPP proposals and arrangements. Most project proposals in State universities need to be developed to bankability such that they become adequate and attractive to investors.

The Operational Guidelines for the implementation of Joint Ventures Partnerships of 2010 requires that these institutions establish a Joint Venture Committees, but however none of the State universities under study have so far established such a committee in their respective institutions. The institutionalisation of the provisions of these guidelines is still to be practiced and there is still lack of identified personnel with requisite capacity to understand the flow of PPP arrangements in Zimbabwe state universities.

Quality leadership is also regarded as a critical success factor that would ensure the effective adoption and implementation of PPPs in Zimbabwe state universities. There is need for creative and vibrant leadership in these universities if the PPPs are to play a role as an alternative funding option to promote educational infrastructure development in State universities. State universities were used to PSIPs in which they would just submit their capitals budget for funding and this a new approach altogether and it requires vibrancy in terms of leadership. PPP initiative has received tremendous response from both local and foreign investor and as such what is required now are university leaders who are creative, flexible and aggressive. These institutional leaders need to drift from maintaining the status core and be flexible to adopt the new way of doing things. There is also need for financial engineering skills in State universities which is also lacking in the promotion of educational infrastructure PPPs.

State universities need to develop some good business orientation such they are able to attract the pool of quality private investor to join the in PPP arrangement. Universities must have fairly good business orientation such they are perceived as business units and not just as arms of government. Institutions like IDBZ need to assist State universities in developing the business concepts particularly in areas of educational infrastructure development. Many PPP plans were sty-folding when the private sector fails to establish some business viability especially when

they visit these State universities. IDBZ has to assist State universities in packaging the PPP projects such that they become bankable and attractive. IDBZ in this case becomes an intermediate between State universities and the private sector investors. There is also need for good budgeting and proper financial management systems on the part of the institution so that when investors walk in they would see audited and transparent accounts which also speaks to issues of PPPs.

Prepared and Proficient contracting agency as a principal grouping is seen as a further development of the well-organised and committed agency, which is an inherent CSF under Hardcastle et al. (2005)'s effective procurements principal grouping. Whereas this extant CSF emphasises the importance of such stakeholders as policy makers, government departments and their agency as fundamental in the successful implementation of PPP, EICFSM emphasises the importance of the contracting agency which it expects to be so prepared and has requisite skills and proficiency. The contracting agency relates to the responsible public agency that seeks to enter in a PPP arrangement with the private sector investor and in this case is a State university. The model therefore elaborates that State universities need to be autonomous, have an institutional PPP Committee, creative and vibrant state university leadership and, have a good business orientation. These inherent CSFs are essential in setting up prepared and proficient contracting agencies which in this case are State universities.

#### ***7.4.7 Innovative Sector Specific PPP Model***

This represents another new sector specific principal grouping and it consists of two inherent CSFs which are: (i) Innovative PPP (IPPPs) model for social infrastructure projects and (ii) Creation of project bankability and attractiveness to investors. The adoption of PPPs particularly in the social sector like the education sector has also been less attractive to the private sector than in economic sector. Even though student accommodation has some economic value, challenges appear when it comes to other educational infrastructures like lecture rooms, administrative blocks and sporting facilities. There is need to invent a sector specific innovative PPP models for social sector projects. There is need to create models that would also incorporate the less attractive projects. There is also need for innovative model that is sector specific. The Build Operate Transfer (BOT) model can also be used to include all other less attractive infrastructure like lecture rooms and at the end of the day you recover investment costs from fees. This arrangement will cover all other less attractive but crucial infrastructure like laboratories among others. But naturally the fees will go up and you would

find that students are prepared to pay just like many students are willing to pay for student accommodation which however is always in short supply.

PPP is just a concept and how you implement it differs and as such there is no one size fits all. The way it is done varies from country to country and from sector to sector. Zimbabwean government needs to build its own context based PPP models which can however vary depending with the sector. Ethiopia has a fantastic model which they are using to finance the construction of its mega dam in which all the Ethiopian is contributing. Zimbabwe equally can come up with some innovative models that will promote adoption of PPPs for campus development in State universities. Innovative PPPs are considered to be an appropriate policy intervention which requires relevant authority to move out of the box and away from the ‘one size fit all’ perception with regard to the implementation of PPP.

Innovative sector specific PPP model has been suggested as a principal grouping primarily because the social sector in which higher education resonate is such a special sector to PPPs and requires no ordinary approach. A usual approach to PPP in educational infrastructure development will see only lucrative projects such as student accommodation been the only preferred yet it is not the only infrastructure required at a university set up. There is therefore need for an innovative PPP model which will equally package other infrastructure projects to bankable levels such that they become attractive to investors in a joint venture arrangement. Indications in Zimbabwe has shown that PPPs are more favoured in economic infrastructure than social infrastructures and this becomes a unique extension of principal groupings of CSFs with a bias towards social sector consideration unlike the Hardcastle et al. (2005)’s model which is all encompassing.

#### ***7.4.8 Supportive Political Environment***

Supportive political environment as another emerging principal grouping has one CSF which is: need for political will and trust. Political will is one of the crucial factors that need to be restored to ensure the uptake and implementation of educational infrastructure PPP in Zimbabwe state universities. The political environment is a key determinant of policies and legal frameworks which can attract or dispel investors who should partners with government institutions like universities in a PPP arrangement. There is need for political will and support in Zimbabwe if PPP as an alternative funding approach is to yield sustainable results. There is need for the government to walk the talk and display total political commitment to eradicate

corruption by putting in place clear and consistent legal and regulatory framework to curb it. There is no investor who is willing to put money in a country where there is no respect for property rights and selective application of law. Regulatory frameworks have to be clear and adhered to and this requires political will. The regulatory frameworks that can guide the implementation of any public policy are driven by the will of those that have the political power to govern. As such their willingness ultimately defines the direction and pace of any developmental programmes. What it therefore entails are that structure and institutions for the implementations of PPPs will be determined by the political will of those governing the country. The need for political will is a necessity within the context of Zimbabwe as a developing nation. Zimbabwe is a country in SADC and in Africa and Africa has inherent structural and institutional problem as a result of politics and as such there is need for political will in order to mitigate such challenges and foster any development including the implementation of these PPPs.

This again alludes to the fact that politics defines the nature and choice of developments in most developing countries. One of the inherent problems in African countries is corruption and there is need to demonstrate willingness to uproot it. Corruption has adverse effects on the proper functionality of PPPs because once a partner is chosen on corrupt basis then it becomes a serious challenge and the 'marriage' becomes difficult hence the need for political will to promote good corporate governance. It is important to have a conducive, promising and confident building political environment in order for these PPPs to materialise. Otherwise without confidence it remains good in theory but difficult to implement.

Political will cannot be left out in most African countries whose governments are mainly determined by political parties. Those who win elections are the ones who form the government and some of the influential positions are occupied by political appointees. When such occupants fail to have the will to push for certain programmes like PPPs, then there is sluggish in the implementation of such programmes.

Political support was identified in about 9 different publications on CSFs for PPP projects in a research carried by Kyei & Chan (2015) in which they reviewed studies on the CSFs for implementing PPP in some selected top tier academic journals from 1990 to 2013. Equally Li, et al. (2005b) observed that PPP as a public policy has a direct relation with the political setting of the host country. The approval for public expenditure and even certain infrastructure

developments will not be guaranteed without the necessary political support. As such this factor was considered critical enabler to necessitate the implementation of educational infrastructure PPPs project in Zimbabwe state universities. Dube & Chigumira (2010) also concur that political commitment is one of the critical elements for the success of PPPs in Zimbabwe and highlighted that one measure of political commitment is the institution of correct policy and institutional frameworks for PPPs. The Zimbabwe political environment is considered turbulent and as such there is a lot of policy dynamic and hence this scares away potential investors. Concurring to these sentiments, Kyei & Chan (2015) indicated that more necessary support from political leaders normally attracts more investors to a particular economy.

The CSFs model for PPPs by Hardcastle et al. (2005) left out political support as a critical success factor and alluded that it is outside their principal factor groupings for PP/PFI projects in the United Kingdom (UK) and also technology transfer, which they regard as more relevant to projects undertaken in developing countries. Principal factor groupings in EICFSM however indicated the need this supportive political environment grouping and indicated that social sector developments in particularly in developing countries require political will and backing. The same applies to educational infrastructure development in state universities with relative autonomy and whose leadership is influenced by political leadership of the present government. As such political will, trust and backing are widely emphasised as another necessary enabler that will promote the effective implementation of PPPs in Zimbabwe state universities. Technological transfer is equally viewed not as a critical enabler for PPPs in this EICFSM but as a justification for the adoption of PPPs as an alternative funding option for Educational infrastructure development in Zimbabwe state universities.

A synthesis of these the sector specific or emerging and general or tallying factors produced an epistemological addition in the field of Public Administration in the form of an EICFSM for PPP projects in Zimbabwe state universities. EICFSM thus depicts that even though some CSFs are common, other factors are sector specific. Even those factors that can be considered common, their explanations are equally different depending with the context. This posed a challenge to the extant CSF model for PPP like the one by Hardcastle et al (2005) which has been widely perceived as a universal prescription for the successful implementation of PPPs. The CSFs model by Hardcastle et al. (2005) is silent on sector considerations and is based on the assumption that the model is they are universal regardless of the sector. As such even though the model has been widely accepted and has informed various studies, it is silent on

sector specifics and as such continues to suffer the criticism of being too broad. This established EICFSM outlines critical factor for the successful implementation of PPPs in the social sector particularly in educational infrastructure were this study focused. The variance depicted by this model as compared to the existing CSF model thus presents a challenge to the ‘no one size fits all’ approach to the successful implementation of PPPs as has been portrayed by the extant CSFs model for PPPs.

### **7.5 Chapter Summary**

The chapter presented a refined explanation of the proposed Educational Infrastructure Critical Success Factor Model for Zimbabwe state universities PPP projects. The model is framed within the premises of the extant model by Hardcastle et al (2005) comprises of both the tallying factors to the existing model and the new emerging sector specific propositions of the Zimbabwe state universities. The sector specific CSFs where clustered into three principal factor groupings and these where considered as an extension of the existing principal factor grouping by Hardcastle et al (2005). Established EICFSM thus constituted of what where thus regarded as context specific preconditions that are essential to promote the uptake and implementation of educational infrastructure PPPs in Zimbabwe state universities. The variance between CSFs model by Hardcastle et al. (2005) and the established EICFSM showed that implementation of PPPs is not only context specific but also sector specific and as such there is ‘no size fits all’ prescription to the application of PPPs. EICFSM established thus presented an epistemological extension to the body of knowledge in the area of CSFs for PPP.

## **CHAPTER EIGHT: SUMMARY, CONCLUSIONS, RECOMMENDATIONS AND AREAS FOR FURTHER RESEARCH**

### **8.1 Introduction**

This chapter presents a summary of the research. The major findings relating to the Zimbabwe state universities' experiences with the use of PPPs as an alternative funding option for educational infrastructure development are highlighted and research questions that were posed in Chapter 1 are equally addressed. This will be followed by conclusions derived from the research findings. Recommendations based on the contemporary literature and the empirical findings of this research are also presented and discussed.

### **8.2 Summary**

This section presents a summary of the whole thesis.

Chapter one served to introduce and give the demarcation of the study. Background of the study, focus and scope of the study, problem statement, purpose as well as objectives of the study, research questions to be answered, delimitation and limitation of the study, assumptions of the study, and the significant and contribution of the study was provided in this chapter. Definitions of key terms and the structure of the study were also given in this chapter.

Chapter two provided a review of the existing literature on the nature, models, processes, uses and limitations of PPPs; factors hampering the uses of PPPs and CSFs for the implementation of educational infrastructure PPP in institutions of higher learning. The New Public Management (NPM) theory, Public Choice theory, and Sabatier & Mazmanian's model for the effective implementation as theoretical frameworks were discussed. CSF model of PPP developed by Hardcastle et al. (2005) as conceptual framework was also discussed. The chapter also made reflection on the PPP implementation experiences in other universities in other countries.

Chapter three discussed the research design and methodology that was employed in order to address the research questions and objectives of the study. The chapter also explained the study population, sample, and sampling techniques used for inclusion. Data collection method and instruments considered to be objective and appropriate means of collecting valid information with regard to the PPP implementations experiences in Zimbabwe state universities were also described. The ethical considerations and issues of validity and reliability of both the data

collection instruments and the collected data were also explained. Data presentation and analysis plan was also presented.

Chapter four traced the evolution of PPPs as an alternative funding option for educational infrastructure development in Zimbabwe state universities. The chapter is divided into three sections. The first section traced the evolution of PPPs in Zimbabwe in general and then narrows it to Zimbabwe state universities in particular. The second section explored on the rationale for the use of PPP in these State universities. The third section made some reflections and analysis on the other traditional funding options available to finance capital projects to establish and understand their strength and weakness and how they compare to PPPs.

An analysis on the adequacy of policies, legal, institutional and process frameworks guiding public private partnerships (PPPs) in Zimbabwe was presented in Chapter five. The rationale of the analysis was to evaluate the adequacy of these frameworks to support the implementation of PPPs. This chapter also compared these regulatory frameworks with the other extant critical success factors (CSFs) and theoretical guidelines that inform effective PPP implementation. The chapter also examined the Zimbabwe's PPP procurement process in an endeavour to understand the key institutions involved and how the process unfolds as well as its adequacy in terms of transparency, competitiveness and efficiency.

Chapter six explored the Zimbabwe state universities experiences in the implementation of PPP with a particular assessment on the progress made, success cases and PPP models most preferred projects by investors. The chapter presented various challenges hampering the effective implementation of PPP in these institutions of higher learning and the possible remedial measures. CSF for the implementation of PPP, the Public Choice theory and Sabatier and Mezmanian's model for effective implementation of public policy were used as frameworks to guide the discussion.

Chapter seven presented a refined explanation of the proposed CSFs model for educational infrastructure PPP which is dubbed the Educational Infrastructure Critical Success Factor Model (EICSFM) for PPP projects in Zimbabwe state universities. The study further presented a comparison of the established EICSFM to the extant CSFs model for PPP by Hardcastle et al. (2005) in order to portray how the new model presents an epistemological addition to the existing CSF model and other boards of knowledge.

Chapter eight provided a summary of the research. The major findings relating to the Zimbabwe state universities' experiences with the use of PPPs as an alternative funding option for educational infrastructure development are highlighted followed by a conclusions derived from the research findings. Recommendations and Areas for further research are also outlined in this chapter.

### **8.3 Conclusions**

The section presents conclusions of the study. These conclusions are based on the objectives as outlined in chapter one.

#### ***8.3.1 Evolution and Rationale of PPP in Zimbabwe State Universities***

The first question was concerned with the evolution of PPPs as an alternative funding option for educational infrastructure development in Zimbabwe state universities. The research findings indicated that the concept of PPPs were mooted way back in 1998 by the Zimbabwean government as a viable tool for unlocking private sector support in funding maintenance and development of critical public infrastructure. In 2004 the government developed the framework underpinning PPP investment in the country which however did not managed to convince the uptake and implementation of PPPs. The government of Zimbabwe made renewed efforts to standardise and accelerate PPPs in the tertiary education sector in 2010 even though some PPP arrangements were already underway in other universities. In its efforts, the Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development developed an Operational Guidelines for the Implementation of Joint Venture Partnerships at State universities of Higher and Tertiary Education in Zimbabwe (2015). These Guidelines acknowledged that the Government cannot adequately provide public infrastructure and deliver quality services in institutions of higher and tertiary education on its own. As such Joint Venture Partnerships (JVPs) were therefore been reemphasised as the way to refurbish, rehabilitate, build and sustain infrastructural development in higher and tertiary education institutions. Other justifications for the adoption of PPPs in this sector include: the fiscal challenges, the need to tape efficiency, affordability and availability, value for money, introduction of new technology, sharing of risks, costs overrun management, to run higher education like social enterprises, to curtail government sovereign debt, shortage of educational infrastructure and to increase infrastructure funding options.

This research concluded that the evolutions of PPP and justification for its adoption in Zimbabwe and in State universities tallies well with the provisions given by the New Public Management (NPM) theory which was propounded way back by (Waldo,1968). The theory calls for a reduced, effective, efficient and economic state and the involvement of the private sector in the development programmes and the provision of the public goods through arrangements such as PPPs. The theory also proffered that such an approach would normally assist the nation which have the budget deficits and huge national debts. Findings indicated that even though government of Zimbabwe recognised the critical role of the private sector in the provision of the country's public infrastructure and in response developed the framework underpinning PPP investment in the country, the government is still to adopt and promote business operating approach particularly in Zimbabwe state universities. The government still sticks to the service provision mantra, particularly in the education sector, education of which is usually regarded as a right to everyone. Such an approach to operations has lowered down the innovations that can be expected in these institutions of higher learning. The prescription of the NPM to public management in which PPPs is a policy instrument places emphasis on management by objectives and performance management, the use of market-type mechanism in place of centralised command and control style of regulations, choice and competition, and devolution that has a better matching of authority, responsibility as well as accountability (Katsamunska, 2012). The government of Zimbabwe however is not yet prepared to give absolute autonomy to the educations sector particularly to institutions of higher learning. The goes against provisions of the NPM theory which is anchored on the capitalistic or free enterprise philosophy, which supports the concept of economic growth and development where the private sector plays a greatest role (Lipshitz, 1993; Crush, 1995). This has contributed to the low uptake of PPP arrangements which normally require that business orientation approach with commitments from both the public and the private players.

The findings also indicated that PPPs came in as a contending paradigm to other traditional funding options that are used for funding educational infrastructure development. These other sources of finances include: the national budget, development partners, institutional funds, debt financing/ loan financing and private accommodation. As compared to the existing sources, research findings showed that PPPs were favoured and were considered to be the new sustainable way that would assist cover the infrastructure gaps and break the inter- generational transmission of educational infrastructure shortage in Zimbabwe state universities. However, there are some institutions which are still reluctant to take up the new PPP arrangement

regardless of the leeway offered by the government of Zimbabwe to have educational infrastructure development being frog leaped through PPPs. While the positions of PPPs were highly glorified, the research concluded that there has being low uptake and implementation inertia of educational infrastructure PPPs in Zimbabwe state universities ever since their adoption and standardisation in 2010 as an alternative funding option. Only a few universities have tried the approach at a sluggish pace and some have a lot of PPPs plans that however are still in pipeline. The research argues that there was thus need to for the speedy translations of these the ideas to reality though implementation if the sustainable lucrative merits of PPPs are to be realised.

### ***8.3.2 Adequacy of Regulatory Frameworks Guiding PPPs in Zimbabwe***

The second question posed was: How adequate are the policies, legal, institutional and process frameworks governing the implementation of PPPs in state institutions of higher and tertiary education in Zimbabwe? The research findings revealed that there were various policy positions that the government have put in recognition of the need to make use of PPPs for capital projects development. Such policies include: Public Private Partnership (PPP) Guidelines of 2004, Short Term Economic Recovery Programme (STERP 1 and 11), PPP policy of 2010, Operational Guidelines for the Implementation of Joint Venture Partnerships in Institutions of Higher and Tertiary Education (2010), Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZIMASSET), 2004-2019 National Budgets Statements, Transitional Stabilisation Programme (TSP), Zimbabwe is Open for Business Mantra and the Public Investment Management Guidelines. The research concluded that much of the policies were just pronouncements which were not backed by legislative frameworks hence they could not support the effective uptake and implementation of PPPs. The study also concluded that most of these policy frameworks were mainly biased towards the use of PPPs for economic infrastructure than social infrastructure development. Only recent policies frameworks such as the Transitional Stabilisation Programme of 2018 have been that specific on the use of PPPs in social sectors such as the institutions of higher learning. This indicates that the policy frameworks mainly took the ‘one size fit all’ assumption with regards to the use of PPPs when in fact there is need for a sector specific approach because their execution is not uniform.

Legal frameworks include; Zimbabwe Investment Authority Act, Procurement Act of Zimbabwe (1999), Joint Ventures Act [Chapter 22:22] of 2015, Public Procurement and Disposal of Public Assets (General) Regulations of 2018 and the Zimbabwe Investment and

Development Agency Act. The main legal framework which is, the Joint Ventures Act marked the major legislative developments to guide the PPP development. This Act which is administered by the MFED provides for the implementation of joint venture agreements between contracting authorities and counterparties. The Act which was promulgated in 2015, and then gazetted on 27 May 2016 was meant to bring clarity on policy environment and attract foreign capital. The Act outlines the functions of four crucial institutions that should assist in the implementation of PPP project and these includes the JV unit, Contracting Authorities, JV Committee and the Cabinet. It also equally outlines the various models of PPPs as well as the types of bids that can be pursued. The flow of the JV project procurements procurement process has also been spelled out in the JV Act.

Despite its milestone development as a legal basis to guide the implementation of PPPs, research concluded that the Act still has some flaws that equally have affected the effective implementation of PPPs in Zimbabwe state universities. Observations by research participants showed that the highly glorified legal framework to guide the PPP implementation in Zimbabwe is still incomplete and there is still more work to be done to enhance its effectiveness. Findings indicated that the JV Act is too broad, cumbersome and that rendered it too general. This calls for some accompanying regulations and manuals to be put in place if PPPs are to be understood and implemented successfully.

Favourable legal framework was considered as one of the CSF component to enhance PPP project implementation by Hardcastle et al. (2005) in their grouping of seventeen CSFs for effective PPP into five principal groupings. They considered that a favourable legal framework allows for a PPP project to be developed without undue legal restriction on the private sector involvement. An appropriate legal framework should therefore guarantee the legal status for project implementation. Equally, Cheung et al. (2012) mention that an independent, fair and efficient legal framework is a critical factor for successful PPP project implementation.

They further add that sufficient legal resources at reasonable costs should be available to deal with the amount of legal structuring and documentation required. Findings from the study indicated that in Zimbabwean case however, such resources are not in place yet. Coffey (2009) also alludes that a transparent and stable legal framework helps to make the contracts and agreements bankable. The private players in Zimbabwe have always expressed concern over the dynamics of the legal frameworks and hence they said that render any contacts and

agreements not bankable. An adequate dispute resolution system should help to ensure stability in the PPP arrangements. Cheung et al. (2012) note that appropriate governing rules, regulations and reference manuals related to PPP should be well established to facilitate the effective application of PPP procurement approach. These are some of the missing links in JV Act as a legal framework guiding the implementation of PPPs in Zimbabwe.

The study also analysed the institutional and process frameworks guiding the PPP procurement procedures in Zimbabwe in an endeavour to understand the key institutions involved and how the process unfolds and its adequacy in terms of competitiveness, transparency and efficiency. The study established that there are two approaches to PPP procurement in Zimbabwe in general and also in Zimbabwe state universities in particular. These two approaches include; solicited bidding and unsolicited bidding. Submissions by most research participants and a reflection of the extant literature made the study conclude that both approaches accrues with them some limitations and flaws in terms of their transparency, competitiveness and efficiency and that has contributed immensely to the hill dragging of the effective implementation of educational infrastructure PPPs in Zimbabwe state universities. These various flaws require to be to be rectified.

### ***8.2.3 Factors Hampering the Uptake and Implementation of PPPs in Zimbabwe State Universities***

The third question was: What are the critical factors hampering the uptake and implementation of educational infrastructure PPPs in Zimbabwe state universities and how do such factors inform the extant CSF models of PPPs. The study established that despite the overwhelming welcome gesture of the PPP for educational infrastructure development in Zimbabwe institution of higher learning; there have are a myriad of factors that have retracted its effective adoption and implementation particularly in state universities. These various factors as submitted by the research participants includes; lack of guarantee on private investments, lack of prerequisite capacity within state universities, unstable macro-economic conditions, limited finances on the local market, lack of financial resources for feasibility studies, land ownership rights, insufficient support from the MHTEISTD and unattractive nature of some projects to PPP arrangements. These various factors indicate that there are still some deficiencies in the purported PPP policy community that is supposed to support the implementations of PPPs in Zimbabwe state universities. Findings showed that the Zimbabwean environment still falls short of what are regarded by Hardcastle et al. (2005) as the CSFs for the effective

implementation of PPP projects. There are various deficiencies in issues to do with; effective procurements, project implementation, government guarantee, favourable economic conditions and available adequate and stable local financial markets. In addition to these principal groupings as given by Hardcastle et al. (2005), the study also established that there are other additional sector specific conditions that have been stalling the effective implementation of PPPs in Zimbabwe state universities.

#### ***8.3.4 CSFs for Educational Infrastructure PPPs in Zimbabwe State Universities.***

The last question to be answered by the research was about robust sector specific critical success factors for PPPs in Zimbabwe state universities. The specific question was: What is the refined sector specific Educational Infrastructure Critical Success Factor Model (EICSFM) that will promote effective implementation of educational infrastructure PPPs in state institutions of higher education? Participants identified a number of factors that have been hampering the effective implementation of PPPs and as such they have submitted a lot of suggestions which they considered would make PPPs work in Zimbabwe state universities. Their various suggestions combined with contributions from documentary analysis were validated and compared to the existing model used to guide the study. The results showed that some of the suggestions given tallies with the extant CSFs whereas others differ.

The suggested CSFs that tallied with the Hardcastle et al. (2005)'s principal factor groupings include; transparent PPP procurement process, competitive and efficient procurement process, continuous capacity building of involved key stakeholders, need for a clear sector specific legal and regulatory framework, creation of a PPP manual, need for convincing land ownership rights/ availability of title deeds for university lands, need for state guarantee/ indemnities, need for government support in other projects, economic stability, need for adequate and supportive domestic financial markets.

The suggested emerging sector specific CSFs includes; the need for autonomy in State universities, establishment of institutional PPP Committees, creative and aggressive State universities, vibrant State universities leadership, universities to have good business orientation, establishment of innovative PPPs (IPPPs) models for educational infrastructure projects social infrastructure projects), creation of project bankability and attractiveness to investors, need for political will and creation of trust. Classifying these factors, this study established three principal factor groupings with inherent CSFs and these can enhance effective

PPPs in Zimbabwe state universities. The ones that differed represented news suggestions that would represent the sector specific requisition that can necessitate the off-take and implementation if PPPs in that sector.

Comparing such suggestions to the extant CSFs by Hardcastle et al. (2005), the study concluded that even though some pre-conditions for successful implementation of PPPs may be similar with some of the existing one, other proposed CSFs are sector specific. Of those that looks similar to the existing CSF model, research findings concluded that their application is not similar but context based. These emerging variables thus inform the government of the need to explore sector specific experiences with use of PPPs and the establishment sector specific CSFs for effective implementation of infrastructure PPPs in Zimbabwe. In this case the developed EICFSM if adopted will assist to promote the uptake and implementation of educational infrastructure PPPs in Zimbabwe state universities in its quest to break the inter-generational transmission of educational infrastructure shortage. The study equally concluded that PPPs are sector and context specific hence the need to avoid a ‘one size fits all’ approach when adopting PPPs as an alternative funding option for infrastructure development. The contribution of this research is that there is need for sector specific considerations when unrolling PPP programmes to various sectors of the economy. Their applications are different and hence their CSFs are not uniform. Whereas other factors can be common and can apply universally, research findings indicate that there are other emerging considerations that vary on a sector by sector basis.

## **8.4 Recommendations**

### ***8.4.1 Universities Need to have Good Business Orientation***

State universities have to develop some business orientation such they are able to attract the pool of quality private investor to join them in PPP arrangements. Universities must have a fairly good business orientation such that they are perceived as business units and not just as an arm of government. Universities need to depart from the traditional way of being considered as social service provider and cultivate some business orientation approach such that they operate as social enterprises. It is also crucial that institutions like IDBZ assist State universities in developing business concepts particularly in areas of educational infrastructure development. Many PPP plans are in pipeline and some have even been shelved due to failure to attract and convince private investors on business viability on most proposed PPP projects

in State universities. As such it is proposed that IDBZ assist State universities in packaging the PPP projects such that they become bankable and attractive. IDBZ would become an intermediate between these universities and the private sector investors. Within the same spectrum, the study recommends that State universities create bankable and attractive PPP projects and be supported by good corporate governance.

Good business orientation requires vibrant and innovative leadership and as such quality leadership is also regarded as the critical success factor that would ensure the effective adoption and implementation of PPPs in Zimbabwe state universities. There is therefore need for vibrant leadership in these universities if the PPPs are to play a role as an alternative funding option to promote educational infrastructure development in State universities. State universities were used to Public Sector Investment Programmes (PSIPs) in which they would just submit their capitals budget for funding the MFED. PPPs in a new approach altogether and it requires vibrancy, innovativeness and flexibility in terms of leadership.

Research findings showed that PPP initiative has received tremendous response from both local and foreign investors and as such what is now required are university leaders who are creative, flexible and aggressive. These institutional leaders need to drift from maintaining the status core and be flexible to adopt the new way of doing things.

There is also need for the creation university PPP Committees to champion and drive the implementation of PPPs in state universities. A finer investigation on composition of the most of the state universities procurements board or committee by this study revealed that although most of them have personnel with various expertise, most of them are not very much familiar with the PPP arrangement. The study established that even though procurement committees' personnel are highly skilled, they need capacity building on issues of using PPPs arrangements. The Operational Guidelines for the implementation of Joint Ventures Partnerships requires that these institutions establish a Joint Venture Committees, but however none of the State universities under study have so far established such a committee in their respective institutions. The institutionalisation of the provisions of the Act is still to be practiced and there is still lack of identified personnel with requisite capacity to understand the flow of PPP arrangements in Zimbabwe state universities. These institutions must have knowledge about the use of PPPs and need to set up an institutional PPP committee in order to promote educational infrastructure PPPs and social entrepreneurship.

The conduct of social entrepreneurship also requires adequate autonomy of these State universities. The government needs to give State universities absolute autonomy such that they can be fully innovative and creative in undertaking educational infrastructure PPP arrangements. Indications from the research showed that the current level of autonomy in Zimbabwe state universities is limited. Even the appointment of the Vice Chancellor (VC) should be done separately by an independent board and not by the president of a country. Normally when you deal with international institutions particularly in PPP arrangements, they also consider all that because they know that when a new government comes in they also bring with them some institutional changes as well which might affect their investments. There is thus the need for the government to give State universities absolute autonomy.

#### ***8.4.2 Supportive Sector Specific Regulatory Framework and PPP Manual***

The research recommends that the government refines the extant PPP policy and legal frameworks such that they have specific provisions that directly inform how PPPs are to be conducted in institutions of higher learning like State universities. As it stands, the Joint Venture Act [Chapter 22:22], which is the major legal framework that guides the implementation of PPPs in Zimbabwe is silent on that, is just all embracing and does not have specific provisions that directly inform how PPPs are to be conducted in state universities. There is need to rectify this legal framework to ensure that it gives the clear indications of the conduct of PPPs in State institutions of high learning. The Joint Venture Act ought to be very supportive and have clear narrations to guide the flow and implementation of PPPs.

Although the Act outlines the institutional and process framework to guide the implementation of JV project, it is too cumbersome, has taken a 'one size fits all' approach and there is need for a regulations and procedure manual which are sector specific. These manuals which will act as a 'bible' should then guide the interested parties involved, be it the private sector or the public sector involved in PPP arrangements. The manual should provide the procedures and operational guidelines that will outline the supposed implementation of PPPs. A manual will outline very clearly the various steps that should be taken within a PPP arrangement. Many private sector investors professed that they have the interest in PPPs but are not quite sure of how the whole process should be undertaken. As such the Joint Venture Unit within the Ministry of Finance and Economic Development has to work to put in place such complementary frameworks if PPPs for educational infrastructure development in State universities are to be realised. Zimbabwe as such requires some sector specific legislation and

PPP manual to exacerbate the uptake and implementation of educational infrastructure PPPs in these Zimbabwe state universities.

The PPP procurement and process framework also has to be transparent and competitive. The Joint Ventures Act requires that the unsolicited bidder funds the feasibility study but it does not say much about what happens to this person after funding the feasibility study. The JV Act describes the unsolicited bid as ‘a proposal that is prepared or made without the invitation, solicitation, supervision or request of a contracting authority in terms of section 8, made solely at the initiative of the prospective counterparty’. Whereas the Act requires the need to consider competition when bidding, the study concluded that most private players do not like competitive bidding once they have funded the feasibility studies. Rather they prefer a situation whereby if one funds a project, he becomes an obvious winner regardless of how much they charge, a situation that does not promote competitiveness.

This second PPP procurement type (unsolicited bidding) equally has issues that are of concern and have to be addressed through the regulation and the manual. The government ought to flight a tender and investors bid and this promote competitiveness unlike the current scenario whereby the investors are just coming and expressing the interest to invest. Findings indicated that in some cases the MHTEISTD is trying to expedite the unsolicited bidding so that they align with the new government mantra that ‘Zimbabwe is open for Business’ and this has not been bringing quality players who are ready to embark on PPP arrangements. Even though the unsolicited biddings can be regarded as a fast option, there is need for the responsible authorities to regulate it such that it promotes competitiveness and in this way brings about quality and competent private capital investors who are prepared to foster sustainable PPP arrangements for the development of educational infrastructure in Zimbabwe state universities. Some of the companies are subjecting themselves to these institutions just to be considered as political correct yet they might not have the appropriate capacities. Unsolicited bidding has also been associated with imposition of investors and corruption and as such there is need for a clear regulation that guide how unsolicited bidding should be conducted in state institutions of high learning. A good PPP law should also incorporate clauses on how to deal with unsolicited proposals.

### ***8.4.3 Continuous Capacity Building in State Universities***

Capacity building to enhance an understanding on the operations of PPPs is also considered an essential factor that can promote the implementation of PPPs. PPP is such a technical concept that would require the implementers to be trained through various continuous capacity building programmes. Most State universities acknowledged that PPP is a very complex concept and as institutions they do not have personnel with requisite skills in such a field as yet. Undertaking PPP arrangements requires personnel with deal making and negotiation experience and skills. Failure to have such experienced personnel maybe disastrous as it may result in deals that may be heavily skewed against the government. There is indeed little understanding of how these things work out. There is need for capacity building to enhance an understanding of how PPPs should be undertaken.

Most of the private sector participants in the research also expressed concern over the capacity of the State university leaders to comprehend how the PPPs processes should go about. There is also need for a competent public sector especially with regards to negotiation, feasibility studies and the whole project preparation. There is need for experts who can analyse a feasibility study and according to the Public Investment Management guidelines of 2017 you need to do preliminary analysis, pre-feasibility study, and need analysis to develop the project before you even go into the final feasibility study.

There is need to build the capacities of the universities to handle PPPs project because most our universities are not structured in such a way to accommodate such transactions. For example, you can find that this could have been handled by the Projects Department or the Business Development sector but these departments are not much well versed with this. Most universities are used to just put up their Public Sector Investment Programme (PSIP) budgets and submit to the Treasurer and they would get money and built. There is thus need for capacity building and exposure. Universities need to see where these things have worked and how have they worked and how is it managed because there is also issues of governance. If you enter into this arrangement blind folded, you can be convinced in a wrong parameter for example where you are supposed to enter into a 5-year arrangement you enter a 20-year programme with the private player and this will be unfair on the part of the State University.

There is thus need for Transaction Advisors who can advise on how you can package all these things and normally in other countries they have Project Facilitation Fund or Project

Development Fund (which is used to build proposals to bankability). Most of these proposals in our State universities have not been developed to bankability but it is just a list (we want to do ABC) and this cannot be adequate and attractive. These are some of the factors that have been hampering the effective implementation of PPPs in Zimbabwe state universities. The concluding recommendation here is that there is need for continuous capacity building with regards to handling of PPPs in these State universities.

The government also has to make available necessary expertise and capacity to deliver PPP project objectives and these experts needed for PPPs include engineers, operators and contractors. The government has to make a commitment to develop expertise on PPPs through strategic continuous training that will be meant to ensure that the basic range of skills needed to manage PPP programme exists among various key public sector employees involved in such an arrangement.

#### ***8.4.4 Innovative PPP (IPPPs) Models for Social Infrastructure Projects***

The adoption of PPPs particularly in the social sector like the education sector has also been less attractive to the private sector than in economic sector. Even though student accommodation has some economic value, challenges emerge when it comes to other educational infrastructures like lecture rooms, administrative blocks and sporting facilities. This research thus proposes that there is need to invent a sector specific innovative PPP model for social sector projects in general and educational infrastructure projects in particular. There is need to invent models that would also incorporate the less attractive projects. There is also need for innovative model that is sector specific. The Build Operate Transfer (BOT) can also be altered to include all these other less attractive infrastructures like lecture rooms and at the end of the day you recover investment costs from fees. This arrangement will cover every other less attractive but crucial infrastructure like laboratories and lecture rooms among others. But naturally the fees will go up and you would find that people are prepared to pay for example many students are willing to pay but they are unable to secure the hall of residence for accommodation.

PPPs are sector and context specific and as such there was need for the Zimbabwe government to consider that in designing the implementation of this concept. There is need for sector specific consideration in the implementation of PPPs. PPPs is just a concept and how you implement them is different. There is no 'one size fits all' approach. The ways it is done

different from country to country and from sector to sector varies. As such there is need to build our own model in Zimbabwe and in various sectors. Ethiopia has a fantastic model which they are using to finance their mega dam in which all the Ethiopian are contributing. Zimbabwe equally can to come up with some innovative models that will promote adoption of PPPs for campus development in State universities. Innovative PPPs were considered to be a policy intervention that requires relevant authority to move from the box and a 'one size fit all' approach with regard to the implementation of PPP.

#### ***8.4.5 Adequate and Supportive Domestic Financial Market***

Research findings concluded that local markets are not adequate and as such there is need to attract more external funding. The Zimbabwe financial markets alone are currently not in a position to sustain the effective implementation of infrastructure PPP in Zimbabwe state universities. The local market is limited and as such there is need for more outside investors. The markets are not stable because of the dynamic of the currency issues which has severely affected their savings. Local financial markets constitute of banks, stock market, Insurance firms, Development Finance Institutions, Micro Finance institutions and Pensions schemes. It is an undisputable fact that the local financial market does not have adequate funding and that has been a hindrance to PPP arrangements. Local financial markets have limited finance and this is not a secret and it's known that they are facing some liquidity challenges. These local markets as such cannot adequately meet the financial requirements for the development of infrastructure in Zimbabwe state universities. There are some good private players that are into construction but in order for them to implement the project even under PPP arrangements they need finances and the local markets do not adequately have these kinds of finances.

Funding PPP projects from the local markets alone is impractical. The Investor handbook from the MHTEISTD of 2017 indicates that there is need for about US\$3.7 billion dollars to cover the educational infrastructure gap in Zimbabwe institutions of higher learning. The amount required for these capital projects are for a long term basis yet the local markets are prepared to offer short term funding. PPPs require funding on a long term basis because of their long term nature yet local markets are prepared to offer short term loans. This justifies the position that there is indeed a need for fresh external capital which is meant for long term investment. Even if the local financial market has the money as some might argue, research finding showed that the cost of this money is rather too high. This makes the PPP projects expensive to implement and hence most of the PPP arrangements were shelved and failed to take off.

The second recommendation is that there is also need to have supportive local financial market which they have a better appreciation of the local environment and concerns than to depend mainly on international markets which can pull out at any time. There are good efforts done by some of the local financial institutions and banks like CBZ and IDBZ and their efforts are more sustainable because they understand the local context and its dynamics than the foreign institutions. Local financial institutions are in some instance far much better because they have a better knowledge on the country's economic situations and they are therefore expected to be the first to support PPP initiatives. They should be supportive just like efforts by CBZ and Old Mutual just to mention a few.

The government have since instituted a policy to regulate some of these financial markets like insurances and pension firms so that they invest at least 25% of their reserves towards capital projects like infrastructure development. The government should enforce the Capital Reserve Requirements on them such that they would invest part of their money in productive infrastructure. Of all the liquid assets through premium that they collect from people, they should invest 25% to Infrastructure development. With this they do not have any choice except to visit such institutions as IDBZ and look for these long term bonds such that they comply with the statutory requirements. If properly regulated the local finances can go a long way in addressing such infrastructure issues as student accommodation. Local financial markets have to be regulated so that they can pool resources together to support PPP arrangements because in some cases it's not a matter of capacity but choice. Taking for example the Pension Funds Industry as at 2012 stood at around USD\$4 billion and this was more than enough to create the 70 000 beds for student accommodation required in Zimbabwe state universities which required about \$400 million. In this case this research insists that the government has to give some concessions especially to the Pensions Industry (to regulate) because they have a minimum set prescribed asset ratio.

#### ***8.4.6 Provision of State Guarantees or Indemnities***

Most of these investors alluded that they do not have satisfactory confidence to partner government institutions like State universities in PPP arrangement primarily because they are not so clear with regards to issues of guarantee and security on their investment. Private investors require that their investments be ring-fenced through a sovereignty guarantee which the government and its various institutions were not prepared to offer. PPP arrangement is a

long term venture which can take between 15 to even 30 years and there are a lot of changes that can happen and this can be so averse to their investment if they do not have a guarantee. Lack of confidence with the government as a result of lack of security on their investments have made some of the private investors shy such PPP arrangement despite to lucrative call for such a union by the government. Some of the private players indicated that various changes can occur during this long tenure such as changes of universities leadership like change of Vice Chancellors who have a contracted term and as such new management might equally entail new arrangements if there is no guarantee. They proposed for the guarantee that is supported by Reserve Banks unlike other institutions which are usually run by politician whose term can expire anytime. Investors are sceptical about the changes that can happen within the long term arrangement of a PPP set-up and it is upon this basis that they are requesting guarantee on their investment. Lack of guarantee has been a contributing factor towards the lack of investor confidence and hence low uptake and implementation of educational infrastructure PPPs in Zimbabwe state universities.

In the same vein of state guarantee, the study recommends for the availability of title deeds to State university lands. The research proposes the need for appropriate land ownership rights in form of title deeds for State university lands where the PPP project will be erected. State universities do not own land with title deeds as their land is regarded as state land. Private investors usually want to use the title deeds as collateral security to borrow money to finance the PPP project from financial institutions. State universities usually have state land and do not have private mortgage land which can be turned into liquid as this is only leased land. The challenge again comes when subdivision has to be done on the land for construction purposes as the responsible regulatory authorities can indicate that there was not such land available for construction purposes.

The private investors normally want to have the full control and have exclusive rights of those pieces of land in order to secure their long term investments. On the other hand, however, the government has also been fearful to extend certain guarantee primarily because it fears to lose the infrastructure to the private players in the long run if certain promises are not fulfilled. The issue of land ownerships rights as such has been a hampering the effective uptake and implementation of PPPs for educational infrastructure development in some state universities. It was equally established that the investors were at the end opting to buy separate land with full and proper deeds somewhere near the state university for such projects as student

accommodation. This option was triggered by the investors desire to have exclusive rights over the land so that they secure their investments and also to enable them to borrow money which is needed for such long term projects. Financial institutions like banks normally require title deeds as collateral security against the borrowed money.

#### ***8.4.7 A Holistic Approach to PPPs***

The study recommends the government policy makers to be sector specific when crafting policy and legal frameworks that will guide PPPs. The variance depicted in a comparison between the extant CSFs model for PPPs by Hardcastle et al. (2005) and the EICSF model established in this study shows that preconditions for effective PPP implementation varies with the context and also with the sector. This sector specific study on Zimbabwe state universities experiences and CSF for PPPs inform the extant models that there no 'one size fit all' approach to the execution of PPPs. Sector considerations are essential and this study recommends finer and targeted framework be crafted when crafting PPP policies. Research findings showed that there has been better uptake and implementation of PPPs in economic infrastructure like road constructions in Zimbabwe as compared to social infrastructure development like school and campus development. This has been mainly because most of the policies and other regulatory frameworks have been mainly skewed towards economic infrastructure with an assumption that these applies to all sector. Existing literature shows that social sectors in which education mainly fall have certain inherent challenges that they have with regards to PPPs and special considerations have to be taken when crafting such programmes in this sector. Thus this research recommends the government to avoid a 'one size fits all' to PPPs if effective and sustainable implementation of this alternative funding approach is to be used to reduce intergenerational educational infrastructure gaps in Zimbabwe state universities.

#### **8.5 Areas for Further Research**

The study explored the Zimbabwe state universities' experience with the use of PPP for educational infrastructure development in order to understand factors hampering its effective implementation, and how these inform the extant CSFs model for PPPs. Future researches of similar nature can be conducted in other sector besides the education sector and respective CSF models that can promote the use of PPPs in those the respective sectors can be developed.

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## ANNEXURES

### Annexure A

#### DEPARTMENT OF PEACE AND GOVERNANCE



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#### BINDURA UNIVERSITY OF SCIENCE EDUCATION

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18 January 2018

**The Permanent Secretary**

Ministry of Higher and Tertiary Education Science and Technology Development

Harare

Dear Sir/ Madam

**RE: REQUEST FOR PERMISSION TO CARRY OUT RESEARCH IN THE  
MINISTRY AND ZIMBABWE STATE UNIVERSITIES**

Dear Sir / Madam

Title of the thesis: **Critical Success Factor Model and The Implementation of Public Private Partnerships for The Educational Infrastructure Development in Zimbabwe state universities.**

I would appreciate your cooperation with the above mentioned research project to be undertaken in the Ministry of Higher and Tertiary Education Science and Technology Development and in Zimbabwe state universities. The research project will be undertaken by Charles Massimo: ID No. 49-048789-a-49, a PhD student (B1544607) at the Bindura University of Science Education, Department of Peace and Governance.

The attached key informant interview guides are part of a Doctoral degree research project aimed at understanding the Zimbabwe state universities' experiences with Public Private Partnerships for the educational infrastructure development and establishing the rationale for its low uptake and implementation inertia. In this vein the study seeks to establish the Critical Success Factor Model that would outline the critical conditions that will necessitate the effective implementation of PPPs in the tertiary education sector. The research is important especially at this time as it can work to improve the implementation practice of PPPs in the tertiary education sector and the will also inform the Joint venture policy in general.

The research project will be conducted through administered key informant interviews which are designed to take a maximum of 30 to 60 minutes. It is expected that the participant will give his or her frank experiences with PPPs in state institutions of higher education. The following participants will be subjected to this type of interview: Selected key participants from the State universities which are either the Pro VC Business Development or Project Director for Campus Development from the four state universities, Director of Quality Assurance from ZIMCHE, Director of University Education and Director of Research, Development and Development from the Ministry of Higher and Tertiary Education Science and Technology Development, Director of Joint Ventures in the Ministry of Finance and Economic Development, private capital investors, PPP experts and an academic personality.

The information that the participants will be asked to provide is required for research purposes only and will not be used to jeopardise their positions or those of other participants. All the responses will be strictly confidential, all replies are anonymous and no individual will be named in any part of the report of the research. Anonymity is strictly guaranteed.

Your prompt attention and cooperation will be greatly appreciated as this will facilitate the success of the research.

Should you have any queries, please do not hesitate to contact the Departmental Chairperson  
Dr C Muchemwa

Yours faithfully



Charles Massimo

Doctoral Candidate

e-mail: [chassimo2000@gmail.com](mailto:chassimo2000@gmail.com) / [chassimo@buse.ac.zw](mailto:chassimo@buse.ac.zw)

**INTERVIEW GUIDE: Ministry of Higher and Tertiary Education, Science and Technology Development (MHTE)**

Q1: What does Public Private Partnership as a funding option for infrastructure development entail?

Which parties are involved?

Q2: What was the rationale for the adoption of this funding option and how has State universities responded to educational infrastructure PPPs initiative ever since its standardisation by Zimbabwe government in 2010?

What other alternative funding options are available?

Q3: What are some of the major successes cases in the use of PPPs for infrastructure development in Zimbabwe state universities?

Which PPP models were used in these cases?

Q4: What are the specific policies, legal, institutional and operational frameworks guiding PPPs in Zimbabwe and in Zimbabwe state institutions of higher and tertiary education?

How adequate and supportive are these frameworks to the parties involved in PPP arrangement?

Q5: What are some of the challenges hampering the uptake and the implementation of educational infrastructure PPPs in Zimbabwe state universities ever since its standardisation by Zimbabwe government in 2010?

Q6: What is your comment on the PPP procurement process in Zimbabwe state universities and how is the negotiation and deal completion period like?

How competitive and transparent is the process?

Q7: How do you regard the impact of Zimbabwe's macro-economic conditions and policies towards private sector confidence to uptake PPPs arrangements in Zimbabwe state universities?

Q8: Do we have a ready and stable financial market to support PPPs implementation in Zimbabwe?

Which are these and how adequate are they?

Q9: How attractive are educational infrastructure development projects as social infrastructure to PPP arrangements?

How would you compare them with PPPs in economic infrastructure?

Q10: Does the government provide government guarantee to protect private sector investments?

Q11: What would you regard to be the critical factors that need to be in place to enhance the successful implementation educational infrastructure PPPs in Zimbabwe state universities?

Q12: Do you have any comments and recommendations?

**THANK YOU FOR YOUR TIME**

## Annexure B

### DEPARTMENT OF PEACE AND GOVERNANCE



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### BINDURA UNIVERSITY OF SCIENCE EDUCATION

---

15 May 2019

The Chief Executive Officer

ZIMCHE

Harare

### **RE: REQUEST FOR AN ACADEMIC RESEARCH INTERVIEW**

Dear Sir / Madam

Title of the thesis: **Critical Success Factor Model and The Implementation of Public Private Partnerships for The Educational Infrastructure Development in Zimbabwe state universities.**

I would appreciate your cooperation with the above mentioned research project.

The researcher Charles Massimo: ID No. 49-048789-a-49, is a PhD student (B1544607) at the Bindura University of Science Education, Department of Peace and Governance. The attached key informant interview guides are part of a Doctoral degree research project aimed at understanding the Zimbabwe state universities' experiences with Public Private Partnerships (PPPs) for the educational infrastructure development and establishing rationale for its low uptake and implementation inertia. In this vein the study seeks to establish the sector specific Critical Success Factor Model that would outline the critical conditions that will necessitate the effective implementation of PPPs in the tertiary education sector.

It is expected that the participant will give his / her frank experiences with PPPs in state institutions of higher education. The information that the participants will be asked to provide is required for research purposes only and will not be used to jeopardise their positions or those of other participants. All the responses will be strictly confidential, all replies are anonymous and no individual will be named in any part of the report of the research. Anonymity is strictly guaranteed.

Your prompt attention and cooperation will be greatly appreciated as this will facilitate the success of the research.

Should you have any queries, please contact my supervisors Prof Mavima on +26377313758 or Dr Kurebwa on +263-772121563

Yours faithfully



Charles Massimo

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### **INTERVIEW GUIDE: Zimbabwe Council for Higher Education (ZIMCHE)**

Q1: What are the expected infrastructure requirements for a university establishment in Zimbabwe?

How adequate is the educational infrastructure in Zimbabwe state universities?

Q2: What are implications of inadequate educational infrastructure towards quality assurance?

Q3: Could you please share with me what PPPs as an alternative to infrastructure funding options entails

What was the rationale for its adoption?

What other alternative funding options are available for State universities?

Q4: How has state universities responded to educational infrastructure PPPs initiative ever since its standardisation by Zimbabwe government in 2010?

Q5: What were the major successes cases of PPP infrastructure projects in Zimbabwe state universities?

What would you attribute this success to?

Which PPP model is mainly used?

Q6: What are the specific policies, legal, institutional and operational frameworks guiding PPPs Zimbabwe state universities?

How adequate are these frameworks to support the implementation for educational infrastructure PPPs/ Joint Venture Partnerships in these institutions?

Q7: What are some of the challenges hampering the uptake and the implementation of educational infrastructure PPPs in Zimbabwe state universities ever since its standardisation by Zimbabwe government in 2010?

Q8: How competitive, efficient, open is the PPP procurement process in Zimbabwe state universities and how is the negotiation and deal completion period like?

How is the stakeholder relationship during the implementation of PPP projects?

Q9: How do you regard the impact of Zimbabwe's macro-economic conditions and policies towards private sector confidence and the uptake and implementation of PPPs in Zimbabwe state universities?

Q10: Is there available stable and adequate financial market to support PPPs implementation in Zimbabwe? Which are these?

Q11: What would you regard to be the critical factors needed for the successful implementation educational infrastructure PPPs in Zimbabwe state universities (social infrastructure)?

Q12: Do you have any comments and recommendations?

**THANK YOU FOR YOUR TIME**

**Annexure C**

**DEPARTMENT OF PEACE AND GOVERNANCE**



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**BINDURA UNIVERSITY OF SCIENCE EDUCATION**

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18 January 2018

**The Permanent Secretary**

Ministry of Finance and Economic Development

Harare

Dear Sir/ Madam

**RE: REQUEST FOR PERMISSION TO CARRY OUT RESEARCH IN THE  
MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT**

Dear Sir / Madam

Title of the thesis: **Critical Success Factor Model and The Implementation of Public Private Partnerships for The Educational Infrastructure Development in Zimbabwe state universities.**

I would appreciate your cooperation with the above mentioned research project to be undertaken in the Ministry of Finance and Economic Development, in the Joint Venture Unit. The research project will be undertaken by Charles Massimo: ID No. 49-048789-a-49, a PhD student (B1544607) at the Bindura University of Science Education, Department of Peace and Governance.

The attached key informant interview guides are part of a Doctoral degree research project aimed at understanding the Zimbabwe state universities' experiences with Public Private Partnerships for the educational infrastructure development and establishing the rationale for its low uptake and implementation inertia. In this vein the study seeks to establish the Critical Success Factor Model that would outline the critical conditions that will necessitate the effective implementation of PPPs in the tertiary education sector. The research is important especially at this time as it can work to improve the implementation practice of PPPs in the tertiary education sector and the will also inform the Joint venture policy in general.

The research project will be conducted through administered key informant interviews which are designed to take a maximum of 30 to 60 minutes. It is expected that the participant will give his / her frank experiences with PPPs in state institutions of higher education. The following participants will be subjected to this type of interview: Selected key participants from the State universities which are either the Pro VC Business Development or Project Director for Campus Development from the four state universities, Director of Quality Assurance from ZIMCHE, Director of University Education and Director of Policy Planning and Development from the Ministry of Higher and Tertiary Education Science and Technology Development, Director of Joint Ventures in the Ministry of Finance and Economic Development, private capital investors, PPP experts and an academic personality.

The information that the participants will be asked to provide is required for research purposes only and will not be used to jeopardise their positions or those of other participants. All the responses will be strictly confidential, all replies are anonymous and no individual will be named in any part of the report of the research. Anonymity is strictly guaranteed.

Your prompt attention and cooperation will be greatly appreciated as this will facilitate the success of the research.

Should you have any queries, please do not hesitate to contact the Departmental Chairperson  
Dr C Muchemwa

Yours faithfully

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## **INTERVIEW GUIDE: Ministry of Finance and Economic Development**

### INTERVIEW GUIDE QUESTIONS- Director-Joint Venture Unit

Q1: What does Public Private Partnerships for infrastructure development entail?

Which are the parties involved?

Q2: What was the rationale for the adoption PPPs as an alternative method for infrastructure development in state institutions of higher and tertiary education in Zimbabwe?

What other funding options are available?

How do you compare them to PPPs?

Q3: How has State universities responded to educational infrastructure PPPs initiative ever since its standardisation by Zimbabwe government in 2010?

What are some of the major successes cases in these State universities?

What do you attribute this success to?

Q4: How attractive are educational infrastructure development projects as social infrastructure as compared to economic infrastructure to PPP arrangements?

Q5: What are the specific policies, legal, institutional and operational frameworks guiding PPPs in state institutions of higher and tertiary education in Zimbabwe?

How adequate and supportive are these frameworks and operational guidelines?

Q6: Which are the stakeholders e.g. policy makers, government departments or agency involved in the implementation of PPPs in general and in Zimbabwe state universities in particular?

How is their relationship during the whole PPP process?

Q7: How competitive, efficient, open is the PPP procurement process in Zimbabwe state universities and how is the negotiation, selection and deal completion period like? Are the contracts

Which criteria are used to select the private parties?

Q8: What are some of the challenges hampering the uptake and the implementation of educational infrastructure PPPs in Zimbabwe state universities ever since its standardisation by Zimbabwe government in 2010?

Q9: How is the appropriate risk allocation and sharing modalities in PPP projects?

Are these risk sharing modalities promote a win-win scenario for both parties?

Does the government provide government guarantee to protect the private sector investments?

Q10: How do you regard the impact of Zimbabwe's macro-economic conditions and policies towards private sector confidence and the uptake and implementation of PPPs in Zimbabwe state universities?

Q11: Is there available stable and adequate financial market and enough experts to support PPPs implementation in Zimbabwe? Which are these?

Q12: What would you regard to be the critical factors needed for the successful implementation educational infrastructure PPPs in Zimbabwe state universities (social infrastructure)?

Q3: Do you have any comments and recommendations?

THANK YOU FOR YOUR TIME

**Annexure D**

**DEPARTMENT OF PEACE AND GOVERNANCE**



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BINDURA UNIVERSITY OF SCIENCE EDUCATION

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18 April 2018

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**Harare Institute of Technology (HIT)**

**Harare**

**RE: REQUEST TO CONDUCT AN ACADEMIC RESEARCH KEY INFORMANT INTERVIEW**

Dear Sir / Madam

Title of the thesis: **Critical Success Factor Model and The Implementation of Public Private Partnerships for The Educational Infrastructure Development in Zimbabwe state universities.**

I would appreciate your cooperation with the above mentioned research project.

The researcher Charles Massimo: ID No. 49-048789-a-49, is a PhD student (B1544607) at the Bindura University of Science Education, Department of Peace and Governance. The attached key informant interview guides are part of a Doctoral degree research project aimed at understanding the Zimbabwe state universities' experiences with Public Private Partnerships (PPPs) for the educational infrastructure development and establishing rationale for its low uptake and implementation inertia. In this vein the study seeks to establish the Critical Success Factor Model that would outline the critical conditions that will necessitate the effective implementation of PPPs in the tertiary education sector.

It is expected that the participant will give his / her frank experiences with PPPs in state institutions of higher education. The information that the participants will be asked to provide is required for research purposes only and will not be used to jeopardise their positions or those of other participants. All the responses will be strictly confidential, all replies are anonymous and no individual will be named in any part of the report of the research. Anonymity is strictly guaranteed.

Your prompt attention and cooperation will be greatly appreciated as this will facilitate the success of the research.

Should you have any queries, please contact my supervisors Prof Mavima on +26377313758 or Dr Kurebwa on +263-772121563

Yours faithfully



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## **INTERVIEW GUIDE: Zimbabwe state universities**

### **INTERVIEW GUIDE QUESTIONS- (PRO VC- BUSINESS DEVELOPMENT OR PROJECT DIRECTOR FOR CAMPUS DEVELOPMENT)**

Q1: What is your understanding of Public Private Partnerships/ Joint Venture Partnerships for educational infrastructure development?

Which are the parties involved?

Q2: Would you please share with me the experiences of this State University with regards to the use PPPs for educational infrastructure development ever since its standardisation by Zimbabwe government in 2010?

What are some of the major successes cases in the use of educational infrastructure PPPs at this institution?

Which PPP model was used?

Q3: What you think was the rationale for the adoption of PPPs as an alternative funding option for education infrastructure development in state universities?

What other alternative funding options are available for educational infrastructure development?

How would you compare them to PPPs?

Q4: How attractive are educational infrastructure PPPs as (social infrastructure) to the private sector investment?

How would you compare its uptake and implementation to that in economic infrastructure in Zimbabwe?

Q5: What are some of the challenges hampering the uptake and the implementation of these PPPs/joint venture partnerships at this institution in particular and in Zimbabwe state universities in general?

Q6: What are the specific policies, legal, institutional and operational frameworks guiding PPPs in state institutions of higher and tertiary education in Zimbabwe?

How supportive are these frameworks and operational guidelines to private sector participation?

How adequate are these frameworks and operational guidelines to PPPs implementation?

Q7: What are the PPP procurement procedures in Zimbabwe state universities?

How competitive, efficient, open is the PPP procurement process in Zimbabwe state universities?

How is the negotiation and deal completion period like?

Are the contracts also open to local, national and international organisations that wish to bid?

Q8: How is the stakeholder relationship with regard to the commitment and responsibility of public and private sector during the implementation of PPP projects?

What are the risk sharing modalities like?

Does the government provide guarantee to protect the private sector investments?

Q9: How do you regard the impact of Zimbabwe's macro-economic conditions and policies towards private sector confidence and the uptake and implementation of PPPs in Zimbabwe state universities?

Q10: Is there available financial market to facilitate the PPPs implementation in Zimbabwe?

How adequate is this market?

Q11: Do you have internal governance structures (Institutional Joint Venture Partnerships committee) to oversee the procurement of PPPs at this institution?

What is the composition of this committee?

How competent are these committee members to PPPs issue?

Q12: What would you regard to be the critical factors that need to be in place to enhance the successful implementation educational infrastructure PPPs in Zimbabwe state universities (social infrastructure)?

Q13: Do you have any comments and recommendations?

**THANK YOU FOR YOUR TIME**

## Annexure E

### DEPARTMENT OF PEACE AND GOVERNANCE



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### BINDURA UNIVERSITY OF SCIENCE EDUCATION

---

10 September 2019

The Chairman

Costain Zimbabwe (Pvt) Ltd

Harare

### **RE: REQUEST FOR AN ACADEMIC RESEARCH INTERVIEW**

Dear Sir / Madam

Title of the thesis: **Critical Success Factor Model and The Implementation of Public Private Partnerships For The Educational Infrastructure Development In Zimbabwe state universities.**

I would appreciate your cooperation with the above mentioned research project.

The researcher Charles Massimo: ID No. 49-048789-a-49, is a PhD student (B1544607) at the Bindura University of Science Education, Department of Peace and Governance. The attached key informant interview guides are part of a Doctoral degree research project aimed at understanding the Zimbabwe state universities' experiences with Public Private Partnerships (PPPs) for the educational infrastructure development and establishing rationale for its low uptake and implementation inertia. In this vein the study seeks to establish the sector specific Critical Success Factor Model that would outline the critical conditions that will necessitate the effective implementation of PPPs in the tertiary education sector.

It is expected that the participant will give his / her frank experiences with PPPs in state institutions of higher education. The information that the participants will be asked to provide is required for research purposes only and will not be used to jeopardise their positions or those of other participants. All the responses will be strictly confidential, all replies are anonymous and no individual will be named in any part of the report of the research. Anonymity is strictly guaranteed.

Your prompt attention and cooperation will be greatly appreciated as this will facilitate the success of the research.

Should you have any queries, please contact my supervisors Prof Mavima on +26377313758 or Dr Kurebwa on +263-772121563

Yours faithfully



Charles Massimo

PhD Research Candidate-Department of Peace and Governance-BUSE

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Cell: 0771343218

### **INTERVIEW GUIDE: Private Investors**

Q1: Have you ever been involved in PPPs arrangement for campus development in State universities?

In which areas and using which model?

Q2: How has State universities responded to educational infrastructure PPPs initiative ever since its standardisation by Zimbabwe government in 2010?

Q3: What were the major successes cases of PPP infrastructure projects in Zimbabwe state universities?

What do you attribute this success to?

Q4: What are the specific policies, legal, institutional and operational frameworks guiding PPPs in Zimbabwe state universities?

How adequate are these frameworks to support the implementation for educational infrastructure PPPs/ Joint Venture Partnerships?

Q5: How would you compare the uptake and implementation of PPP in economic infrastructure and social infrastructure in Zimbabwe?

Q6: What are some of the challenges hampering the uptake and the implementation of educational infrastructure PPPs in Zimbabwe state universities ever since its standardisation by Zimbabwe government in 2010?

Q7: How competitive, efficient, open is the PPP procurement process in Zimbabwe state universities and how is the negotiation and deal completion period like?

How is the stakeholder relationship during the whole PPP process?

Q8 How is the appropriate risk allocation and sharing? How is the risk sharing modalities?

Does the government provide government guarantee to protect the private sector investments?

Q9: How do you regard the impact of Zimbabwe's macro-economic conditions and policies towards private sector confidence and the uptake and implementation of PPPs in Zimbabwe state universities?

Q10: Is there available stable and adequate financial market to support PPPs implementation in Zimbabwe? Which are these?

Q11: What would you regard to be the critical factors needed for the successful implementation educational infrastructure PPPs in Zimbabwe state universities (social infrastructure)?

Q12: Do you have any comments and recommendations?

**THANK YOU FOR YOUR TIME**

**Annexure F**

**DEPARTMENT OF PEACE AND GOVERNANCE**



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BINDURA UNIVERSITY OF SCIENCE EDUCATION

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9 April 2018

**DEPUTY DIVISIONAL DIRECTOR INVESTMENT BANKING** (Commercial Bank of Zimbabwe (CBZ))

**RE: REQUEST FOR PERMISSION TO CARRY OUT AN ACADEMIC RESEARCH**

Dear Sir / Madam

Title of the thesis: **Critical Success Factor Model and The Implementation of Public Private Partnerships for The Educational Infrastructure Development in Zimbabwe state universities.**

I would appreciate your cooperation with the above mentioned research project. The researcher Charles Massimo: ID No. 49-048789-a-49, is a PhD student (B1544607) at the Bindura University of Science Education, Department of Peace and Governance. The attached key informant interview guides are part of a Doctoral degree research project aimed at understanding the Zimbabwe state universities' experiences with Public Private Partnerships (PPPs) for the educational infrastructure development and establishing rationale for its low uptake and implementation inertia. In this vein the study seeks to establish the Critical Success Factor Model that would outline the critical conditions that will necessitate the effective implementation of PPPs in the tertiary education sector.

It is expected that the participant will give his / her frank experiences with PPPs in state institutions of higher education. The information that the participants will be asked to provide is required for research purposes only and will not be used to jeopardise their positions or those of other participants. All the responses will be strictly confidential, all replies are anonymous and no individual will be named in any part of the report of the research. Anonymity is strictly guaranteed.

Your prompt attention and cooperation will be greatly appreciated as this will facilitate the success of the research.

Should you have any queries, please contact my supervisors Prof Mavima on +26377313758 or Dr Kurebwa on +263-772121563

Yours faithfully



Charles Massimo

PhD Research Candidate-Department of Peace and Governance-BUSE

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Cell: 0771343218

## **INTERVIEW GUIDE: Infrastructure Development Bank of Zimbabwe**

Q1: Could you please share with me, the development and the rationale for the use of PPPs as an alternative funding option for educational infrastructure development in Zimbabwe state universities?

How does it compare to other alternative funding options available?

Q2: How have State universities responded to educational infrastructure PPPs initiative ever since its standardisation in these institutions by Zimbabwe government in 2010?

Q3: What are the major successes cases of educational infrastructure PPP projects in Zimbabwe state universities?

Which state universities have embarked on PPPs for campus infrastructure development and which PPP model is mainly used?

What would you attribute this success to?

Q4: How attractive are educational infrastructure development projects to PPP arrangements as compared to economic infrastructure projects in developing countries?

Are the preconditions for their success the same?

Q5: What are the specific policies, legal, institutional and operational frameworks guiding PPPs in Zimbabwe state universities?

How adequate and supportive are these frameworks to support the implementation for educational infrastructure PPPs/ Joint Venture Partnerships in these institutions?

Q6: What are some of the challenges hampering the uptake and the implementation of educational infrastructure PPPs in Zimbabwe state universities?

Q7: How competitive, efficient, open is the PPP procurement process in Zimbabwe state universities and how is the negotiation and deal completion period like?

How is the stakeholders' relationship during the PPP procurement process?

Q8: How is the appropriate risk allocation and sharing in these PPP arrangements?

What are the risk sharing modalities?

Does the government provide guarantee to protect private sector investments?

Q9: How do you regard the impact of Zimbabwe's macro-economic conditions and policies towards private sector confidence to uptake PPPs arrangements in Zimbabwe state universities?

Q10: Is there an available and stable financial market to support educational infrastructure PPPs implementation in Zimbabwe?

How adequate is this financial market to such arrangements?

Q11: Has your institution ever financed any educational infrastructure PPP arrangements in State universities?

Where and in which areas?

Q12: What would you regard to be the critical factors that need to be in place to enhance the successful implementation of educational infrastructure (social infrastructure) PPPs in Zimbabwe state universities?

Q13: Do you have any comments and recommendations

THANK YOU FOR YOUR TIME

## Annexure G

### DEPARTMENT OF PEACE AND GOVERNANCE



**P. Bag 1020**

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### BINDURA UNIVERSITY OF SCIENCE EDUCATION

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15 May 2018

Executive Director

Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU)

Harare

### **RE: REQUEST FOR AN ACADEMIC RESEARCH INTERVIEW**

Dear Sir / Madam

Title of the thesis: **Critical Success Factor Model and The Implementation of Public Private Partnerships for the Educational Infrastructure Development in Zimbabwe state universities.**

I would appreciate your cooperation with the above mentioned research project.

The researcher Charles Massimo: ID No. 49-048789-a-49, is a PhD student (B1544607) at the Bindura University of Science Education, Department of Peace and Governance. The attached key informant interview guides are part of a Doctoral degree research project aimed at understanding the Zimbabwe state universities' experiences with Public Private Partnerships (PPPs) for the educational infrastructure development and establishing rationale for its low uptake and implementation inertia. In this vein the study seeks to establish the sector specific

Critical Success Factor Model that would outline the critical conditions that will necessitate the effective implementation of PPPs in the tertiary education sector.

It is expected that the participant will give his / her frank experiences with PPPs in state institutions of higher education. The information that the participants will be asked to provide is required for research purposes only and will not be used to jeopardise their positions or those of other participants. All the responses will be strictly confidential, all replies are anonymous and no individual will be named in any part of the report of the research. Anonymity is strictly guaranteed.

Your prompt attention and cooperation will be greatly appreciated as this will facilitate the success of the research.

Should you have any queries, please contact my supervisors Prof Mavima on +26377313758 or Dr Kurebwa on +263-772121563

Yours faithfully



Charles Massimo

PhD Research Candidate-Department of Peace and Governance-BUSE

E-mail: [chassimo2000@gmail.com](mailto:chassimo2000@gmail.com) / [chassimo@buse.ac.zw](mailto:chassimo@buse.ac.zw)

Cell: 0771343218

### **INTERVIEW GUIDE QUESTIONS: PPP Experts**

Q1: What does Public Private Partnerships/ Joint Venture Partnerships for infrastructure development entail?

Which are the parties involved?

Q2: Could you please share with me Zimbabwe experience with PPPs for infrastructure development?

What was the rationale for its adoption?

Q3: How has the education sector particularly the State universities responded to educational infrastructure PPPs initiative ever since its standardisation by Zimbabwe government in 2010?

Q4: Would you know any major successes cases of PPP infrastructure projects in Zimbabwe state universities?

What would you attribute this success to?

Q5: How would you compare the uptake and implementation of PPP in economic infrastructure and social infrastructure in Zimbabwe?

Are factors that affect their implementation similar in both cases?

Q6: What are the specific policies, legal, institutional and operational frameworks guiding PPPs in Zimbabwe in general and in State universities in particular?

How adequate and supportive are these legal frameworks?

Q7: What do you think could be some of the challenges hampering the uptake and the implementation of educational infrastructure PPPs in Zimbabwe state universities ever since its standardisation by Zimbabwe government in 2010?

Q8: How competitive, efficient, open is the PPP procurement process in Zimbabwe and how is the negotiation and deal completion period like?

How is the stakeholder relationship during the whole PPP procurement process?

Q9: How do you regard the impact of Zimbabwe's macro-economic conditions and policies towards private sector confidence to uptake and implement PPPs in Zimbabwe state universities?

Q10: Is there available stable and adequate financial market to support PPPs implementation in Zimbabwe?

How prepared is these financial market to support the implementation of PPPs in Zimbabwe?

Q11: What would you regard to be the critical factors that need to be in place to ensure the successful implementation educational infrastructure PPPs in Zimbabwe state universities (social infrastructure)?

Q12: Do you have any comments and recommendations?

**THANK YOU FOR YOUR TIME**

## Annexure H

### DEPARTMENT OF PEACE AND GOVERNANCE



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BINDURA UNIVERSITY OF SCIENCE EDUCATION

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19 April 2018

### ACADEMIC PERSONNEL IN THE FIELD OF PUBLIC PRIVATE PARTNERSHIPS

#### **RE: REQUEST FOR AN ACADEMIC RESEARCH INTERVIEW**

Dear Sir / Madam

Title of the thesis: **Critical Success Factor Model and The Implementation of Public Private Partnerships for The Educational Infrastructure Development in Zimbabwe state universities.**

I would appreciate your cooperation with the above mentioned research project.

The researcher Charles Massimo: ID No. 49-048789-a-49, is a PhD student (B1544607) at the Bindura University of Science Education, Department of Peace and Governance. The attached key informant interview guides are part of a Doctoral degree research project aimed at understanding the Zimbabwe state universities' experiences with Public Private Partnerships (PPPs) for the educational infrastructure development and establishing rationale for its low uptake and implementation inertia. In this vein the study seeks to establish the sector specific Critical Success Factor Model that would outline the critical conditions that will necessitate the effective implementation of PPPs in the tertiary education sector.

It is expected that the participant will give his / her frank experiences with PPPs in state institutions of higher education. The information that the participants will be asked to provide is required for research purposes only and will not be used to jeopardise their positions or those of other participants. All the responses will be strictly confidential, all replies are anonymous and no individual will be named in any part of the report of the research. Anonymity is strictly guaranteed.

Your prompt attention and cooperation will be greatly appreciated as this will facilitate the success of the research.

Should you have any queries, please contact my supervisors Prof Mavima on +26377313758 or Dr Kurebwa on +263-772121563

Yours faithfully



Charles Massimo

PhD Research Candidate-Department of Peace and Governance-BUSE

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Cell: 0771343218

### **KEY INFORMANT INTERVIEW QUESTIONS- Academic Personnel**

Q1: What is your understanding of Public Private Partnerships/ Joint Venture Partnerships for infrastructure development?

Which are the parties involved?

Q2: How has State universities responded to educational infrastructure PPPs initiative ever since its standardisation by Zimbabwe government in 2010?

Q3: What are the specific policies, legal, institutional and operational frameworks guiding PPPs Zimbabwe state universities?

How favourable are these frameworks to private sector involvement?

How adequate are these frameworks to allow private sector participation?

Q4: How would you compare the uptake of PPPs in economic infrastructure and social infrastructure in Zimbabwe?

How would you compare implementation of PPP in economic infrastructure and social infrastructure in Zimbabwe?

Q5: What are some of the challenges hampering the uptake and the implementation of educational infrastructure PPPs in Zimbabwe state universities ever since its standardisation by Zimbabwe government in 2010?

Q6: How competitive, efficient, open is the PPP procurement process in Zimbabwe state universities and how is the negotiation and deal completion period like?

How is the stakeholder relationship during the PPP process?

Q7: How do you regard the impact of Zimbabwe's macro-economic conditions towards private sector confidence to participate in educational infrastructure PPPs arrangements in Zimbabwe state universities?

What could have been the impact of the Zimbabwe's economic policies towards private sector confidence to participate in PPPs?

Q8: Is there available financial market to support the implementation of PPP projects in Zimbabwe?

How stable and adequate is this market?

Q9: Do you think Zimbabwe have competent and expertise to oversee the procurement of PPPs in Zimbabwe state universities?

Q10: What would you regard/ propose to be the critical factors that needs to be in place to enhance successful implementation educational infrastructure PPPs in Zimbabwe state universities (social infrastructure)?

Q11: Do you have any comments and recommendations?

**THANK YOU FOR YOUR TIME**

## Annexure I

### Ethical Research Clearance



#### BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF SOCIAL SCIENCES AND HUMANITIES  
EXECUTIVE DEAN

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14 March 2018

#### To Whom It May Concern

REF: RESEARCH ETHICAL CLEARANCE FOR CHARLES MASSIMO (B1544607)  
TO CONDUCT FIELD RESEARCH IN HIS PhD RESEARCH

Dear Sir/ Madam

Mr Charles Massimo is enrolled as a PhD student at Bindura University of Science Education in the Faculty of Social Sciences and Humanities. His student number is B1544607.

Field of Study: Public Administration

Research Topic: Critical Success Factor Model and the Implementation of Public Private Partnerships for Educational Infrastructure Development in Zimbabwe State Universities

He has presented his proposal to the Faculty Higher Degrees Committee and has been authorised to proceed. The faculty has no reservations for him to conduct field research. The process will add value to his Thesis and future publications from his research.

The research project will be conducted through administered key informant interviews which are designed to take a maximum of 30 to 60 minutes. It is expected that the participant will give his/her frank experiences with Public Private Partnerships (PPPs) in state institutions of higher education. Various key informant participants shall be subjected to this type of interview and these include officials from the Ministry of Higher and Tertiary Education, Science and Technology Development, Zimbabwe state universities, Zimbabwe Council for Higher Education (ZIMCHE), Ministry of Finance and Economic Development, banking sector, the private sector investors, PPP experts and academic personalities.

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The information that the participants will be asked to provide is required for research purposes only and will not be used to jeopardise their positions or those of other participants. All the responses will be strictly confidential, all replies are anonymous and no individual will be named in any part of the report of the research. Anonymity is strictly guaranteed.

Your prompt attention and cooperation will be greatly appreciated as this will facilitate the success of the research.

Should you have any queries, please do not hesitate to contact the undersigned.

Thank you

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Prof QPukwa