

PUBLIC PRIVATE
PARTNERSHIPS IN GHANA:
**INTERROGATING THE
EFFICACY OF A POLITICALLY
CONVENIENT PRACTICE**





Support and
Cooperation



Democracy
and Pluralism



Knowledge and
Life-Long Education

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PUBLIC PRIVATE PARTNERSHIPS IN GHANA: **INTERROGATING THE EFFICACY OF A POLITICALLY CONVENIENT PRACTICE**

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List of Acronyms and Abbreviations

Abbreviation	Meaning in Full
ADB	Asian Development Bank
BOT	Build, Operate and Transfer
CCMA	Cape Coast Metropolitan Assembly
CEO	Chief Executive Officer
DBO	Design, Build and Operate
DACF	District Assembly Common Fund
EIB	European Investment Bank
EC	European Commission
FGD	Focus Group Discussion
IGFs	Internal Generated Funds
KII	Key Informant Interviews
KMA	Kumasi Metropolitan Assembly
MCE	Metropolitan Chief Executive
NPM	New Public Management
OECD	Organization for Economic Co-operation and Development
PPP	Public Private Partnership
SP	Standard and Poor
STMA	Secondi-Takoradi Metropolitan Assembly
TaMA	Tamale Metropolitan Assembly
TUC	Trade Union Congress
UCC	University of Cape Coast
VFM	Value for Money
WB	World Bank

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1.0 Introduction

The social contract that binds governments and the citizenry has both demand and supply sides. The supply side requires governments to provide for the basic needs of the citizenry including infrastructure and services; or at least create an environment for the realization of these needs or both. The provision of these services and infrastructure by governments has a two-fold effect. First, it spurs development and second, it forms the bridgehead for the renewal of the contract that exists between a government and the people. The traditional form of public procurement used in most industrial countries has so far relied on some kind of unbundling (Martimort and Pouyet, 2006). First, the government designs the characteristics and quality attributes of the project. Second, the government chooses a private builder to build assets on its behalf but retains ownership of those assets. Finally, the government chooses an operator, who may be either public or private, to manage those assets and provide the service. More recently, several initiatives around the world and various legal reforms have proposed an alternative form of procurement called Public-Private Partnerships (PPP) (Martimort and Pouyet, 2006).

Concession contracts have been in existence for centuries. However, the first reference to the term “Public-Private Partnership” dates back to 1950s in the United States and referred to joint ventures between the public and private sectors largely in educational and urban renewal programs (World Bank, 2009). PPP refers to a contractual arrangement between a public authority (national, state, provincial, or local) and private entities through which the skills, assets, and/or financial resources of each of the public and private sectors are allocated in a complementary manner, thereby sharing the risks and rewards but also providing optimal service delivery and good value to citizens (Asian Development Bank, 2012). It involves the private sector supply of infrastructural assets and services that have traditionally been provided by the government (National Policy on PPP in Ghana, 2011: pg. 2). The European Commission (2004) defines PPP as the “forms of cooperation between public authorities and the world of business which aim to ensure the funding, construction, renovation, management and maintenance of an infrastructure or the provision of service.”¹ Standard and Poor (2005) defines PPP as “any medium-to-long term relationship between the public and private sectors, involving the sharing of risks and rewards of multi-sector skills, expertise and finance to deliver desired policy outcomes.”² The European Investment Bank (2004) defines PPP as a “generic term for the relationships formed between the private sector and public bodies often with the aim of introducing private sector resources and/or expertise in order to help provide and deliver public sector assets and services.”³

Putting together these definitions, PPP can be comprehensively defined as a cooperative arrangement or relationship, within a reasonable duration, between the private and public sectors which involves rewards and risk sharing with the aim at delivering a desired policy outcome. PPP arrangements are seen to be rewarding since they deliver quality services that provide value for money; transfer risk

¹ Cited in Kong, Y.H. (n.d.) Different Models of PPP” PowerPoint presentation on Session on “Private Sector Participation” accessed at https://ppiaf.org/.../Infrastructure.../Private%20Sector_02%20Diferent%20Models%20...

² Ibid

³ Ibid

and financial obligation from the public to private partners that are better positioned to manage those risks. They also enhance competition and performance standards and maintain the value of public assets throughout their life cycle. PPP has become ubiquitous across the globe in the delivery of public services and has generated great interest because it combines the best of both worlds: thus, the private sector's enormous resources, management skills and technological prowess, and effective mobilization and delivery with the public sector's regulatory actions and protection of the public interest through laws and acts to ensure transparency, accountability and due process. This balanced approach is especially welcomed in the delivery of public services which touch on every human being's basic needs.

Ghana is one of the first countries in Sub-Saharan Africa to be inspired by the World Bank and donor agencies to accept market driven public sector reform policies such as the New Public Management (NPM) approach in the mid-1990s with the aim of "reviving" the ailing public sector and services (Awortwi, 2012:886). The NPM approach assumes that when governments produce and distribute public services alone, there is bound to be inefficiency because of political patronage, red tape and poor sanctioning (Awortwi, 2012). The other argument is that government is unable to monitor both production and distribution at the same time when it is allowed to do both. The NPM approach therefore emphasises contracting public sector projects out to the private sector in order to encourage efficiency and responsiveness (Hood, 2002; Kettl, 1997). This proposition is strengthened by the assumption that the private sector serves as an agent of the market which allows competitiveness and thereby reducing cost and guaranteeing efficiency and quality of service (Sclar, 2000; Donahue, 1989).

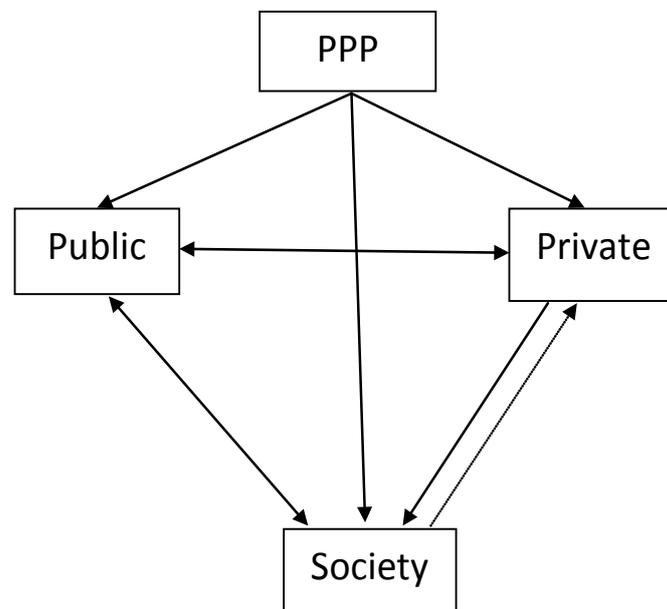
Ghana practices a decentralized governmental system where local level administrators are constitutionally empowered to take administrative and developmental decisions on behalf of central government. The local government system in Ghana faces numerous challenges that inhibit its ability to deliver in this regard, while private contractors that work with the local government system also face practical challenges and risks (Awortwi, 2004, 2012). The Ghana National Public Private Partnership Policy document provides exhaustive guidelines in order to mitigate the challenges that are often associated with PPP arrangements. Among them are value for money analysis for every project, risk allocation, affordability, local content and technology transfer, accountability, transparency and competitiveness in all project contracting. Notwithstanding these guarantees, and coupled with the lack of a substantive PPP law in the country, there is the tendency that people in authority circumvent these guidelines for personal benefits.

Further, PPP as a developmental initiative is not entirely perfect and presents its own challenges. In Ghana, PPP projects in infrastructure do not have the benefit of legal framing that could enable modality mappings and an eventual smooth project implementation. The lack of a strong private sector in the country is a major challenge to achieving the local content and technology transfer provision in the policy guideline. The high cost of road projects and the unwillingness of governments to disclose the cost of projects defeat the provisions on accountability, transparency and value for money principles. Finally, the high rate of illiteracy in the country makes the demand for accountability less likely or reductively championed by few citizens that are often politically tainted. Collectively, these reasons provide a compelling need for an academic investigation into the concept of PPP in Ghana with the view to ascertaining its general contribution to development in Ghana; the value for money component of PPP projects; the level of competitiveness of PPP project sourcing in Ghana; the depth of transparency and accountability in the delivery of these projects, and the continuity of projects after changes in governments.

2.0 Theoretical Framing

Analysis from the data gathered suggests three major stakeholders in PPP projects: the public (represented by the central government or local authority acting on behalf of the central agency or authority); the private (represented by an individual, group or a corporate entity (-ies), and finally the society that directly benefits from the goods or services resulting from the partnership between the private and public sectors as indicated in Figure 1 below.

Figure 1: PPP Stakeholders' Relationship



Source: Author's construct (2018)

The interest, relationship and power dynamics of these three major stakeholders are defined by different theoretical frameworks and two of these will be relevant to this work. These are the Stewardship Theory and the Principal Agent Theory. As represented in figure 1 above, there is a two-way relationship between the public and private sectors as well as the public sector and the society. The public and the private sector under the Stewardship Theory both exercise almost the same level of power as PPP stakeholders since they both stand the chance to benefit, even if not equally. The same kind of relationship exists between the public sector and the society. Governments require the political support of communities to be able to continue to govern and communities require governments to provide for their needs in order to continue to renew their mandates. More importantly, communities pay taxes for governments to provide for their needs and that explains why governments enter into partnership with the private sector to get the needs of communities addressed.

However, the relationship between the private sector and society is not the same. Communities benefit from private sector projects that are executed through PPP arrangements and therefore the private sector exercises a kind of impact and control (through price determinations for the kind of services they render, say in a Build Operate and Transfer (BOT) kind of PPP) over societies. However, societies have very little impact and influence on the private sector working for their benefit through PPP (as indicated by the dotted line in figure 1) and will mostly do that indirectly through their governments. Power relations in PPP projects, in terms of ownership and influence, are not the same when societies deal with both the private and public sectors. The consolation that societies have, in these uneven power relations, is that the private sector will be trustworthy and align its interest to the objectives of the public sector as espoused by the Stewardship Theory.

2.1 The Stewardship Theory

The Stewardship Theory assumes that when left alone, managers will act responsibly, as stewards; of the assets they control (Davis, Schoornand and Donaldson, 1997). A steward protects and maximizes shareholders wealth through firm performance. In doing so, the steward's utility functions are also maximized. One of the several ways of achieving this is by employing incentives. People tend to have parochial interests in organizations where incentives are less encouraging. In order to shift ones attention from being self-seeking, companies would have to incentivize managers. The more managers carefully manage resources and increase profits, the more companies will hand over responsibilities to them, thus giving mangers more money. This relationship goes on continuously and ensures the sustainability of the Stewardship Theory.

In every contractual relationship, there is the preceding assumption that the parties entering into the agreement will benefit in a way regardless of the power relationship that exists between them since each of the parties comes to the negotiation table with strengths and weaknesses. The public sector is mostly tied down by inadequate financial capacities, weak expertise and poor project information; yet, it does control resources including vast land, mineral resources and a bigger political constituency to satisfy. The private sector on the other hand mostly does not own land and natural resources, neither does it have political manifestoes to fulfil; yet, it does have money it wants to invest for profit, expertise, and wealth of data and project information. This line of assumption makes PPP a straight forward exercise where both the private and public sectors stand to benefit by working together. The Stewardship Theory fits more into this line of thinking. It assumes a more positivistic type of relationship between the public and private sectors in PPP contracting. The Stewardship Theory relates to circumstances where private sector agents are not motivated by selfish individual interest but act as stewards and align their interest to the objectives of the public sector. The theory espouses trust and reciprocity in every contractual relation (Awortwi, 2012). Stewardship theorists believe that there is greater benefit in the agent aligning to the objectives of the principal than behaving in an individualistic and self-seeking manner (Davis, et al, 1997).

The stewardship Theory creates structure between managers and owners thus creating harmony. There is a clear cut of work load and interfaces; managers are aware of their duties and limitations, and so are the owners. A reduction of interference shortens the chain of operation thus allowing more time for output. Also, it motivates employees. When workloads are left in the hands of employees with minimum supervision, they believe that owners see them as trustworthy and capable of handling work operations. This can serve as a motivation for workers to bring out their best. Despite the above, the theory is said to be unrealistic and oversimplified. It reinforces the ego of the executives which dashes the expected maximum results and maintains the thought that owners are better off at being directly involved with management than leaving it in the hands of others.

2.2 Principal Agent Theory

In contracts or organizations, individuals or entities make decisions on behalf of other individuals or entities. It is usually problematic to determine whether agents are making decisions because they believe in those decisions to be in the best interest of the principal or in their own selfish interest, especially when they are getting paid for their work. Often, the private sector (i.e., the agent) will be self-seeking and neglect the objectives of the public sector (i.e., the principal) in PPP deals. The public and private sectors have conflictual goals. Awortwi (2012) outlines three of these conflicts: while the public sector may be concerned with attaining better services at less cost, the private sector may be concerned with performing fewer tasks for higher remuneration. Second, the private sector usually has more expertise than the public sector and therefore understands the project details better. This could lead to a situation where an uninformed public sector could pay too much for poor quality service. Lastly, the control of project knowledge and expertise puts the private sector in a position to act in an opportunistic manner and for their own selfish interest in entering into contractual agreements with the public sector. These assumptions are underpinned by the Principal Agent Theory. The public sector is tied down by information asymmetry, adverse selection issues and opportunism while private contractors face recovery risks and dereliction of payment responsibility for services delivered (Awortwi, 2012). This, therefore, puts the private sector in a situation where they act principally to satisfy their selfish interest rather than the collective interest (i.e., both their interest and the interest of the public sector in PPP arrangements).

Exponents of the Principal Agent Theory respond to their critics for their one-sided generalization of the character of private agents. They argue that it is not always true that all private sector agents behave in a self-seeking manner. An assumption of this kind will ignore agent royalty, pride and identification with the goal of the principal in contracts (Awortwi, 2012). Further, critics of the Principal Agent Theory often ignore opportunistic behaviour by public actors which often leads to collusion and behind the scene deals to satisfy corrupt politicians and bureaucrats. These realities of the Principal Agent Theory call for greater circumspection and caution in PPP agreements. While the principal (public sector) is public-service focused, the agent (private sector) is profit-driven. Therefore in PPP contracts, the public sector has to practice more pre-contract diligence and post-contract oversight in order to serve the public in an efficient and effective manner. One of the ways to navigate around this two-way challenge according to Awortwi (2012) is proper contracting in which both the principal and the agent understand their role and responsibilities in the agreement.

3.0 Types of PPP

PPP arrangements come in different types; as simple as in a management or operation and maintenance contract to as complex as joint ventures. Management contracts mostly involve the private operator being paid a fixed fee by the awarding authority for performing specific tasks. The remuneration does not depend on collection of tariffs and the private operator does not typically take on the risk of asset condition (World Bank, 2016).⁴ Where management contracts become more performance-based, they may involve the operator taking on more risk, even risk of asset condition and replacement of more minor components and equipment (World Bank, 2016). While management contracts tend to be task specific and requiring input rather than output, operation and maintenance agreements may have more output or performance requirements. The common feature between the two is that the awarding authority engages the contractor to manage a range of activities for a relatively short time period, mostly over two to five years.

Another form of PPP is leasing. In a lease, the private operator is responsible for operating and maintaining the facility but not for financing the investment and usually these kinds of arrangements have a medium length of typically between 8 and 15 years (World Bank, 2016). Collection risk is passed to the operator in a lease. Lease operators will require assurances as to tariff levels and increases over the term of lease, and compensation/review mechanism if tariff levels do not meet projections. The cost of maintenance and some replacement are passed on to the operator (operator takes some degree of asset risk in terms of the performance of the assets) (World Bank, 2016). The Operator may be put in charge of overseeing capital investment program/specific capital works.

The most popular types of PPP that we came across in this work was Build-Operate-Transfer (BOT) and to a lesser extent Design-Build-Operate (DBO). Both the BOT and DBO are output focused and typically involve significant design and construction as well as long term operations. In a BOT project, the private company or operator generally obtains its revenues through a fee charged to the utility/ government rather than tariffs charged to consumers (World Bank, 2016). The BOT type is used to develop assets rather than an entire network in a typically non-existent facility, though in some cases it could be refurbishments. In a DBO on the other hand, the public sector owns and finances the construction of new assets. The private sector designs, builds and operates the assets to meet certain agreed outputs. The operator assumes minimal or no financing risk on the capital and will typically be paid a sum for the design and building of the plant, payable in instalments on completion of construction milestones, and then an operating fee for the operating period (World Bank, 2016).

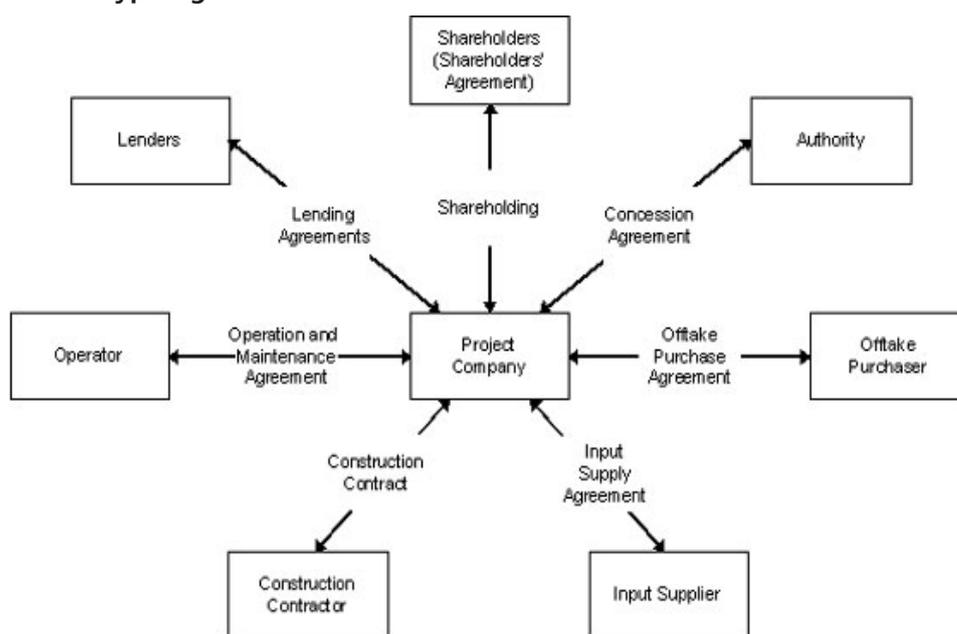
Concessions are closely linked to BOT and DBO projects. In a concessionary PPP arrangement, the concessionaire has a long term right to use all utility assets conferred onto it by the authority, including responsibility for operations and some investment (World Bank, 2016). However, asset ownership remains with the authority and the authority is typically responsible for replacement of

⁴ The World Bank (2016) "Concessions, Build-Operate-Transfer (BOT) and Design Build Operate (DBO) projects" accessed at <https://ppp.worldbank.org/public-private-partnership/agreements/concessions-bots-dbos>. See also, "PPP Arrangements / Types of Public-Private Partnership Agreements" accessed at <https://ppp.worldbank.org/public-private-partnership/agreements>

larger assets. Assets revert to the authority at the end of the concession period, including assets purchased by the concessionaire (World Bank, 2016). In a concession the concessionaire typically obtains most of its revenues directly from the consumer and so it has a direct relationship with the consumer.

The last category of PPP to be discussed here is known as the joint venture. Unlike the other types of PPP discussed, in a joint venture the contracting authority may require to have an equity stake (“shares”) in the project company/operator or when an existing public utility sells a stake in the utility to a private company (World Bank, 2016). On the case of an existing utility, shares in the utility are divested to the private sector (or a new holding company is created which holds the assets of the utility which is established with a joint ownership structure) (World Bank, 2016). In the case of a financed project, the project company will be established with a joint share ownership structure with limited scope (usually focused on delivering the project with limited ability to diversify) (World Bank, 2016). This kind of PPP arrangement may take two forms; a partnership with a profit sharing arrangement created for a specific purpose, and a contractual consortium in which the parties work together on a specific project without a profit sharing option (World Bank, 2016). Figure 2 below illustrates the different types of PPP arrangements.

Figure 2: PPP Typologies



Source: World Bank (2016)⁵

⁵ See <https://ppp.worldbank.org/public-private-partnership/agreements/concessions-bots-dbos>

4.0 A Note on Methodology

The research used the qualitative method approach in which Key Informant Interviews (KII) and Focus Group Discussions (FGD) were held concurrently in four regions in the country. A total of eight (8) FGDs were held involving market women, railway workers and the general public; and about twenty (20) Key Informant Interviews (KII) including CEOs of private companies, local assembly officials, individual entrepreneurs, assemblymen and women, market queens and a research fellow at the University of Cape Coast. Gender balance was prominent in the selection of participants for the FGD. We held two FGDs in each region; one for males and the other for females to allow free expression of grievances and achievements without fear of victimization. Each group had a membership of 6-8 in order to allow for a healthy discussion and deliberations. A semi-structured interview guide was used for the KII. All interviews were conducted face-to-face.

We strived to achieve national balance in the data collection process but a few challenges emerged. We first divided the country into three zones (i.e., Savannah, Middle Belt and Coastal) with the intention of selecting a region each from the three zones. We then did a PPP map of the country (See Appendix 1) that collated the various PPP projects at the different stages of their execution and realized that the distribution of the projects as listed by the World Bank is somewhat skewed. We therefore used two criteria in the selection of the regions where data were collected: geographical balance in which a region each was selected from the three ecological zones in the country and the availability of PPP projects in these regions for both rational and convenience purposes. In each region, two criteria informed our selection of project cases; level of success (i.e., those that seem very successful and those that are unsuccessful) and project category (i.e., infrastructure, health, transport, education or social intervention).

5.0 Historical and Legislative Evolution of PPP in Ghana

PPP has become increasingly important in Ghana just like in many emerging economies. This kind of partnership between public and private entities in the design, finance and management of public infrastructure and services dates back to the early 1990s when it was largely assumed that the private sector is more efficient in delivering goods and services than the public sector. This assumption influenced successive governments' engagement with the private sector in the course of governance history in the country. However, governments' engagement with the private sector took a dramatic turn under the Presidency of John Agyekum Kufuor in 2000 when a whole Ministry was created for Private Sector Development, enabling the government to successfully and completely partner the private sector to ensure development.

This was followed by the development of policy guidelines for Public-Private Partnership in 2004 to officially integrate the two sectors into the development process. In 2009 when Prof. John Atta Mills came into office, the Ministry of Private Sector Development ceased to be a substantive ministry. It was subsumed under the Presidency and overseen by a Minister of State in charge of Private Sector Development and Public Private Partnerships. In June 2011, the Minister of Finance and Economic Planning, Dr. Kwabena Duffour, launched the National Policy on Public Private Partnership to provide clearly developed guidelines for all aspects of PPP projects in the country. The National Policy on PPP provided guidelines on how PPP projects are developed and implemented; starting from the project identification level to monitoring and evaluation (Dowopkor, 2014). In 2015, a PPP Bill was approved by Cabinet and laid before Parliament for consideration.

This historical evolution of PPP in Ghana is underpinned and sustained by a corresponding legislative development. There are two main legal frameworks that bind and regulate all PPP-related activities in Ghana. These include the National Policy on Public-Private Partnerships (2011) and the Ghana PPP Bill (2013) which is currently awaiting passage into an Act. The National Policy on PPP (2011) was adopted to provide the initial framework for a better organization and implementation of PPP in the country and has four main categories including conceptualization and operationalization; roles and responsibilities; the various phases of the PPP process, and finally the management of PPP contracts. Like the National Policy on PPP, the Memorandum to the Ghana PPP Bill stipulates the purpose: to provide institutional support to help galvanize private sector participation in the provision of public infrastructure and services through PPP arrangements. The Bill further aims to set standards under which PPP could be effectively practiced in Ghana and also complement Government's effort to improve quality, affordability and timely execution of projects that come under the partnerships forged between the government and the private sector.

6.0 Discussion of Major Findings

This section discusses some of the findings that emerged from the data analysis of the interview sessions as well as the FGDs conducted for the study.

6.1 Benefits of PPP to local Assemblies

Participants at the local assembly level extol the benefits of PPP arrangements to the successful administration of local governance. The major and regular source of funds for the administration of local governance is largely the District Assembly Common Fund (DACF). The DACF has been in existence for almost twenty-four years now and serves as a pool for national resources to support the country's decentralization and local government development activities (OA-DACF, 2015:4). The DACF supports Ghana's decentralization process and helps in the provision of basic socio-economic infrastructure and services needed for development at the District levels. Yet, it is faced with untimely release of funds by the Ministry of Finance (MoF) and has become highly politicized, therefore creating controversies in its disbursement (OA-DACF, 2015). Assemblies are therefore largely dependent on Internally Generated Funds (IDFs) in order to take care of the numerous developmental and associated challenges that face their localities every day. This is where PPP comes in handy. Except Awortwi (2004, 2012) and some few other literatures, the majority of research works that have evaluated PPP projects mostly examined it from the central government level. These works examine how PPP eases central government's financial burden (especially in the area of infrastructure) and frees resources for spending in other sectors (particularly the social sector). PPP benefits were assessed around the three major stakeholders discussed under the theoretical framework section and are presented in Table 1 below.

Table 1: Collated Views of PPP Benefits

Benefits to Government	Benefits to Private Sector	Benefits to Communities
<ul style="list-style-type: none"> • Reduces financial burden on infrastructure • Fulfilling campaign promises and the social contract • Revenue generation for local Assemblies (IGF) • Brings efficiency into public sector governance • BOT facilities revert back to local authorities • Reduces governmental bureaucracies • Learn new developmental and project ideas from the private sector 	<ul style="list-style-type: none"> • Avenue for investment • Profit generation opportunity • Increases the level of efficiency through implementation • Identification of ideas and potential business opportunities • Opportunity for business expansion • Receives delegated power of the public sector to implement business plans 	<ul style="list-style-type: none"> • Employment and job creation opportunities • Poverty reduction • Beneficiaries of PPP facilities and services • Knowledge/technology transfer benefits communities • PPP with local content clauses improves livelihood at the communal level • Benefits from proper monitoring and evaluation of projects that lead to quality

Source: Field Work (2018)

6.2 Competitiveness in PPP Projects

There is poor competition in the manner PPP projects are awarded at the local government levels. PPP comes in different forms, however, the BOT is the most popular at the local government level. In a BOT arrangement, the public sector grants an individual or private sector company the right to develop and operate a facility for a reasonable time. The private sector company or the individual investor finances, owns and constructs the facility that is of benefit to the society and commercially operates it for the agreed project period after which the facility is transferred to the public authority. Public sector institutions do not bear the financial cost of the project in any way, except in a minority of cases where they provide land for the investment to take off.

The BOT is often good for local government agencies that are cash-pressed because the private company obtains funds for the project, procures the design and oversees the construction work entirely. However, there are often dangers associated to the BOT model that came out strongly in this research. The first challenge is poor competitiveness in such projects contrary to the provision of the Ghana PPP Guideline document. Assemblies wait for individuals and private companies to identify investment potentials within the local area and make a proposal to the local authority. The Local authority then releases land for the private sector to invest. This kind of arrangement kills competition as the only bidder is the one with money and an investment plan at the time of need. An officer at the Cape Coast Metropolitan Assembly observes:

The private sector takes most of the risk in PPP arrangements. So there is not much competitiveness, especially in BOTs. The initiatives come from the private

sector willing to take the risk without any bidding process (Interview at Cape Coast, March 2018, Central Region).

Local Assemblies, even under BOT arrangements, could spur competition by identifying potential areas of investment within their jurisdiction and inviting potential private sector actors to come and partner them in providing a specific facility. In this sense, there could be several potential private partners that could come forward for the available opportunities and thus allowing a kind of competition to select the private investor with the best plan and investment value. Where this is lacking, the private sector, acting rationally takes advantage of the public sector in a solicited bidding.

6.3 Value-for Money (VFM) in PPP Contracting

Poor competitiveness has adverse impact on value for money for local governments in PPP projects. One of the major reasons why governments enter into PPP agreements is to achieve “value for money.” The UK Treasury defines “value for money” as the “optimum combination of whole-of-life costs and quality (or fitness for purpose) of the good or service to meet the user’s requirements” (quoted in World Bank 2013:8). Three things stand out in this definition of VFM; cost, quality and user’s assessment of both. User’s assessment of a PPP project in terms of quality may include the feasibility, affordability and economic viability of the project. The financial cost, in a VFM analysis, must reasonably commensurate with the quality of the project as determined by the user. The World Bank underscores the significance of VFM analysis in PPP programs, noting that the Organization for Economic Co-operation and Development (OECD) study found that 19 out of 20 countries engaged in PPP projects apply some kind of VFM assessments in project proposals in OECD countries. VFM analysis in PPP projects in developing countries like Ghana still faces challenges as a result of developing expertise in this area but also because of poor transparency in PPP arrangements.

What came out strongly in our FGDs and interviews in this research was the consideration for VFM analysis in PPP arrangements at the local assembly level. It was difficult assessing the cost components of most of the projects because of poor transparency measures and unwillingness of local government officials to disclose them. However, what was more disturbing was the admission of some Assemblies of inadequate capacity in doing a proper VFM analysis. One official at the Tamale Metropolitan Assembly observed:

I think one of the key challenges in my opinion is the ability or the capacity of the Assembly to do proper evaluation of the agreement in terms of cost...cost benefit analysis (Interview at Gumani, January 2018, Northern Region).

This deficiency, the officer notes, affects their ability to do a proper and adequate cost for PPP projects and predict exactly the value, for example, of a BOT project in twenty-five years time.

In typical BOT projects for markets in local assemblies, the revenues generated from the operation phase of the projects were used to cover costs for operations, maintenance and repayments of debts incurred in the construction of the project. This therefore escalates user fees for the projects and makes it very costly for end users. In an interview with one of the market queens at the Kotokroba market in the Central Region, she mentioned that it became difficult for some market women who have been selling there for the past thirty years to get stalls after the new market was built. Around a total of 1,680 stalls existed before the renovation and the number reduced to about 920 stores after, forcing many to lose their selling places.

Besides the reduction in the number of stores, many could just not afford the prices after renovation that ranged from GHS 70 to GHS 400 per month depending on the size. A similar experience is related in Tamale about the Aboabo market. In the case of Tamale, the market women complained

that the cost of stores was too high after the BOT agreement, making it difficult for original store owners to afford. In a focus group discussion in Tamale, a female participant notes that rich male businessmen were able to buy several stores and sub-let them to foreigners (specifically Nigerians and Burkinabes) at exorbitant costs; though the Tamale Metropolitan Assembly disputes this claim.

There is no evidence of strong economic viability of some of these market projects. For example, in Cape Coast users of the Kotokruba market interviewed believe the new market did not increase sales in any way. They note that most of the sellers who could not get back their stalls or were unable to pay the charges imposed by the private manager resorted to selling on the streets and in front of other stores. They are able to “intercept” customers and sell better than those in the stores. The majority of the market women who got stores at the top floors have either sub-let them or abandoned them. Many of the stores at the top floors were locked up. This occurrence is repetitive at the Tamale and Kotokruba markets.

6.4 Transparency and Accountability of PPP Projects

Transparency and accountability are important cardinal principles of good governance. Governments need to be transparent to the citizenry in its PPP engagements in order for the citizens to be able to hold governments to account. In the entire research work, citizens were complaining of poor consultation and participation in the PPP projects executed in their area. At the Tamale Metropolis, it emerged at the focus group discussion that the Assembly neither consulted nor informed local community members about the market projects they were embarking on. Indeed, they were not happy about the design of the Old Tamale market, but more importantly, about the refusal of the Assembly to disclose the total cost of the project. In another market project at Aboabo in Tamale, the contractor continued the building on a foundation that was started under the regime of Colonel Kutu Acheampong in the 1970s. The local community members explained that the contractor wanted to save money by building on the old foundation that has been in existence over the past forty years.

At the Cape Coast Metropolis, the leader of the Market Queens decried the utter lack of consultation in the building of the new Kotokruba market. She argued that the old market had enough stores for all the sellers while the new building has limited space and poor ventilation. She maintained that the Association spent five and a half years at the Cape Coast Court to fight their eviction prior to the start of the PPP arrangement simply because there were poor consultation and participation. The Assembly and the contractors kept everyone in the dark and did not disclose, till now, how much the entire project cost. She notes:

We the sellers were not consulted. There was no consultation at all. Majority of our members have not been to school and the Assembly took advantage of that and cheated us. Before we were moved to the temporary place (China market), the Assembly demanded that we sign an agreement in order to guarantee a place in the new market. We spent five and a half years at the Cape Coast Court to fight the eviction. The Assembly then changed the market queens and the leadership of the market in order to divide our front. Up till today, we don't know how much has been spent in putting up the market (Interview at Kotokruba, March 2018, Central Region).

The sellers who were re-located to a temporary market called “China”⁶ prior to the start of the project were still selling at that place for the last three years. There have been numerous complaints of theft at that temporary place (China market) and severe heat due to poor ventilation equipment. The local authorities keep postponing the timeline to move the traders from that place. These happenings are all blamed on poor planning, consultation and participation between the local

⁶ In apparent reference to the Chinese construction company that put up the temporary structure.

authorities, the private contractor and the local community members.

In the Ashanti Region, it emerged in the FGD that there is often a lack of transparency in some of the PPP projects within the Metropolis. A former Assemblyman, who was a participant in the discussion, remarked:

There is no complete transparency in some of the [PPP] processes. Sometimes, the private sector enters into a lease agreement with the Assembly and by the time you realize they go behind the Assembly and register the facility as a private property (FDG at Adum, January 2018, Ashanti Region).

Another female participant added:

One of the public toilets was given out to a private person without the knowledge of the local community. The person came with his papers and agreement. We were suspicious because PPP arrangements [Build-Operate-Transfer] are usually operated for ten years and the Assembly takes ownership. This particular one was for thirty years (FDG at Adum, January 2018, Ashanti Region).

It also emerged from the discussions that there is poor disclosure of project information to communities that are often beneficiaries of the project. At the Secondi-Takoradi Metropolis, the sellers at the Kojokrom market were very bitter about this development. The local authority told them there were three PPP projects the Assembly has given out on contract including the market, the urinal and washrooms, and the car park. Except the market, all the rest are completed and are in full use. The Assembly has been evasive and often ignores attempts from the market women to understand what is going on. In a subsequent interview with the Chief Executive Officer (CEO) of the private company putting up the market, a lot of issues were discussed in relation to the delay of the market project including inadequate funding, politicization and conflict of interest between Assemblies and Traditional Authorities within the project site.

In other local assemblies, PPP arrangements were done differently with adequate accountability and transparency mechanisms. In a FGD at Offinso in the Ashanti Region, the participants disclose that the Presiding Member of the Assembly and other community members sit on the Board of a local bank that the Assembly has entered into an agreement with. They relate;

The Assembly put up the building and when the bank wanted a space we gave them a section (i.e., the down floor) for the bank and kept the other (i.e., the top floor) as community library. The Presiding Member and some members of the community sit on the board of the bank...The bank gets a lot of customers from the community and they give loans to farmers and help finance the school feeding programme of the community when government delays in releasing funds (FDG at Offinso, February 2018, Ashanti Region).

They however think this friendly and rather cooperative arrangement between the bank and the Assembly often works to the disadvantage of the community in terms of value for money. They note:

The shares that were given to the community by the bank are small compared to the value we will get if we were going to rent it out. Though the agreement is re-negotiable, the community has not thought of sitting down and looking at the contract again (FDG at Offinso, February 2018, Ashanti Region).

7.0 Challenges of PPP Projects

PPP arrangements are not entirely perfect and mostly face challenges from the contracting to the implementation stages. Some of these challenges are discussed below.

7.1 Land Ownership and Administration

The first challenge the research team identified in relation to PPP contracting is the tension between tradition and modernity in both social and governance processes. The major challenge to PPP projects, especially in the BOT/DBO categories, is land ownership. In Ghana, land is owned by traditional authorities and not the government and can only be leased out by the latter and not the former; normally for ninety-nine (99) years. There have been instances where private investors are unduly overburdened financially by paying monies to both the local assemblies and the traditional authorities at the same time.

In Cape Coast, a private investor who operates a children's park bemoans this situation:

Various people claim ownership to the land I operate on...the Chiefs, the local Assembly and the Asafo Company. I pay monies to all of them...the Metropolitan Assembly takes GHS 700 from me every month, the chiefs take GHS 200 and the Asafo Company takes a goat in order to pacify the land (Interview at Cape Coast, March 2018, Central Region).

In Takoradi, another private investor relates a similar experience:

I pay my property rate. The STMA don't own the land and did not provide money for the project so why do they want to claim it back? The STMA and the Chiefs are all claiming they own the land at Kojokrom and each of them is demanding I sign an agreement with them. I had an agreement with the Chiefs in 2012 but not with the Assembly again. The assembly is insisting I sign a new agreement with them too. The STMA take market tolls and do not give the Chiefs their share of the money for owning the land. This has been going on for the past ten years (Interview at Kojokrom, February 2018, Western Region).

There are poor land administration laws in Ghana and this has often affected existing PPP arrangements and has the potential to undermine similar projects in future. The government and the traditional authorities need to work together and closely in order to address these challenges. Closely related to this issue are chieftaincy disputes over land and where the private investor will have to deal with two or more different traditional authorities in looking for a piece of land to invest. This affects the local authorities' ability to generate revenue that is sufficient to help them deal with local level administrative issues without depending on central government's meagre District Assembly Common Fund (DACF).

7.2 "Ancestral Space" and "Occupational Gifting"

The majority of the PPP arrangements at the local government level are within the area of sanitation (toilet facilities, hand wash and drying facilities, urinals, etc.) and also markets. The markets are one of the major sources of revenue for local assemblies and most of the PPP arrangements go into that area: In Tamale the Central, Aboabo and Sheanut markets are clear examples; in Kumasi it is

the Tafo, Kejetia and Afiakobi markets; in Takoradi it is the Kojokrom market and in Cape Coast it is the Kotokruba market. Markets are therefore central to the revenue generation prowess of these assemblies and a potential sector for PPP contracts. Yet, there are different perceptions about the role and the kind of attachment market women who sell in these markets develop over time.

To the market women specifically, and the sellers broadly, these markets have a social-cultural value and significance dating back to their great grandparents and which goes beyond the ordinary politics associated with them. An informal interaction with a research fellow at the University of Cape Coast (UCC) as part of this study, reveals that these markets constitute an “occupational gifting” where families train their young ones and mentor them to inherit from them after sometime when they leave the scene. It therefore becomes an “ancestral space” where sellers have buried umbilical cords of their young ones and spiritual concoctions to guarantee entitlements and success. In specific reference to the Kotokruba market, he notes that it was built by the British colonial masters around the 1930s and families have seen the spaces they occupy since then as their economic groves and have established chains of contracts linking them to other families in Burkina Faso and older established trade routes.

This often explains why some sellers do not want to move from the old trading site for a new market to be constructed. They see this as complete truncation of an age-old socio-economic tradition sacrificed for political expediency. They will rather prefer to sell in old unhygienic stalls to a modern mall that takes away their ancestral and spiritual bondage from them.

7.3 Procedural Challenges in the Absence of a PPP Law

The absence of a PPP law in Ghana has been a serious bane to the smooth contracting and execution of PPP arrangements at the local level. Laws guarantee responsiveness, prediction and consequentiality. In the absence of one, local assembly authorities are left with discretion. Discretion opens the doors for abuse and politicization while laws lead to orderly procedure, accountability and justice. An officer at the Cape Coast Metropolitan Assembly observes:

PPP is a high risk arrangement for the private sector. The private sector bears almost all [the] risk...So there is no competition for PPP projects. PPP projects are mostly initiated by the private sector that bears the risks (Interview at Cape Coast, March 2018, Central Region).

The fact that there is no law governing PPP projects means there can be no competition in PPP projects at the local level. Indeed, the Ghana PPP framework and guidelines seriously advocate for accountability, transparency, competitiveness and value for money considerations in all PPP arrangements at all levels. In cases where local officials are obliged to use their discretion, these cardinal principles should guide them. The private sector is also alarmed with PPP procedures and processes in the absence of a legal framework. The CEO for a private company interviewed at Offinso notes:

There is so much discretion in PPP projects in the country. The local people do not seem to understand what PPP arrangements are. They come for loans and do not want to repay simply because they have provided you a space to do your business. I think there should be a lot of education and awareness creation on some of these things (Interview at Offinso, January 2018, Ashanti Region).

7.4 Inadequate Knowledge of PPP and poor Negotiations Skills

The challenges in the PPP sector in Ghana are reinforced by inadequate knowledge of local assemblies on PPP and poor negotiation skills. Officers of the local authorities that participated in this research demonstrated poor understanding of the PPP concept and the various typologies that exist. For example, at the CCMA, one of the officers interviewed was very categorical that in a PPP arrangement, the private sector must bear all risks and anything short of that is not PPP; another officer defines PPP as;

The public sector selling out its ideas to the private sector to implement when the former lacks the financial capacity to implement those ideas (Interview at Cape Coast, March 2018, Central Region).

Officers at TaMA also admitted that PPP is relatively new to the local assemblies in Ghana and an adequate understanding and training on the arrangement is needed for them to be able to independently implement it in a profitable manner. An understanding of a concept influences the manner in which it is implemented. The poor understanding of the types, dimensions and the intricacies of PPP seriously undermines its implementation at the local level. Thinking of PPP in the manner explained by this officer is like assuming that the private sector is doing the public sector a favour and that influences the kind of negotiation that goes into the contracts that are signed at the end of the day. This leads to a typical Stewardship mentality of the private sector as only complementing the efforts of government and neglects their role as agents that are profit-driven. They do not just bear any risk but the type of risk that will lead to profit.

One of the many challenges that emerged from BOT arrangements, especially with markets, is the inability of the original traders to retain their stores after the end of the PPP process. In all World Bank financed interventions, there is a policy of social safeguarding, where the first opportunity is always given to the original inhabitants of a social facility after any PPP arrangement. Explaining the principle, an officer at TaMA, observes:

Under the re-development of the markets, we have what we call social safeguards. It is a mandatory requirement under World Bank funded projects that you undertake this kind of survey which seeks to establish who were occupying the place in the first instance and ensure that they are given the first opportunity after the completion of the project. All those who are occupying the new stores were those who were there...it is after when you exhaust the list that you now consider new people (Interview at Gumani, January 2018, Northern Region)

Local assemblies that leave out original owners of market stalls in the distribution of new stalls after PPP arrangements flagrantly breach the Social Safeguards Policy advocated by the World Bank in projects of this kind. These occurrences are largely influenced by politics and the politicization of PPP projects and other social facilities within local assemblies.

7.5 Politicization and Continuity of PPP Projects

PPP arrangements are inherently political since they involve arrangements between the government and the private sector. However, too much politics has the tendency of undermining the efficiency and continuity of the process and the project. Politics, both in its positive and negative forms, has manifested itself in the PPP designing and implementation stages at the local government level. Politics came out strongly in three different categories: in the award and renewal of PPP projects; in the selection of PPP project beneficiaries, and finally in the termination and continuity of PPP projects.

It emerged that individuals and private companies that are awarded PPP projects are normally members of the party that is in government. In cases where a project is already awarded, but subject to renewal from the local assembly, the beneficiary individual or company risks losing the project if there is a change of government in the process. A private individual who entered into a PPP agreement with the Cape Coast Metropolitan Assembly to run a children's park often faces threat of non-renewal of his contract due to the suspicion that he is not a member of a specific political party. The Metropolitan Assembly entered into a partnership with him in 2008 where a land was leased to him to run a children's park for 25 years subject to renewal every five year period. He pays GHS 700 every month and employs five workers. The park's clients include schools and community members and he often receives between 10-20 clients on normal days and between 50-100 clients during festivities and occasions. His major challenge has to do with the politicization of the renewal of his agreement every now and then. According to him:

There is always a problem when there is a change of government. I always have to enter into a new agreement with the Assembly since they always claim that there is no agreement governing the operation of the park. I pay my rent always to the Assembly and have all my receipts intact. The Assembly always threaten to take away the park from me whenever there is a new government. Currently, there is a

serious pressure to abrogate my contract and give it to a party person (Interview at Cape Coast, March 2018, Central Region).

The politics also manifested itself in the selection of project beneficiaries. It emerged from the data that in most PPP projects, the common criteria used to select beneficiaries is politics and party membership. The selection of the beneficiaries for the Aboabo market in the Tamale Metropolitan Assembly has allegedly been influenced by partisan factors. In a FGD held in Mohiyebihi in Tamale, a lady participant noted:

You need to know someone before you can secure a store there to sell. I know a friend who got one and told me the party chairman helped (FGD at Gumani, January 2018, Northern Region).

The group also alleged that women find it difficult securing stores at the new market site since the stores are easily handed out to the males who in turn sub-let them to women. At an Interview session with officials of the Tamale Metropolitan Assembly, they categorically deny these allegations. A female officer at the TaMA challenges the allegation thus:

This is not true. As a woman, I will not allow that to happen, I will not allow that to happen (Interview at Gumani, January 2018, Northern Region).

The same allegations emerged at an interview session in Cape Coast. At the Kotokuraba market, a female seller remarks:

We have been selling with people here for the past thirty to forty years but they could not get stores. How can people who use to sell in about 1,680 stores fit into 920 stores? It is more than three years now and they are still selling at the temporary stores called China. There is too much heat there and their wares are always stolen (Interview at Kotokuraba, March 2018, Central Region).

The construction of the market started under one government and the allocation happened under a different government.

The final dimension of politics in PPP projects borders on whether local government authorities are willing to continue with PPP projects started by a predecessor administration. The responses vary from one assembly to another. In the Tamale Metropolitan Assembly for example, change of governments have little impact on the continuity of projects. An interviewee from the assembly asserts:

Change of governments does not affect the Assemblies' PPP contracts. All the current PPP projects under the Assembly were initiated under Honourable Abdul-Hanan Gundadow (the former Metropolitan Chief Executive under the NDC government) and when Honourable Musah Superior (the current Metropolitan Chief Executive under the NPP government) comes in, we are still working with the same contractors and the projects are going on well (Interview at Gumani, January 2018, Northern Region).

The narrative is however different at the Secondi-Takoradi Metropolitan Assembly. The CEO of the private company that entered into a PPP agreement with the assembly to build a market at Kojokrom was highly disappointed. He poured out his frustration thus:

The STMA (Secondi-Takoradi Metropolitan Assembly) is not helpful at all. The Assembly and its technocrats are not helpful. Per the agreement, I have 15-30 years to maintain the project after completion. The market is 65% complete but the project has been abrogated because of a change of government. The STMA wants to take over the project because they thought the previous government was behind it. Now Lawyer Kweku and all the people who signed the agreement have been transferred. The STMA takes property rate from me but they do not support me (Interview at Kojokrom, February 2018, Western Region).

8.0 Conclusion, Summary of Findings and Recommendations

This work sets out to examine PPP projects within the context and provisions of the Ghana National PPP Policy document that provides exhaustive guidelines on how to engage in PPP arrangements in the country. This document outlines certain principles as key to successful PPP arrangements including value-for-money analysis, appropriate allocation of risk, affordability, local content and technology transfer, accountability, transparency and competitiveness. It concludes that with proper framing, appropriate expertise and the right legislation, PPP projects have the potential to build the capacities of local assemblies, support their infrastructural developmental quest, reduce bureaucratic bottlenecks, create employment and generate revenue. It further concludes that the absence of an appropriate legal frame for the conduct of PPP arrangements, coupled with politicization and poor land administration often leave the process to much discretion and abuse. These deficiencies defeat the purpose of PPP as a valuable developmental strategy for moving forward.

In summary, the work finds that there is no proper conceptual framing of PPP arrangements. Local authorities often express poor appreciation of the concept and its implementation. In some cases, PPP arrangements are often seen as a favour from the private sector to the public sector rather than as a partnership where both sectors stand to benefit. In other cases, local assemblies adopt the Stewardship framing and proceed with the assumption that the private sector will align to the objectives of the public partner and seek their collective benefits. Proceeding in this way without due consideration for the often self-seeking nature of private agents often leads to bad contracts that do not inure to the benefit of the tax payer.

The study also finds that there is weak competitiveness in PPP arrangements at the local level largely because of poor conceptual framing. The research shows that local assemblies prefer the BOT/DBO categories of PPP that mostly supplement their infrastructural challenges. Yet, little effort is exerted to make this option competitive except to wait for the private sector with money and a business proposal to come forward. This often leads to outright sole sourcing and not open competitive bidding.

The work further finds that the absence of competition seriously affects the value-for-money component of PPP projects at the local level. Value-for-money analysis becomes more relevant where there are several bidders. Yet still, where projects are sole-sourced, there is evidence that the long term benefits to the assembly are less considered, since, in the admission of some assembly officers, there is inadequate capacity to determine the long term value of the projects that they are embarking on.

Further, the research finds that there are few social safeguarding principles put in place for the beneficiaries of projects such as markets, toilet and urinal facilities after PPP arrangements. It has emerged from the data that people who often sell in markets prior to PPP contracts end up losing their stores to new owners. This is largely blamed on the politicization of PPP decision making and poor adherence to the World Bank's social safeguarding principles.

Improper land ownership and administration laws affect the smooth implementation of PPP projects in the country. There are few cases where local assembly and traditional authorities all claim

ownership to lands offered for PPP projects and the private partner ends up paying monies to both authorities. It wanes investor confidence and defeats due diligence required in such enterprises.

There is poor participation and consultation of local communities who are often the intended beneficiaries of the PPP projects. Projects and project information are kept away from them; in Cape Coast for example, the beneficiaries of the Kotokruba market had to go to court to fight the construction of a facility that was supposed to benefit them because of poor transparency and consultation.

Finally, politicization has emerged as a major challenge facing PPP projects at the local level. It manifests itself in the selection of potential PPP partners, PPP contract renewals and abrogation as well as the selection of the beneficiaries of social amenities resulting from PPP arrangements. Serious attention needs to be paid to the harm that politicization causes to private investment, especially where public servants with institutional knowledge are asked to proceed on leave or transferred from their original post. The following recommendations, if implemented, could help increase the benefits of PPP projects in the country and make it an attractive developmental option in the light of the current government's policy of building one factory in every district through the private sector. The recommendations are:

- Develop capacity for local assemblies on PPP contracting. Local assemblies should undergo training on PPP arrangements, typologies and VFM analysis in order to apply them in their day to day work.
- PPP projects should go through normal tender processes, even in BOT/DBO cases to maximize value-for-money.
- Local assemblies should allow communities that will benefit from PPP projects to participate in making decisions that relate to those projects.
- There should be competition and transparency in the awards of PPP projects by local assemblies.
- There is the need for a PPP law or an Act of Parliament to safeguard indiscrete use of discretion by local authorities.
- There is the need for a proper land laws administration in Ghana in order to avoid the controversy that comes with land ownership and the payment of royalties.
- There is the need to reduce the over-politicization of PPP contracts by allowing for competitive bidding and tender processes in order to make the approach fit for its purpose.
- Contracts and TOR for PPP projects should clearly state the roles and risks of the parties in the partnership and do not leave room for manoeuvring and manipulation.
- Central government should reduce bureaucratic bottlenecks in PPP contracts by empowering local assemblies to initiate PPP projects on their own without recourse to the PPP desk at the MoF.
- Explore alternative development approaches that still allow the public sector to work with the private sector in a more efficient and profitable manner for both parties.
- Explore and understand traditional and cultural belief systems in the informal economy and find ways to integrate or navigate around them in PPP arrangements.
- Government needs to restore confidence in the private sector and work with it as the engine of growth rather than seeing it as profit-driven exploitative enterprises.

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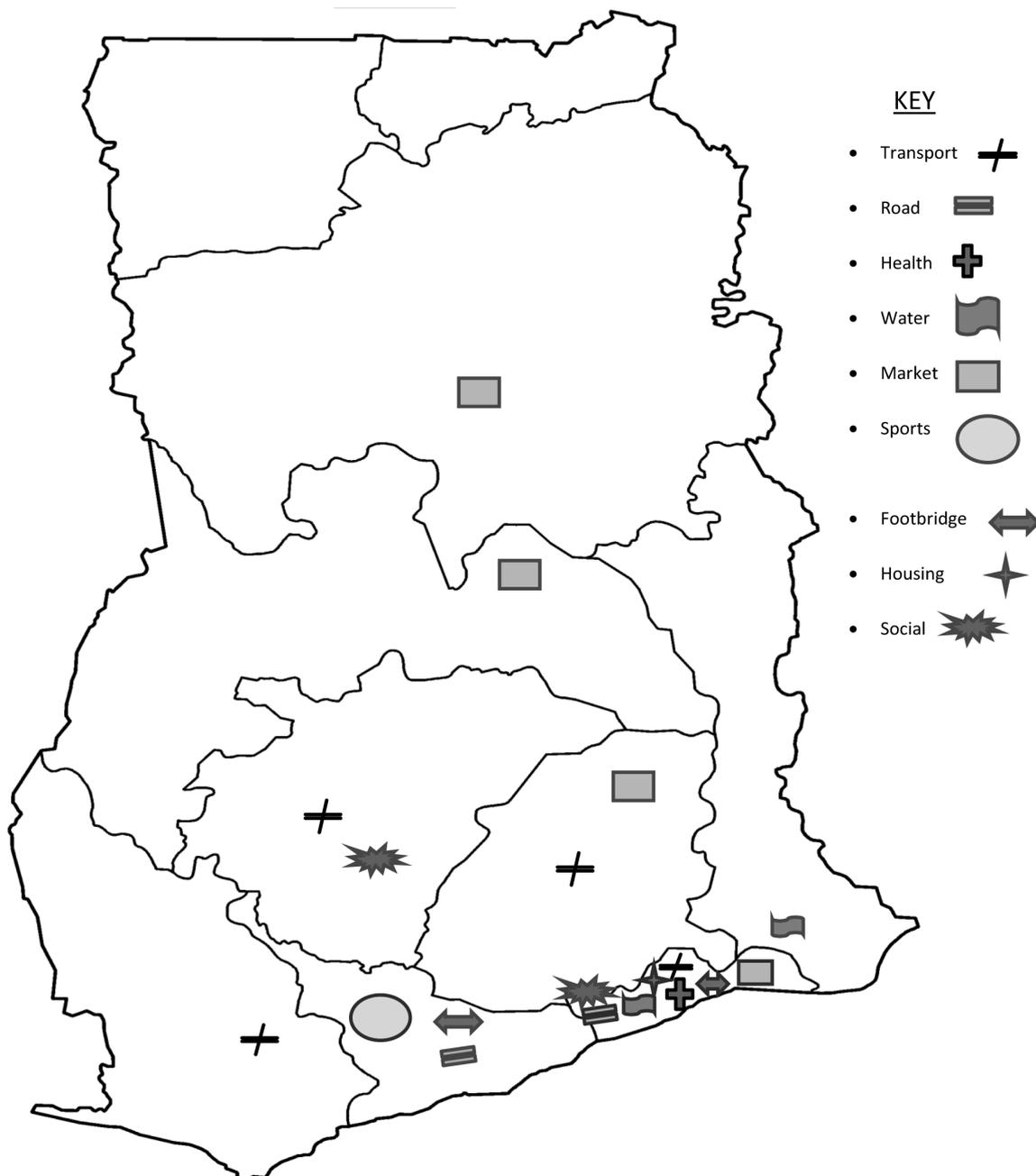
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10.0 Appendices

10.1 Regional distribution of selected PPP projects in Ghana⁷



Source: Author's construct (2018)

⁷ Curled from <http://ppp.mofep.gov.gh/>

10.2 Interview Guide Public Private Partnerships In Ghana: Interrogating the Efficacy of a Politically Convenient Practice

10.2.1 Introduction

My name is Dr. Seidu Alidu, a senior lecturer at the Department of Political Science of the University of Ghana. I am doing this project on behalf of the Friedrich Ebert Foundation - a German social democratic think tank that occasionally undertakes cutting edge research of this kind in order to provide critical policy alternatives on governance and socio-economic development.

This interaction (interview) is aimed at gathering data that will promote effective, efficient and accountable PPP engagement in the country in order to enhance our economic growth and transparent transactional processes. I therefore seek your support in answering these questions with the aim to strengthening all these values in the country's economic transformation.

Please note that the information that you will provide is for research purposes only and will be treated with utmost confidentiality.

I will need to record the interaction in order to accurately capture the valuable information that you will provide in this session. Do I have your permission to do so?

10.2.2 Project Information

- What is the name of the project?
- Location (Region, District, Constituency and Town)
- What is the project about?
- Which sector or ministry does the project fall under?
- Why is the project sited here?
- When did it start?
- When is it expected to be completed?
- What is the current state of the project?
- Who are the partners?
- How much is the value of the project?
- How much has been spent so far?

10.2.3 Project Benefits

- In your view, what are the benefits of PPP projects?
- What do you think are the challenges of PPP projects?
- Can you relate your answers to the project located here?
- How many people have been employed from the project?
- How much do they earn?
- Do you think the project has improved the lives of the people living here?
- How will you assess the partnership in this project?
- Is the service or good generated from this partnership affordable to the people?
- What new has been learnt by the local people from this project?
- Has the project increased the production or demand for any local commodity?

10.2.4 Competitiveness and Value-for-Money

- Do you think PPP projects are generally competitive?
- Will you say there is value-for-money in PPP projects?
- Do you think government saves money by entering into PPP agreements?
- Do your answers above apply to the project located here?
- Do you remember seeing an advert or information about this project prior to the current work that is being done?
- If yes, how, where and when?
- Do you know how the current partner won the partnership project?
- Do you trust that the partner is the right person for the job?

10.2.5 Transparency and Accountability

- How did you know about the project?
- Are you happy with the kind of partnership that exists in this project? Why?
- Do you know everything that is done or will happen here?
- Do you think a lot of information has been kept away from the workers/people/government/the partner?
- Are you allowed to ask questions/seek clarification for things you wish you knew?
- Do you think PPP projects are risky?
- Can you confirm whether a risk assessment was conducted before the project commenced?
- Was the risk, if any, allocated well between the partners?

10.2.6 Way Forward

- Do you know of any law or legislation that governs the conduct of PPP in Ghana?
- Do you think the absence of PPP law(s) in the country is hindering the effectiveness of the process?
- What other issues affect the success of PPP in Ghana?
- What do you think is the future of PPP in Ghana?

This work examines PPP projects within the context of the Ghana National PPP Policy document that provides exhaustive guidelines on how to engage in PPP arrangements in the country. It focused on market projects at the local level that are central to Assemblies revenue generation drive but also an “ancestral space” where “occupational gifting” occur. The work finds that there is weak competitiveness, transparency, value-for-money analysis in the execution of PPP projects in the market sector at the local assembly level. It concludes that with proper framing, appropriate expertise and the right legislation, PPP projects have the potential to build the capacities of local assemblies, support their infrastructural developmental quest, reduce bureaucratic bottlenecks, create employment and generate revenue. It further concludes that the absence of appropriate legal regime for PPP arrangements, coupled with politicization and poor land administration often leave the process to so much discretion and abuse. Moving forward therefore, PPP projects should go through the normal tender processes and allow more citizens' participation and oversight. Also, proper legislation is needed to safeguard indiscrete use of discretion by local authorities.

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The Friedrich-Ebert-Stiftung (FES) is a German political not-for-profit organization with offices worldwide. FES has been operating in Ghana for over 45 years now. Some of the topics FES work on are: Political Participation, Economic Development and Social Justice, Security Policy, Gender and Youth related issues.

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