DISERTATION IN PARTIAL FULFILMENT OF THE REQUIREMENTS OF MASTERS DEGREE IN BUSINESS ADMINISTRATION OF UNIVERSITY OF ZIMBABWE

TOPIC: A CRITICAL ANALYSIS INTO THE SUCCESS OF PUBLIC PRIVATE PARTNERSHIPS TOWARDS ECONOMIC DEVELOPMENT OF ZIMBABWE FROM 2009 TO 2013.

BORNFACE CHIYANGWA

R014931E
ACKNOWLEDGEMENTS
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DEDICATION

This project is dedicated to my wife and kids.
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### ACRONYM

<table>
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<th>Acronym</th>
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<tr>
<td>BLT</td>
<td>Build-lease-and-transfer</td>
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<td>BOOT</td>
<td>Build-own-operate-and-transfer scheme</td>
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<td>BOT</td>
<td>Build-Operate-and-Transfer Scheme</td>
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<td>BT</td>
<td>Build-and-Transfer scheme (BT)</td>
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<td>BTO</td>
<td>Build-transfer-and operate</td>
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<tr>
<td>CZI</td>
<td>Confederation of Zimbabwe Industries</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>LDO</td>
<td>Lease, develop and operate</td>
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<td>PPP</td>
<td>Private-Public Partnerships</td>
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<td>ROT</td>
<td>Rehabilitate-operate and transfer</td>
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<tr>
<td>SOE</td>
<td>State owned enterprise</td>
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<tr>
<td>ZEPARU</td>
<td>Zimbabwe Economic Policy Analysis and Research Unit</td>
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<td>ZNCC</td>
<td>Zimbabwe National Chamber of Commerce</td>
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ABSTRACT

Public Private Partnerships are a critical aspect for economic development in Zimbabwe. The research sought to assess the success of the public private partnerships in economic development of Zimbabwe from 2009 to 2013. The research objectives were as follows; to assess the factors that contributes to a successful PPP; to assess Government institutional conditions on policies and regulations for PPPs in Zimbabwe; to evaluate the viability capacity of the Zimbabwean Private firms to venture in to PPPs in Zimbabwe; to evaluate the viability capacity of the Zimbabwean financial institutions to fund PPPs in Zimbabwe and to make recommendations on the appropriate model for PPPs that can be adopted by Zimbabwe.

The research was carried out on respondents from the Public Sector represented by Ministry of Finance (20) and Private sector represented by ZNCC (40) and CZI (40) respondents will be selected. The total sample that was used for the research was 100. The researcher used a survey to carry out the research using a questionnaire as the research instrument.

The research findings showed that there were PPP projects that were carried out in the country. The results indicated that there were no institutional frameworks to deal with PPPs and that had a serious effect on PPP delivery. The private sector and the public sector were not capacitated to engage in PPPs due to the country and global financial problems. The researcher however recommends the government to come up with a PPP unit in the Office of the President and Cabinet to oversee the allocation and monitor progress on PPPs in Zimbabwe. The government is supposed to draw a bill that can be adopted to ensure that issues to do with PPPs are addressed. Corruption is one area that require attention as a way of ensure a smooth running PPP projects.

Key words: Public Private Partnership, Economic development, Private sector, Financial institutions
CHAPTER ONE: INTRODUCTION

1.0 INTRODUCTION
The research focused on a critical analysis into the success of Public Private Partnerships towards economic development of Zimbabwe from 2009 to 2013. This chapter looked at the introduction of the research. The researcher started by highlighting the background of the study assessing the International, African and Local perspective of the study. The researcher also developed objectives and research questions to be assessed at the end of the research. The researcher also developed a hypothesis and justification of the study. The chapter ended with a chapter summary.

1.1 BACKGROUND OF THE STUDY

1.1.1 PPP International perspective

Worldwide, PPPs are increasingly being viewed as an avenue for economic development and infrastructure development. While African governments can look to domestic sources of capital, as well as International Development Partners such as the World Bank and African Development Bank, there are also significant number of international players looking at the African continent for places to invest into properly structured projects that offer a reasonable rate of economic return, particularly when they involve PPPs (Dynamics, Issue 8, December 2013). PPPs, if properly administered have got the potential to fund projects in road construction, energy and power development and sanitation.

PPP’s attractiveness followed after their inception in the wake up of the wave of privatization of government institutions by conservative governments in United States and Europe in the 1980s. The idea of the need for the private sector involvement of government services was send abroad to developing countries through the many Structural Adjustment Programmes implemented by the IMF and World Bank.
Subsequently, European political parties have stressed the partnership idea in PPPs not only to be accorded to the corporate sector, but also to civil society organizations (Levine, 2002).

1.1.2 PPP African perspective

Africa is a continent that has countries that are going through some development and PPP is one of the key instruments that are being used can foster progress. In an article by Rampa and Bilal (2011), is highlighted that “Africa’s lack of infrastructure, and how this affects not only the poverty and equity, but productive activities and network building across borders and estimated US$800 billion is invested in infrastructure in developing countries each year but the needs are said to be double that.” The financing requirements for Africa alone are mainly for transport and electricity, yet hardly half of this is in fact spent in infrastructure. Private sector investment in Africa has been sluggish due to poor business environment, inadequate long term investment in local currencies, low per capital incomes, corruption, and lack of educated and skilled workforce.

1.1.3 Status of PPPs in Zimbabwe

According to Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU) (2014) Zimbabwe has gone through incessant deterioration in existing public infrastructure due to the decade-long economic depression. The inception of the inclusive government followed a period of economic stability and attention shifted to having more investment in growth-enhancing infrastructure in transport, water and power sectors. PPP’s were first introduced in 1998 to fund infrastructure and public services after government’s commitments to the projects through the Public Service Investment Fund fell precipitously as a result of structural adjustment programmes (Newsday, 2010).

PPPs are viewed as the most viable option for State owned enterprise (SOE) recapitalization (Newsday, 2010). The problems affecting these state run institutions is soar because of the lack of control by the government that mandated them to operate. This has led to a huge depletion of the nation’s resources. The costs of infrastructure
rehabilitation in Zimbabwe have proved to be higher than the costs of usual maintenance of resources after a long period of economic downturn. In short the Government is saddled with a poor performing coal mine, an inefficient railway company bankrupt national airline, a struggling power utility, an idle steel plant and most underutilized dams in the country. In light of the above challenges, it is imperative therefore that government forge partnerships with the private sector in an effort to improve public infrastructure, an important ingredient for economic development.

The new economic blue print, Zimasset talks about increased investment in infrastructure such as energy and power development, roads, rail, aviation, telecommunication, water and sanitation will be funded through acceleration in the implementation of Public Private Partnerships (PPPs) and other private sector driven initiatives. (ZIMASSET October 2013 to December 2018). The blueprint captured that private and public sector were critical in the public roles to ensure that PPPs were properly implemented. Preliminary research showed that the private and financial sectors were willing and but were not able to venture in the projects. They highlighted corruption, misappropriation of funds, and poor allocation of projects on the previous PPP projects. That had hindered their business opportunities to make returns on investment. Thus they felt there was no assurance of them making it in the projects due to the lack of proper institutional frameworks from the government.

1.2 STATEMENT OF THE PROBLEM
The biggest problem confronting the Government in Zimbabwean is to turnaround the economy from an economic downturn situation to an upturn path. The economic turn down has by and large been characterized by health delivery, deterioration of critical public infrastructure, low capacity utilization and utility services. Under the situation there is need the for a sustainable policy framework for the development and the rehabilitation of sustainable infrastructure are very important for Zimbabwe and Africa as a whole. The government has been unable to allocate meaningful resources, through the national budget, to fund infrastructure development and other capital projects.
Although the private and public sectors expressed willingness to enter into PPPs, preliminary research indicated that they complained of poor institutional frameworks to deal with PPPs hence they are skeptical to enter into partnership with the government. If this problem of PPP is not addressed it is unlikely that the country will register meaningful economic growth without investment in infrastructure something which the government has already recognized in both the 2014 National budget and the new economic blueprint, ZIMASSET.

1.3 RESEARCH OBJECTIVES
1. To assess the factors that contribute to a successful PPP.
2. To assess Government institutional conditions on policies and regulations for PPPs in Zimbabwe.
3. To evaluate the viability capacity of the Zimbabwean Private firms to venture in to PPPs in Zimbabwe.
4. To evaluate the viability capacity of the Zimbabwean financial institutions to fund to PPPs in Zimbabwe.
5. Recommend the appropriate model for PPPs that can be adopted by Zimbabwe.

1.4 RESEARCH QUESTIONS

The researcher looked at issues that need to be addressed so as to successfully embrace PPPs as a way of funding infrastructure projects in the country.

1. What are the factors that contribute to a successful PPP?
2. Are there any Government institutional conditions on policies and regulations for PPPs in Zimbabwe?
3. Why are Zimbabwean Private Firms not capable to venture in to PPPs in Zimbabwe?
4. Why are Zimbabwean Financial Institutions not capable to fund PPPs in Zimbabwe?
5. What appropriate model for PPPs can be recommended for adoption by Zimbabwe?
1.5 RESEARCH HYPOTHESIS
The researcher made the following hypothesis:

**H1:** To what extent has PPP being used to deliver infrastructure assets is positively related to Economic growth of the country through PPPs in Zimbabwe?

**H2:** Availability of government institutional issues to do with PPPs is positively related to Economic growth of the country through PPPs in Zimbabwe

**H3:** PPPs and Capacity of the Private sector to venture into PPP is positively related to Economic growth of the country through PPPs in Zimbabwe

**H4:** Capacity of financial institutions to venture into PPP is positively related to Economic growth of the country through PPPs in Zimbabwe

1.6 JUSTIFICATION OF RESEARCH
It is important to spend time and resources on the study for the following reasons:

- The nation of Zimbabwe is going through some economic challenges that need attention. PPPs is one of the key issues that need to be addressed by the government of Zimbabwe. The researcher intend to highlight to Government and other Policy makers the advantages and challenges that need to be addressed on a macro level so that PPPs can become an important source of capital for infrastructure development and economic development in general.

- This research seeks to contribute to the body of knowledge and assist in providing in-depth knowledge in the subject area that the Private sector can adopt. The research can be useful to individuals and corporate which intend to fund capital projects through PPPs. This will also assist in enhancing the capacity of these organizations to partake in major projects.

- The research on PPPs in Zimbabwe to enhance economic growth has not received enough research. Therefore the researchers seek to close this gap by contributing relevant information and knowledge that can be used to develop the country in this study area.
1.7 SCOPE OF RESEARCH

This research was conducted within 6 months. The population of the study were the agencies and organizations that are spearheading PPPs. Due to time constraint, the sampling units was constituted by the Ministry of Finance who are the leading Ministry in the Execution of economic development policies in Zimbabwe and also the implementation of PPPs. The private sector was represented by the ZNCC and CZI who are the main bodies representing industry and commerce in the country.

1.8 DIsERTATION OUTLINE

The structure of the research will be as follows: Chapter one introduces the background of the subject on PPPs in Zimbabwe, Literature Review (Chapter 2), and then the methodology of how the research will be carried out (Chapter 3). Then the study is carried out and results are shown of the findings together with discussions (Chapter 4). Lastly the conclusion followed by recommendations (Chapter 5).

1.9 CHAPTER SUMMARY

The researcher in this chapter looked at the background of the study and came up with objectives and recommendations that are supposed to be answered at the end of the research. The researcher also came up with a proposition and justification why the research was being conducted and who were the intended beneficiaries. The next chapter will be Chapter 2 and it will look at the literature review.
2.1 INTRODUCTION

This chapter will review literature from areas where PPPs have been used in the region and in the world. The chapter will start by defining the PPPs and then look at the schemes available. The researcher also reviewed literature on the role of the government and the different types of private participation that is required in PPPs.

2.2 DEFINITION OF PPPs

A public-private partnership ("PPP") is a term used to describe a government-sponsored initiative or scheme which involves the use of private finance to facilitate the provision of services to the public and/or the delivery of social infrastructure assets (Tan, 2012). PPPs have been used to deliver infrastructure assets in the education, transport, defense and health sectors.

Figure 2.1 Private and Public sector.

According to the United Nations (2008) PPPs offer both operational and strategic alternatives to Government. Batley (2004) indicated that the, “strategically, the use of PPP fosters economic growth by developing new commercial opportunities and increasing competition in the provision of public services and attracting private and foreign Direct Investment inflows, thus encouraging crowding-in of private and/or foreign investment.” This allows the public sector to put in place Public Private Partnership Policy Statement and strategy, and where suitable in order to standardize economic activities, while the private sector focus on service delivery (Linder, 1999). Operationally, Batley (2004) indicated that PPPs provide opportunities for efficiency gains, clearer customer focus, better asset utilization and accelerated delivery of projects. Below are the PPP schemes for infrastructure development.

2.3 PPP SCHEMES

Figure 2. 2 PPP Schemes.

According to Dube and Chigumira (2014) there are a number of PPP schemes that can be taken up, depending on the type of the infrastructural project engaged. These include the following:

### 2.3.1 Build-and-Transfer scheme (BT)
According to World Bank (2007) the private sector player sources the finance and constructs the infrastructure projects and upon completion the infrastructure is handed over to government. The responsible government agency will then take over the role of ownership and operation. The government would pay the company an agreed sum of the project that they agreed when they negotiated initially (Linder, 1999).

### 2.3.2 Build-Operate-and-Transfer Scheme (BOT)
In the BOT scheme Batley (2004) showed that a private sector player embarks on the production of the infrastructure. The private sector player also funds the construction as well as the infrastructure operation upkeep. The firm would then control the facility for a static period of time, which the private sector player would be allowed to levy fees or rates on users of the infrastructure (United Nations, 2008). The charges to customers would be projected to be exactly as captured in the agreement and would enable the firm to recover its outlays as well as a reasonable profit. At the expiration of the specified term contract, the facility is transferred to the local government unit or government agency concerned (World Bank, 2007).

### 2.3.3 Build-own-operate-and-transfer scheme (BOOT)
In the BOOT scheme the private sector player funds, constructs, own and operates the infrastructure for a specified static period (World Bank, 2007). The private sector player is allowed to make any decisions it sees appropriate during the ownership period, with no government interference (Linder, 1999). It also gets the opportunity to recover its total outlay, operating expenses, as well as an equitable return (United Nations, 2008). For this to be successful revenue is collected through avenues such as tolls in highways, rentals, fees or other charges. At the termination of the agreed period, the infrastructure is given over to government, which would then take all responsibilities.
2.3.4 Build-lease-and-transfer (BLT)
In this model the private sector player constructs the infrastructure and transfers the project to the government for lease agreement for a period of time (World Bank, 2007). The organization will recover its production or construction costs of which after an agreed period of time the government will take over the project. The project will be transferred completely to the government.

2.3.5 Build-transfer-and operate (BTO)
According to Linder (1999) BTO scheme is whereby the private sector player construct infrastructure and when completed transfer it to government. However, despite not having ownership, the business firm is permitted to control the infrastructure on behalf of the government, with earnings being disseminated as per contract agreement (United Nations, 2008).

2.3.6 Rehabilitate-operate and transfer (ROT)
This ROT involves a PPP system which is entered into by a private player where the infrastructure is already in existence but in a depleted state for maintenance, refurbishing and reconditioning (World Bank, 2005). To recoup investment costs and get a reasonable return, the private player is permitted to operate the infrastructure for an agreed time frame until the facility is handed back (World Bank, 2007).

2.3.7 Lease, develop and operate (LDO)
According to Batley (2004) the LDO scheme, is where by the private sector player leases a surviving facility from the government, enlarges, modernizes, renovates it before assuming operation privileges for an agreed timeframe (World Bank, 2005). The government benefiting from the lease payments in that process, while the firm gets an opportunity to recuperate costs (World Bank, 2007).

2.4 PPP FOR ECONOMIC DEVELOPMENT
According to Shediac, et al. (2008) although PPPs can compliment government resources for other public needs, the main concern is that they will not essentially influence the economy without including the right mix of factors. The value, type and number of PPPs, combined with helpful policies, power, economic growth as depicted in figure 2.1.
2.4.1 The number of PPP contracts.
The more PPP projects get underway in a nation, the higher the velocity of GDP growth. Harris (2003) argued that the countries with 70 or more PPP infrastructure projects demonstrated a 25 percent GDP growth rate between 1990 and 2003.

According to United Nations (2008) such projects tend to be large activities that convey investment into the market while creating long-term job opportunities. The job opportunities created drives more consumption in the economy and generate more assets that fuel a stronger economy (Shedia, et al. 2008). Private investment of this nature creates a sustainable model for economic growth and also attracts other private investors to the market (Derkzen and Bock, 2007).
2.4.2 Value of the PPP projects.
Higher value projects inject more financial resources and investment into the economy. As PPPs introduce additional financial resources into the economy, government expenditures decrease (Shediac, et al. 2008). In response, public resources that previously would have been used for infrastructure needs are channeled into more socioeconomically productive sectors, such as education and health. In a research done by Harris (2003), a percentage raise in PPP investment increased GDP per capita by 0.3 percent. This implied that PPP investment was dependable towards the increased GDP levels sizably (World Bank, 2005). According to United Nations (2008) the short-term boost had a significant cumulative effect over time and economic growth is relatively small. The results proved factual even after macroeconomic factors, education, institutional factors, social factors, geographic factors and are accounted for (World Bank, 2005).

2.5 GOVERNMENTS INSTITUTIONAL CONDITIONS FOR PPP IMPLEMENTATION

World Bank (2007) states that institutions are universally understood to be the bodies setting formal rules such as property rights and rule of law, while taking into account informal constraints such as beliefs, traditions and social norms that shape individual interactions. Batley (2004) indicated that this envelop the superiority of institutions and their efficiency in translating policy into successful implementation. Governance matters in PPPs if governments are to climb the maturity curve (Batley, 2004). This process necessitates the enabling institutions, processes and procedures surrounding PPPs to fully take advantage from PPPs (World Bank, 2007). This means also assisting governments to play a significant role in the course of action and involving citizens as well as other stakeholders (Linder, 1999). Many governments, regional, international organizations and NGOs now recognize the importance of governance for economic development (Lauri, 2005).
According to the World Bank (2007) the participants identified four roles that governments should implement in order to support the PPP development in a country. Governments are required to:

- According to Ramm (2011) government provide appropriate framework conditions that will in turn make possible the private sector (most notably the insurance companies) to center their efforts on providing insurance to the low-income market.

- Batley (2004) indicated that government takes responsibility of social protection. According to Lauri (2005) they take the form of social assistance within the framework of programmes such as health vouchers and cash transfers.

- The World Bank (2007) highlighted that governments take those investments in infrastructure such as improving health care services and taking preventive measures to reduce the impact of the shock.

- The government takes a more active function in capacity building. Linder (1999) noted that while it is usually funded by donor organizations, governments have a responsibility towards their populace. According to World Bank (2005) it is important to take into account that this kind of government involvement can be politically fragile as it may hinder the autonomy of implementing technical assistance providers.

World Bank (2005) highlighted that regardless of what efforts governments make, the private industry expressed concerns during the discussion about the lack of information asymmetry, government transparency, trust and corruption. On the other hand, Lauri (2005) indicated that the private sector may have its own reason for entering the market and could try to influence policy decisions without enlightening their full intentions.

According to Linder (1999) the importance of the government decision making process was raised and while the private industry voiced their belief that they should not directly interfere with regulatory issues, there should be a window of dialog between the two
sides. World Bank (2007) highlighted that this is particularly factual with regard to innovative products that may need regulatory approval.

Linder (1999) indicated that big government contracts are demanding, complex, and prone to exploitation by dishonest individuals, that can be politicians. According to Edwards and Hulme, (1996) there is a indisputable fear that political interfering with PPP tenders could scuttle progress. Batley (2004) highlighted that the majority, if not all of these public enterprise have huge debts accrue over a period of time which may make them unattractive to prospective investors. Linder (1999) noted that these prior debt commitments could profoundly weigh down the level of anticipated returns on investment capital.

2.5.1 Functions of a PPP Unit
A PPP unit is the response to an identified institutional problem encountered by a government in managing its PPP program (Lauri, 2005). The government failures (or nonmarket failures) may include poor procurement incentives, lack of coordination among government agencies, lack of expertise or sufficient information, and high transaction costs in proceeding with PPP deals (Istrate and Puentes, 2011). Given that governments face a diverse range of these failures in dealing with their PPPs, the PPP units fulfill different functions such as these identified by the World Bank:

2.5.1.1 Policy Formulation and Coordination
A PPP unit may act as a consolidator of information and policy regarding PPPs, overcoming the traditional soiled structure of government agencies (World Bank, 2007). While this function has a wider applicability at a central level, it is still feasible in a specific department sector or ministry with numerous offices involved in the PPP process (Lauri, 2005). For example, the UK Treasury’s PPP Policy Team—part of Infrastructure UK—is responsible for formulating the national PPP policy guidelines. In Canada, Partnerships British Columbia, the PPP unit for that province establishes policies and best practices for PPP management (Istrate and Puentes, 2011).
A PPP unit may coordinate the stakeholders involved in the PPP program at different levels. In case there are multiple departments or ministry-led PPP units, the central PPP unit may serve primarily to coordinate an overall national policy framework (Edwards and Hulme, 1996). For example, Ireland’s Central PPP unit chairs the Inter-departmental Group on PPPs, which brings together the PPP units from various ministries and representatives of other interested agencies (World Bank, 2007). The coordination may also happen across levels of government, especially in a federal structure (Ghere, 1996). The National Australian PPP forum, created in 2004, is a national coordination and cooperation mechanism among the federal, state and local governments on PPPs (Lauri, 2005).

In addition, the PPP unit may coordinate not only with government agencies but also with other stakeholders (World Bank, 2007). For example, Ireland’s Central PPP unit coordinates the Public/Private Informational Advisory Group, formed by representatives of employers’ organizations, unions, engineers’ organizations and public sector (Istrate and Puentes, 2011).

2.5.1.2 Quality Control
PPP units may respond to poor PPP procurement incentives by acting as the first reviewer of the potential PPP project proposals (World Bank, 2007). This may occur when agencies or ministries promote PPP projects without fully taking into consideration the long term fiscal impact on the government’s budget (Edwards and Hulme, 1996). For example, South Africa’s PPP Unit was created to prevent ministries from pursuing PPP projects that allowed them to avoid the national budgetary limits (Lauri, 2005). In addition, a PPP unit may verify whether the proposed project fulfills all the desired criteria set beforehand. Portugal’s central PPP unit, Parpública SA, conducts a technical assessment of proposed PPP projects before the procurement phase and provides its recommendation to the Ministry of Finance (Istrate and Puentes, 2011).
2.5.1.3 Technical Assistance

One of the recurring problems in PPPs is the lack of adequate and necessary skill in the public sector to deal with PPP deals (World Bank, 2007). This proficiency is not limited to financing issues such as the assessment of the Value for Money and the discount rate of the project, which may be contracted out to private consultants (Entwistle and Martin, 2005). More important is to understand the place of the PPP project in the government’s long term plan, its fiscal consequences, the allocation of risk between the public and the private sector and what government reforms would be required for a successful implementation (Lauri, 2005). While there is a role for private advisors in pursuing PPPs due to the complexity of the contracts, the public sector should be able at least to adequately provide oversight of the consultants to secure the public interest (Istrate and Puentes, 2011).

The creation of a PPP unit with the necessary technical skills to help procuring agencies would simplify the PPP process and allow for a more effective negotiation process (Ghere, 1996). Further, it provides a consolidated authority in negotiations. This is especially important when the PPP project involves several departments of the procuring public client (Istrate and Puentes, 2011).

Most PPP units currently in existence provide technical assistance to public entities procuring projects through PPPs (World Bank, 2007). This is one of the major reasons; Parpública SA was created in 2003. Portugal had a poor experience with PPPs in the 1990s, due to inadequate consideration of long term fiscal consequences, insufficient risk transfer to the private sector and rigidities in the procurement process (Entwistle and Martin, 2005).

The lack of public sector capacity in evaluating and managing PPP deals added to these problems (World Bank, 2007). As part of the reform of the PPP process, the Portuguese government created Parpública SA not only to conduct quality control upstream but also to provide technical assistance in project procurement and management (Istrate and Puentes, 2011)).
There is some concern about the potential conflict of interest in PPP units that provide both quality control and technical assistance (Lauri, 2005). This would be similar with an accounting firm that provides both auditing and consulting services to the same client (Edwards and Hulme, 1996). While most PPP units do not have a direct profit motive, these two functions should be clearly delimited in the structure of a PPP unit (Istrate and Puentes, 2011).

2.5.1.4 Standardization and Dissemination
In a PPP arrangement, the teams of bidders have to deal with myriad statutes and government regulations (World Bank, 2007). Moreover, these regulations differ from state to state, in the case of a federal government structure. This contributes to substantial transaction costs related to the procurement of PPPs, for both the private sector and the government, estimated to be 10 percent of a project’s capital costs (Istrate and Puentes, 2011).

A PPP unit may deal with these transaction costs by standardizing the procedures and requirements at different levels of the procurement process (Edwards and Hulme, 1996). This standardization process may take the form of documentation or recommended guidelines and best practices (Lauri, 2005). The companies interested in PPP opportunities can see beforehand a standard of the contracts employed and the required PPP characteristics, reducing the uncertainty in the market (Edwards and Hulme, 1996). In addition, it reduces the costs incurred in filling the paperwork for the bid. The public agencies benefit from the cutback in costs and time. Standardized documentation requires less time to grant approvals, create the tender documents or negotiate the contract with the bidders (Istrate and Puentes, 2011).

Standardization complements the other functions of a PPP unit (Edwards and Hulme, 1996). By providing standardized documentation, the PPP unit helps public entities to avoid pitfalls in structuring and managing the PPP contract (World Bank, 2007). Further, it provides another level of assurance that the contracts pursued fulfill the standard
requirements and protect the public interest. In addition, it helps the promotion of PPPs, because it creates certainty and legitimizes the PPP market (Lauri, 2005).

Québec’s PPP unit, (L’Agence des partenariats public-privé du Québec (PPP Québec), established in 2005, created a series of guidelines to be followed by the public sector in dealing with PPPs (Entwistle and Martin, 2005). For example, public bodies are required to use the criteria set up by the unit in evaluating the potential of a PPP proposal. PPP Québec recommends that public agencies use their standard assessment methodology in selecting a PPP project. Upon request, the unit may provide technical assistance to the public sector along the procurement process (Edwards and Hulme, 1996).

**2.5.1.5 Promotion**
The creation of a PPP unit increases the credibility of the government’s commitment to PPPs (Edwards and Hulme, 1996). Further, a PPP unit may act as a consolidator of information on PPP opportunities, given that investors are not always aware of the projects that the government would consider ripe for PPPs (World Bank, 2007). Both developed and developing countries have used PPP units as means to increase private interest in PPPs (Lauri, 2005). The Flemish PPP Knowledge Centre provides the private sector with information on PPP policy and possibilities. Partnership, BC also serves as a resource for the private sector interested in PPPs in British Columbia (Entwistle and Martin, 2005). The Philippines’ PPP Unit—the Philippines Build Operate Transfer Centre—has among its functions the promotion of the PPP Program to potential investors (Istrate and Puentes, 2011).

Incorporating both promotion and advisory functions in a PPP may lead to a conflict of interest problem (World Bank, 2007). If the PPP unit is considered successful by the number of PPP deals completed, the PPP unit may have an incentive to accelerate the process and not do full diligence on the projects (Edwards and Hulme, 1996). The optimal arrangement is to split the functions in different entities or have the promotion department of the PPP unit reporting to different government bodies (Istrate and Puentes, 2011).
Based on their functions, PPP units may be categorized as review bodies, full service agencies and centers of excellence (Entwistle and Martin, 2005). The review bodies limit their activity to a gateway quality control function and provide recommendations on the feasibility of PPP proposals to decision makers (Edwards and Hulme, 1996). The full service agencies fulfill additional functions to the quality control responsibility of the review agencies (Batley, 2004). The Centers of Excellence consolidate information and disseminate research and best practices regarding PPPs (Istrate and Puentes, 2011).

2.6 CAPACITY OF THE PRIVATE SECTOR TO VENTURE INTO PPP

The World Bank (2007) noted that the basic objective of private sector involvement in PPP is foster market-based competition delivery of public services or good. According to Lauri (2005) the term “privatization” is most commonly used to refer to any shift of government activities or functions from a public agency to the private sector. Laurie (2005) noted that privatization has also been characterized as “sometimes leaving very little government involvement, and other times creating partnerships between government and private service providers where government is still the dominant player.” Linder (1999) indicated the private party commonly provides the construction, design, operation and possibly financing for the partnership project and payments are done according to performance. Lauri (2005) highlighted that risks are placed and identified with the party best able to manage and bear them cost effectively.

Linder (1999) the private sector players has been used as a service delivery and procurement method for public agencies including contracting, vouchers, grants, volunteerism, private donation, public-private partnerships, franchise, deregulation, service shedding and asset sales. World Bank (2007; p.132) noted that, “it has been frequently associated with industrial or service oriented enterprises, including power generation, health, sanitation, and education, but it can also apply to any publicly owned asset, such as land, roads, or even water rights.”
Lauri (2005) indicated that fruitfully implemented private sector involvement can provide many public benefits including innovation, efficiency and high quality services. This in turn yield cost savings as well as streamline government operations. World Bank, (2007, p.133) noted that , “a common form of privatization is an asset sale where the public agency sells or transfers ownership of public assets to the private sector, with the government having no role in the financial support, management or oversight of a sold asset.” Renda and Schrefler (2006) highlighted that a probable result is that a public agency may become a regulatory body over a former public asset or enterprise system if new ownership results in a potential monopoly.

Derkzen and Bock (2007) highlighted that private companies have always been blamed for seeking to maximize revenue at the expense of superior public good. Lauri (2005) indicated that one big criticism of PPPs is that the only way firms can make revenue is by cutting employees’ salaries and benefits. Fowler (1998) added that their members are moved into the private sector, where they have less employment rights and benefits such as pensions and childcare. Often PPPs are complex to implement according to Linder (1999) but experience from other developed and developing countries has exposed that PPPs can make vital contribution towards improving public infrastructure provisions when carefully and properly implemented.

2.7 CAPACITY OF THE FINANCIAL INSTITUTIONS TO VENTURE INTO PPP

2.7.1 Role of the lender
According to the World Bank (2007) stakeholders of PPPs including government and project sponsors, depend on the project monitoring and due diligence taken on by project finance lenders (Brinkerhoff, 2002). However, while these disciplines provided by the debt providers have been, and remain, valuable, the highly geared capital structures in past PPP projects have tended to restrict operational project flexibility
(Brunsson and Sahlin-Andersson, 2000). Uncertain debt markets have also accelerated the need to consider different financing structures from wider sources of debt finance, so that such projects can continue to secure long-term debt on value for money terms (Mayson, 2003).

Other financial concerns relate to the basis for determining project IRR or NPV values and the source of the financial data upon which these calculations are based (Ribot, 1999). If the private partners to a PPP collect and retain control over project revenue proceeds, including toll revenues and financial transaction fees collected during the term of the contract, it is uncertain whether the information is a complete or accurate representation of the financial status of the project (Mayson, 2003). Where the private sector retains control of project revenues and this information is used to determine IRR thresholds for revenue sharing, the asymmetrical nature of this financial information can raise questions about the veracity of the results (Gaventa, 2005). Revenue-sharing arrangements require that the public sector have access to a project’s full financial records for audit purposes to ascertain their authenticity (Renda and Schrefler, 2006).

2.7.2 Competitively priced debt finance shortage

Since then, PPP projects have been mainly dependent on the bank loan marketplace as the provider of long-standing debt finance (Brunsson and Sahlin-Andersson, 2000). According to Istrate and Puentes (2011) the sovereign debt crisis in Europe combined with the global economy downturn in fresh bank regulatory necessities, has had a key blow on debt markets. It has become increasingly challenging to raise debt finance for projects (Agrawal and Gibson, 1999). The cost of long-term borrowing for infrastructure projects has increased sharply and the availability of long-term bank debt has significantly decreased (Gaventa, 2005).

Banks continue to offer short-term loan structures; government does not believe that the refinancing risk represents value for money (Brinkerhoff, 2002). Derman, Lahiff and Sjaastad (2007) indicated Banks play an important role in providing finance of PPP
projects through long-term loans including construction guarantees or products to support institutional investment.

Where long-term bank finance is available, margins demanded by the banks are often at levels which threaten the value for money of projects (Ribot, 1999). According to March (2007) public sector sponsors of PPPs are becoming increasingly interested in the financial returns from PPPs given the potential for some deals to generate windfall profits far above the purported rates of return required by the private sector to consider a project financially feasible. The challenge is how to balance the financial risk-taking by private partners financing or helping to finance a project through a PPP, which may not achieve minimum rates of return (Escobar, 1995). According to the World Bank (2007) more recent PPPs involving private financing are introducing revenue-sharing based on levels of rates of return on invested capital achieved from the project, with increased proportions of project revenues going to the public sponsor as the project IRR reaches greater levels. The most recent deals have including revenue-sharing between the public and private partners starting when the project opens (Ribot, 1999). With revenue-sharing the public partners retain a financial interest in the success of the PPP project, which limits the potential for the private partners to earn windfall profits (Gaventa, 2005). Revenue sharing generally reduces the total value of the deal to the private sector and consequently the up-front payment a concessionaire may be willing to provide the sponsoring agency for a long-term concession lease (Mayson, 2003).

Typical issues associated with the financial analysis of transportation PPP projects include:

- Assumed inflation rates on costs and interest rates on debt
- Length of contract term - affects value of PPP deal and ownership status of lease
- Required debt coverage ratios and level of reserve funds
- Treatment of risks - range of outcomes
- Taxable versus non-taxable debt and equity - timing issue
- Transparency - public availability of private sector project financial information
Other financial issues relate to the use of IRR and NPV calculations to determine the value of a long-term concession lease or the profits from a PPP involving financing by the private partner (Gaventa, 2005). Both calculations depend on assumptions regarding the future level of background inflation, which may not transpire as projected (Edward and Hulme, 1996). In the case of NPV calculations, the results become unusable beyond a twenty-year contract term due to the declining value of project costs and revenues that far into the future due to the effects of inflation (Entwistle and Martin, 2005). Long-term contracts of fifty or more years are even more difficult to project financial results, which makes revenue-sharing a risk sharing strategy for both public and private partners to a long-term PPP involving financing possibly with both the public and private sector participating in the financing arrangements (Edward and Hulme, 1996).

2.8 MODEL FRAMEWORK FOR PPP IMPLEMENTATION

![Figure 2.4 PPP framework model.](source:March (2007))
According to March (2007) the framework above provides for assessment the potential of economic projects to be delivered as a PPP. This framework includes both the contextual factors and various institutional issues likely to be encountered in developing and implementing a PPP project (Edward and Hulme, 1996).

According to Mosse (2004) among the items displayed in the framework, one of the most important factors to consider and the hardest to change is the underlying culture of the sponsoring organization - the set of values and beliefs that guide how the organization functions and responds to change. Another key factor in evaluating the potential of using a PPP approach is the legality of private sector involvement in the project relative to funding, project delivery, asset management, risk management, and value capture (whether through toll revenues or incremental taxes or fees on adjacent property whose value is increased due to the enhanced accessibility provided by the PPP project) (Brinkerhoff, 2002).

The model illustrates the elements of the change process needed to improve institutional willingness to consider using alternative project delivery approaches by:

- Enabling sponsoring agencies to gain insights from prior PPP efforts into best practices for addressing potential impediments to PPPs;
- Allowing flexibility in how PPPs can be structured and managed to maximize potential outcomes while protecting the public interest;
- Providing a balanced assessment of alternative project delivery approaches and traditional approaches; and
- Developing an objective basis for determining if a PPP approach provides the potential for greater benefits than the transitional project delivery approach.

Derkzen and Bock (2007) noted that the framework show the importance of experience from successful PPP applications in the U.S. and other countries to enhance the potential for alternative project delivery approaches to be considered by project
2.9 CONCEPTUAL FRAMEWORK
According Jeffels(2014) “a conceptual framework is a tool researchers use to guide their inquiry; it is a set of ideas used to structure the research, a sort of map that may include the research question, the literature review, methods and data analysis.” The researcher suggests that the Economic development of Zimbabwe is dependent on Government institutional conditions, Private firm’s participation and financial institution support. This can be done through a well-structured PPP scheme that meets the project that will be undertaken. The researcher developed the conceptual framework through findings gathered through literature. Figure 2.5 highlight the following:

- PPP being used to deliver infrastructure assets is positively related to Economic growth of the country through PPPs in Zimbabwe
- Availability of government institutional framework to do with PPPs is positively related to Economic growth of the country through PPPs in Zimbabwe
- Capacity of the Private sector to venture into PPP is positively related to Economic growth of the country through PPPs in Zimbabwe
- Capacity of the financial institutions to venture into PPP is positively related to Economic growth of the country through PPPs in Zimbabwe
This chapter assessed different literature from different sources such as Journals, Internet and books. The chapter started by defining the PPPs and then looked at the schemes available. The researcher also reviewed literature on the role of the government and the different types of private participation that is required in PPPs. The next chapter will be look at the research methodology of the study.
CHAPTER THREE: RESEARCH METHODOLOGY

3.0 INTRODUCTION
Research methodology is the process, design, or structure for gathering, assessing, and reporting activities in a research study (Creswell and Patton, 2002 cited in Hubbell, 2007). This chapter will discuss the research strategy, time horizon and philosophy adopted in the research. The researcher will also come up with the population and the sample of the research.

3.2 THE RESEARCH PROBLEM AND OBJECTIVES RECAP

3.2.1 Statement of the Problem
The biggest problem confronting the Government in Zimbabwe is to turnaround the economy from an economic downturn situation to an upturn path. The economic turn down has by and large been characterized by health delivery, deterioration of critical public infrastructure, low capacity utilization and utility services. Under this situation there is need for a sustainable policy framework for the development and the rehabilitation of sustainable infrastructure for Zimbabwe and Africa as a whole. The government has been unable to allocate meaningful resources, through the national budget, to fund infrastructure development and other capital projects. If this problem is not addressed it is unlikely that the country will register meaningful economic growth without investment in infrastructure, something which the government has already recognized in both the 2014 National budget and the new economic blueprint, ZIMASSET.

3.2.2 Objectives of the Study
The researcher looked at issues that need to be addressed so as to successfully embrace PPPs as a way of funding infrastructure projects in the country.

3.2.3 Research Hypothesis
The researcher made the following hypothesis:
H1: PPP being used to deliver infrastructure assets is positively related to Economic growth of the country through PPPs in Zimbabwe

H2: Availability of government institutional framework to do with PPPs is positively related to Economic growth of the country through PPPs in Zimbabwe

H3: PPPs and Capacity of the Private sector to venture into PPPs is positively related to Economic growth of the country through PPPs in Zimbabwe

H4: Capacity of the financial institutions to venture into PPPs is positively related to Economic growth of the country through PPPs in Zimbabwe

3.1 RESEARCH DESIGN
A research design encompasses the methodology and procedure employed to conduct scientific research (Mankiw, 2014).

Figure 3.1 Research onion framework
Source: Saunders (2009).
The design of a study defines the study type, research question and hypotheses, independent and dependent variables, and data collection methods (Giddens and Sutton, 2010). There are many ways to classify research designs, but some examples include descriptive (case studies, surveys), correlational (observational study), semi-experimental (field experiment), experimental (with random assignment), review, and meta-analytic, among others. Another distinction can be made between quantitative methods and qualitative methods (Hubbell, 2007).

### 3.1.1 Research Philosophy

There are two research philosophies.

These are the positivist paradigm, which is quantitative, and the phenomenological paradigm, which is qualitative.

#### 3.1.1.1 Quantitative Methods

Quantitative methods are generally useful when a researcher try to study large-scale prototype of behavior (Leary, 2007). Quantitative methods of sociological research approach social phenomena from the perspective that they can be measured and quantified. For instance, socio-economic status can be divided into different groups such as working-class, middle-class, and wealthy, and can be measured using any of a number of variables, such as income and educational attainment (Henslin, 2007).

#### 3.1.1.2 Qualitative Methods

Qualitative sociological research is often associated with an interpretive framework, which is more descriptive or narrative in its findings (Leary, 2007). In contrast to the scientific method, which follows the hypothesis-testing model in order to find generalizable results, the interpretive framework seeks to understand social worlds from the point of view of participants (Zikmund, 2009).

Quantitative paradigm was applied in this research to assess the role of PPPs in achieving the economic development of the country. Quantitative paradigm was used as it provides data that required quantitative comparison in the area of PPPs in Zimbabwe.
The researcher used this qualitative philosophy because it may not always suit social science; as a result validity of findings can be reduced since social phenomena cannot be reliably measured.

### 3.1.2 Research Approaches

#### 3.1.2.1 Deductive Reasoning

Deductive reasoning happens when a researcher works from the more general information to the more specific (Babbie, 2001). Sometimes this is called the “top-down” approach because the researcher starts at the top with a very broad spectrum of information and they work their way down to a specific conclusion (Leary, 2007). For instance, a researcher might begin with a theory about his or her topic of interest.

#### 3.1.2.2 Inductive Reasoning

Inductive reasoning works the opposite way, moving from specific observations to broader generalizations and theories (Shuttleworth, 2008). This is sometimes called a “bottom up” approach. The researcher begins with specific observations and measures, begins to then detect patterns and regularities, formulate some tentative hypotheses to explore, and finally ends up developing some general conclusions or theories (McLeod, 2008).

The researcher used inductive approach in the research to assess the phenomenon of PPP in Zimbabwe. The researcher used observations on how the mechanism was being used in the country. The researcher came up with objectives and a proposition to assess how PPP could be used to enhance economic development in Zimbabwe.

### 3.1.3 Research Strategy

#### 3.1.3.1 Survey Design

According to Leary (2007) a survey is a data gathering method that is utilized to collect, analyze and interpret the views of a group of people from a target population. Surveys
have been used in various fields of research, such as sociology, marketing research, politics and psychology.

The survey methodology is guided by principles of statistics from the moment of creating a sample, or a group of people to represent a population, up to the time of the survey results' analysis and interpretation (Zikmund, 2009). From simple polls regarding political beliefs, to opinions regarding a new product versus another, the survey method is proven to be an effective technique to gather necessary information for the advancement of science and technology (Hubbell, 2007).

An epidemiologic study which produces survey results will consist of simultaneous assessments of the outcome, primary risk exposure and potential confounders and effect modifiers (Leary, 2007). Reflecting the status at one particular time, the survey results provide a 'snapshot' of a population (Zikmund, 2009). A survey conducted at one point in time is a cross-sectional study or a prevalence study (Hubbell, 2007).

A survey was be conducted by the researcher on CZI, ZNCC and Ministry of Finance. The Ministry represented the government on how it is managing the issue of PPPs. The private sectors around the country were represented by the firms registered under the CZI and ZNCC association. This ensured easy access to organizations that are scatted in different locations of the country.

3.1.4 Time Horizon

3.1.4.1 Longitudinal time horizon
This is research that is carried out over a long period of time. A researcher may take a period of time assessing or observing how a particular community is interacting.

3.1.4.2 Cross Sectional time horizon
These are researches that are conducted in limited time frames. These types of researches are mainly common in educational researches that are time specific. For example a project that is done and completed in a space of 6 months.
The researcher conducted the research over a period of 6 months since it was meant to satisfy an academic requirement. This therefore meant that the research was Cross sectional.

3.2 POPULATION AND SAMPLING TECHNIQUES

3.2.1 Population
A population is any complete group of entities sharing some common set of characteristics (Zikmund, 2009:357). Leary (2007) also defined population is a group of individuals of the same species that live together in the same place, and that possess an average set of properties, such as birth rates and death rates (Zikmund, 2009). This definition recognizes that populations are made up of individual organisms but does not require that we know which individuals give birth or die, or where they are located in space (Jacobsen, 2011). Instead the population is characterized by average birth and death rates, and variability in these averages is treated as a statistical property of the population. According to Hubbell (2007) knowledge about the individual is sacrificed in order to have a practical theory that does not require us to have information about the inclination or location of individual organisms.

The population targeted is the private sector and the public sector that make up the Public Private Partnership. The private sector population comprised of the CZI (302 members) and ZNCC (251 members) which are bodies that collaborate with government in policy and implementation of PPPs in Zimbabwe. The two commerce bodies comprised of organizations from different sectors of the economy. The public sector population was represented by the Ministry of Finance which has 10 departments which comprised of 56 employees. The total population to be used for the research was 609.

3.2.2 Sampling Technique
Sampling is a process by which a researcher selects a sample of participants for a study from a population (Leary, 2007). There are various sampling techniques. These are probability sampling and non-probability sampling. The first comprises simple random sampling, stratified sampling, systematic and cluster sampling (Zikmund, 2009).
The later covers convenience sampling, judgment, snowball, quota and maximum variation sampling. Sampling techniques have been defined below:

3.2.2.1 Simple random sampling
Simple random sampling could be accomplished by assigning each student in the population a number between 1 and N, the size of the population, and then using a random number generator to produce n numbers between 1 and N to select the sample (Lazar, Feng and Hochheiser, 2010). Simple random sampling ensures that each student is equally likely to be selected for the survey (Leary, 2007). It is reasonable to generalize the results of the survey from a simple random sample back to the population (Zikmund, 2009). However, since every possible subset of the population has potential to be selected as the sample, the researcher could get a sample that does not represent all the subgroups in the population (Jacobsen, 2011).

3.2.2.2 Stratified random sampling
Stratified random sampling is whereby first, the population is divided into homogeneous subgroups, or strata. In this example, there would be a stratum for students living in a contaminated area and another stratum for those living without contamination (Lazar, Feng and Hochheiser, 2010). A simple random sample of students is selected from each stratum. Stratified sampling assures that selected subgroups of the population will be represented in the sample. If the strata are homogeneous, statistical precision from stratified sampling is greater than that achieved with simple random sampling (Hubbell, 2007). Stratified samples can be proportionate to the size of the stratum relative to the population or disproportionate (Jacobsen, 2011). If sampling is disproportionate, overall population estimates are constructed by weighting within-group estimates by the sampling fraction (Zikmund, 2009).

3.2.2.3 Cluster sampling
Suppose the population of interest is dispersed over several square kilometers, for example, villages along a river in a developing country. A home survey with questions about household health practices is planned (Lazar, Feng and Hochheiser, 2010). If a
simple random sample from a list of households is selected, the interviewers might have to cover much ground in order to reach each selected household (Hubbell, 2007). Cluster sampling is useful to solve this problem. In cluster sampling, the population is divided into clusters, usually geographic areas. A cluster might be a zip code area or streets within a city (Leary, 2007). Clusters are randomly sampled and all units within the sampled clusters are part of the sample. In our example, if the villages are used as clusters; the interviewers will only visit households within the villages selected for the sample (Jacobsen, 2011).

### 3.2.2.4 Systematic sampling

An alternative to a simple random sample is systematic sampling. If a population of size N is to be systematically sampled to produce n observations, the sample consists of a randomly selected initial observation among the first \( r \) \((N/n)\) units in the population, followed by every \( r \)th observation (Lazar, Feng and Hochheiser, 2010). Systematic sampling can be easier to implement than simple random sampling and may represent the population as well as a simple random sample. However, if every \( r \)th unit corresponds to an existing sequence in the population with the result that each member of the sample was selected from the same part of the recurring pattern, the sample will be biased (Leary, 2007). For example, if an observation is made every seventh day, beginning on a Monday, the entire sample will only represent Monday experiences (Roughgarden, 1989).

Stratified random sampling was used to select the respondents from the different categories of the population that was selected for the research. Stratified random sampling was used because the sample for the research was drawn from different areas that were from different institutions. Each stratum was constituted with of population with common view on PPPs. The strata were divided into CZI, ZNCC and the Ministry of Finance. Simple random sampling was used to select the respondents from the different stratus. From each category that is Public Sector represented by Ministry of Finance (20) and Private sector represented by ZNCC (40) and CZI (40) respondents will be selected. The total sample to be used for the research was 100.
3.3 DATA COLLECTION METHODS
Both primary and secondary data will be used. For primary data collection questionnaires will be used and also follow-up interviews will be conducted.

3.3.1 Questionnaires
These questionnaires are designed in different forms from: from tick boxes to free text responses and based on fact to opinion based (Lazar, Feng, and Hochheiser, 2010). Most researchers indicated that are often viewed as easy and quick use in a research study although this is not always the case. Before a questionnaire is distributed it is imperative to be clear about the aim of the questionnaire and how the responses will assist you improve study area (Hennink, Hutter and Bailey, 2010). This is useful to get useful responses, in a cost-effective way (Anderson and Morgan, 2008).

For secondary data information from Ministry of Finance, ZNCC, CZI records will be sourced, together with other credible publications. The questionnaire used will mainly consist of structured questions. Each respondent will be given a cover letter to inform them on the purpose of the study. In addition, ethical behavior will be applied too. As Benham & Francis (2006) stated that, the focus of research ethics is to protect the individual rights of human beings involved in research studies (as cited in Hubbell, 2007). This implies that all information provided was being treated with as confidential and participant’s names will be also being kept anonymous. The Interviews were be used in the probing unstructured questions to allow for in-depth response. The design of the questionnaire was in such a way that it allow respondent to express their opinion. The questionnaire was be pre-tested before use to ensure that it is unambiguous and is relaying the correct message. The purpose of this approach was to try to minimize any potential bias by the use of a single method.

3.3.2 Questionnaire Pre-test
Questionnaires are standardized so it is not possible to explain any points in the questions that respondents might misunderstand (Hennink, Hutter and Bailey, 2010). According to Leary (2007) this could be in part solved by pretest the questions on a small group of population that can be colleagues, students or employees (Leary, 2007).
The researcher carried out a pilot test with the 10 respondents from CZI and the Ministry of finance. The respondents that were used in the pilot test were not included in the final research. The respondent’s areas of concern in the research tool were used to reconstruct areas the questionnaire.

3.4 RESEARCH PROCEDURE
The researcher send out 20 questionnaires to senior members of staff within the Ministry of Finance that is from the position of Deputy Director upwards and also 60 company executives whose companies are members of ZNCC and CZI.

3.5 RESEARCH LIMITATIONS
The limitations that may be encountered during the research are:

i. There may be a very low response rate from management employees due to their diaries.

ii. The questionnaire may be too complex for some respondents resulting in other responses not given.

iii. The questionnaire may be misunderstood by some respondents who will then fail to give an honest response as there will be no probing.

To overcome these limitations, the respondents were encouraged to contact the researcher through contact details provided on the cover letter when they need any clarification. Some questionnaires were administered directly using interviews. This encouraged a high response rate of the questionnaires. A pretest will also be done to try and minimize any chances of the questionnaire being too complex.

3.6 DATA ANALYSIS TECHNIQUES
Data collected from the research will be analyzed using descriptive statistics (Benham & Francis, 2006). These include frequency distributions, pie charts, and bar graphs. Descriptive narrations and interpretations of results will be given. Excel and SPSS will be the packages used to analyze the data.
When analysing the data the researcher used Spearman`s Rank Correlation coefficients to assess the direction and strength of variables that economic growth through PPP in Zimbabwe. Correlations coefficients were examined to measure strength of the relationships of the independent and dependent variables.

3.7 VALIDITY
Validity refers to the accuracy of an assessment - whether or not it measures what it is supposed to measure. The researcher had to use findings from other researchers on performance management systems on performance driven behaviour. This was done on selecting the variables of performance driven behaviour and assess it on the companies that were selected for the research. The sample was large enough to ensure that the researcher can target the necessary groups that can give valid responses.

3.8 RELIABILITY
Reliability refers to the extent to which assessments are consistent. The researcher used SSPS to calculate the Cronbach`s Alpha Values in order to estimate the reliability of each research variables. The Cronbach`s Alpha values has to be above 0.6 to ensure that it is reliable. The research questionnaire was pretested on a pilot test before being distributed to the final respondents for data collection. The pre-test allowed the researcher to assess the instrument questions and restructured them so that the respondents did not have any complications responding to them.

3.9 CHAPTER SUMMARY

This chapter focused on the methodology of the study. This chapter discussed the research strategy, time horizon and philosophy adopted in the research. The researcher also came up with the population and the sample of the research. The next chapter will be chapter 4 and it will discuss and analyse the data collected through primary research.
4.1 INTRODUCTION

This chapter looked at the data that was collected from the respondents. The data was collected using the questionnaire. The data was translated into pictorial graphs for analyses and discussion.

4.2 RESPONSE RATE

Table 4.1 Response Rate

<table>
<thead>
<tr>
<th></th>
<th>Sample</th>
<th>Responded</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>CZI</td>
<td>40</td>
<td>32</td>
<td>80%</td>
</tr>
<tr>
<td>ZNCC</td>
<td>40</td>
<td>35</td>
<td>88%</td>
</tr>
<tr>
<td>Ministry Of Finance</td>
<td>20</td>
<td>15</td>
<td>75%</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>82</td>
<td>81%</td>
</tr>
</tbody>
</table>

Questionnaires were sent to respondents that were sampled by the researcher. Of the 40 questionnaires sent to CZI respondents 32 managed to respond, 40 questionnaires that were sent to ZNCC; 35 questionnaires were responded and finally 20 questionnaires were sent to the Ministry of Finance and 15 were responded. The total number of respondents added up to 82. The average response rate was 81%. This was high enough to justify the analysis of the data from the respondents. A high response rate is important as it ensures that researcher to have reliable data from the respondents.
4.3 RELIABILITY TESTS
The researcher used SPSS to calculate the Cronbach’s Alpha Values in order to estimate the reliability of each research variables. The Cronbach’s Alpha values has to be above 0.6 to ensure that it is reliable.

Table 4.2 Cronbach’s Alpha Values

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha Value</th>
<th>No of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPP impact in Zimbabwe</td>
<td>0.921</td>
<td>8</td>
</tr>
<tr>
<td>Government in PPP</td>
<td>0.735</td>
<td>11</td>
</tr>
<tr>
<td>Private sector in PPP</td>
<td>0.670</td>
<td>5</td>
</tr>
<tr>
<td>Finance sector in PPP</td>
<td>0.652</td>
<td>4</td>
</tr>
</tbody>
</table>

The table 4.2 show that the Cronbach’s Alpha values were between 0.652 and 0.921 which is acceptable for all four variables to be reliable to conduct the research.
4.4 DESCRIPTIVE ANALYSIS OF DATA

4.4.1 DEMOGRAPHICS

4.4.4.1 Demographics according organization

Figure 4.1 Demographics according organization

About 39% had the respondents worked for organizations under the CZI while 42.7% worked for organizations under the ZNCC. About 18.3% worked for the Ministry of
4.4.4.2 Demographics according to age

Figure 4.2 Demographics according to age

About 1.2% of the respondents were between 18-20 years and 8.5% were between 21-30 years. The majority of the respondents constituted 62.2% were between the ages of 31-40 years. About 13.4% of the respondents were between 41-50 years of age, 14.6% were between 51 years and above. Most of the respondents that were executives of senior officers in the Ministry of Finance. The majority of the respondents were between
31-40 years which meant that the respondents were mature to give relevant information on PPPs in Zimbabwe.

4.4.4.3 Demographics according to education

![Pie chart showing demographics by education level.]

Figure 4.3 Demographics according to education

The figure 4.3 above sought to assess the demographics according education. About 1.2% had Secondary/High education, 8.5% were at Diploma level, 7.4% were at bachelor’s degree level and 15% were at Masters level. Most of the respondents were between the bachelor’s degree level. Their education was adequate enough to provide response on the situation concerning PPPs in Zimbabwe.
4.4.4.4 Demographics according to experience

Figure 4.4 Demographics according to experience

The figure 4.4 above sought to assess the demographics according to work experience. About 11% were between 0-3 years of age, 79.3% were between 5 to 10 years, 6.1% were 10 to 20 years and 3.7% were 20 years and above. The average years of experience of the respondents were over 5 years and 10 years in the organizations the respondents were working in. This experience was good enough for the respondents to give valid information of PPP in Zimbabwe.

4.4.2 DESCRIPTIVE ANALYSIS OF DATA ON THE IMPACT OF PPPS IN ZIMBABWE.

4.4.2.1 Are you aware of the existence of PPPs in Zimbabwe?
Figure 4.5 Are you aware of the existence of PPPs in Zimbabwe?

The figure 4.5 above sought to assess the existence of PPPs in Zimbabwe. About 86.6% were aware of the existence of PPPs in Zimbabwe while 8.5% were not aware. The remaining 4.9% were not sure. This shows that the respondents were aware of the existence of PPPs in Zimbabwe.
4.4.2.2 PPPs have been used to deliver infrastructure assets in the education, transport, defense and health sectors.

![Pie chart showing the distribution of responses to the question of whether PPPs have been used to deliver infrastructure assets.]

Figure 4.6 PPPs have been used to deliver infrastructure assets in the education, transport, defense and health sectors.

The figure 4.6 above sought to assess whether PPPs have been used to deliver infrastructure assets in the education, transport, defense and health sectors. About 75.6% indicated Yes while 14.6% indicated no and the remaining 9.8% were not sure. The data suggests that PPPs were being used to deliver infrastructure assets that were necessary for the country. The government in these areas has been having problems in funding such areas and private players have chipped in to cover the gap.
4.4.2.3 Has PPP in the above mentioned areas create an impact towards the growth of the economy in Zimbabwe?

The figure 4.7 above sought to analyze if PPP in the above mentioned areas create an impact towards the growth of the economy in Zimbabwe. About 73.2% indicated Yes while 17.1% indicated no and the remaining 9.8% were not sure. The results suggest that PPPs were used to determine the economic growth of the country. The more PPP projects get underway in a nation, the higher the velocity of GDP growth (Harris, 2003).
### 4.4.2.4 What is the primary reason for implementing PPPs in Zimbabwe?

**Table 4.3 Primary reason for implementing PPPs in Zimbabwe**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>65</td>
<td>79.3</td>
<td>79.3</td>
<td>79.3</td>
</tr>
<tr>
<td>No</td>
<td>9</td>
<td>11.0</td>
<td>11.0</td>
<td>90.2</td>
</tr>
<tr>
<td>Not sure</td>
<td>8</td>
<td>9.8</td>
<td>9.8</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>82</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td><strong>Financing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>59</td>
<td>72.0</td>
<td>72.0</td>
<td>72.0</td>
</tr>
<tr>
<td>No</td>
<td>14</td>
<td>17.1</td>
<td>17.1</td>
<td>89.0</td>
</tr>
<tr>
<td>Not sure</td>
<td>9</td>
<td>11.0</td>
<td>11.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>82</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td><strong>Risk</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>63</td>
<td>76.8</td>
<td>76.8</td>
<td>76.8</td>
</tr>
<tr>
<td>No</td>
<td>12</td>
<td>14.6</td>
<td>14.6</td>
<td>91.5</td>
</tr>
<tr>
<td>Not sure</td>
<td>7</td>
<td>8.5</td>
<td>8.5</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>82</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td><strong>Shortage</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>61</td>
<td>74.4</td>
<td>74.4</td>
<td>74.4</td>
</tr>
<tr>
<td>No</td>
<td>12</td>
<td>14.6</td>
<td>14.6</td>
<td>89.0</td>
</tr>
<tr>
<td>Not sure</td>
<td>9</td>
<td>11.0</td>
<td>11.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>82</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Table 4.3 show results on the primary reasons why governments engage in PPP. The results indicate that the cost finance risk and shortage where attributes for PPP engagement. About 79.3% indicated yes while 11.0% indicated no and the remaining 9.8% were not sure on cost. About 72.0% indicated yes while 17.1% indicated no and the remaining 11% were not sure on lack of finance on critical projects. About 76.8% indicated Yes while 14.6% indicated no and the remaining 8.5% were not sure on lack of finance on critical projects. About 74.4% indicated Yes while 14.6% indicated no and the remaining 11.0% were not sure on shortage of man power. This indicate that the government had seen the need to engage in PPPs since there was a problem that emanated from the cost of projects, lack of finance, risk associated with financing in or carryout the projects well as lack of adequate manpower.

4.4.2.5 Has the PPP been successful in accomplishing the economic development objectives?

![Figure 4.8 PPPs been successful in accomplishing the economic development objectives.](image)

The figure 4.8 above sought to analyze if PPPs been successful in accomplishing the economic development objectives. About 75.6% indicated Yes while 15.9% indicated no and the remaining 8.5% were not sure. PPPs provide opportunities for efficiency gains
(better quality and more cost-effective delivery of services), better asset utilization, clearer customer focus (since payments are typically linked to performance rather than service inputs), and accelerated delivery of projects (Batley, 2004).

4.4.3 DESCRIPTIVE ANALYSIS OF DATA ON GOVERNMENT INSTITUTIONAL CONDITIONS ON POLICIES AND REGULATIONS FOR PPPS IN ZIMBABWE.

4.4.3.1 Governments face an ever-increasing need to find sufficient financing to develop and maintain infrastructure required to support growing populations.

Figure 4.9 Governments face an ever-increasing need to find sufficient financing to develop and maintain infrastructure required to support growing populations.

About 69.5% strongly agreed and 15.9% agreed to the notion that Governments face an ever-increasing need to find sufficient financing to develop and maintain infrastructure required to support growing populations. About 8.5% were neutral, 3.7% disagree and 2.4% strongly disagreed to the notion. Due to this increase in population there is also an increase in the projects that it has to embark on. In Zimbabwe the housing sector is an area that has ballooned with private sector players because of the rise in population.
Thus, PPP projects such and water and electricity are required to be also moved to be motioned to meet the demand of the current and the future.
4.4.3.1 Governments face an ever-increasing need to develop and maintain infrastructure required to support growing populations.

Figure 4.10 shows that about 63% strongly agreed and 15.9% agreed to the notion that Governments face an ever-increasing need to develop and maintain infrastructure required to support growing populations. About 7.3% were neutral, 6.1% disagree and 6.1% strongly disagreed to the notion. The results show that the government is facing growth in social and economic pressures and suggest for infrastructure growth in all sectors.
4.4.3.2 What is Zimbabwe’s drawbacks in PPPs?

According to figure 4.11 about 34% strongly agreed and 37% agreed to the notion that misappropriation of funds as one of the drawbacks of PPP government implementation. About 17% were neutral, 4% disagree and 9% strongly disagreed. The result findings agreed to the notion that misappropriation was one of the problems coming in PPP implementation.
Figure 4.12 Poor allocation of projects as one of the drawbacks of PPP government implementation.

Figure 4.12 show that about 65.9% strongly agreed and 15.9% agreed to the notion that poor allocation of projects as one of the drawbacks of PPP government implementation. About 12.2% were neutral, 1.2% disagrees and 4.9% strongly disagreed to the notion. The results suggest that there is poor allocation of projects and indicated by the respondents.

Figure 4.13 Corruption of officials of projects as one of the drawbacks of PPP government implementation

Figure 4.13 show that about 63.4% strongly agreed and 15.9% agreed to the notion that corruption of officials of projects as one of the drawbacks of PPP government implementation. About 8.5% were neutral, 9.8% disagree and 2.4% strongly disagreed to the notion. The results show that corruption was one of the major drawback of PPP implementation in Zimbabwe.
Figure 4.14 Political intervention in projects administration as one of the drawbacks of PPP government implementation.

According to figure 4.14 about 65.9% strongly agreed and 15.9% agreed to the notion that political intervention in projects administration as one of the drawbacks of PPP government implementation. About 7.3% were neutral, 3.7% disagree and 7.3% strongly disagreed. The results suggest that political intervention had an effect in the implementation of PPP in Zimbabwe.

4.4.3.3 Are there any policies to address issues to do with PPP projects?

Figure 4.15 Are there any policies to address issues to do with PPP projects?
Figure 4.15 show about 9.8% strongly agreed and 15.9% agreed to the notion that there any policies to address issues to do with PPP projects. About 8.5% were neutral, 52.4% disagree and 13.4% strongly disagreed to the notion. Institutions are in general understood to be the bodies setting formal rules (property rights, rule of law etc.) while taking into account informal constraints (beliefs, traditions and social norms) that shape human interactions (World Bank, 2007). In Zimbabwe these institutions are not inexistence to draw up policies that are necessary for the implementation PPP in Zimbabwe. Policies give strategic direction on the implementation of PPPs in ministries and all who intend to engage have to follow those laid down policies. This will assist in reducing some problems the government is experiencing PPP implementation.

4.4.3.4 The government has practice guidelines on PPP implementation?

The figure 4.16 above sought to assess if the government has practice guidelines on PPP implementation. About 11% strongly agreed and 13.4% agreed to the notion. About 8.5% were neutral, 48.8% disagree and 18.3% strongly disagreed to the notion. World Bank (2007) indicated that this process requires putting into position the enabling institutions, processes and procedures surrounding PPPs in order to fully benefit from PPPs. Guidelines give the government an advantage on how to control the PPPs in the
various departments. Area of concern that has affected many PPPs in Zimbabwe was that some projects were awarded to private players which were not capable to deliver.

4.4.3.5 There is an office in Government that deal specifically with PPP collaboration and coordination.

![Pie chart showing survey results](image)

**Figure 4. 17 There is an office in Government that deal specifically with PPP collaboration and coordination.**

The 4.17 above sought to assess if there is an office in Government that deal specifically with PPP collaboration and coordination. About 9.8% strongly agreed and 8.5% agreed to the notion. About 11% were neutral, 56.1% disagree and 14.6% strongly disagreed to the notion. The results show that there is no office of PPP in Zimbabwe.
4.4.3.6 Is there legislation on PPPs in Zimbabwe?

Figure 4.18 Is there legislation on PPPs in Zimbabwe?

The figure 4.18 above sought to assess if the government has practice guidelines on PPP implementation. About 9.8% strongly agreed and 9.8% agreed to the notion. About 9.8% were neutral, 53.1% disagree and 17.1% strongly disagreed to the notion. The responses show that there was no legislation on PPPs in Zimbabwe. Some respondents indicated that there was a bill in process toward implementation of PPPs. Zimbabwean economists have argued that there is a need to create a PPP Unit within Government, as one does not exist yet, with relevant commercial and legal skills, which is a key source of support for policymakers and project developers (Musarurwa, 2012).
4.4.3.7 Overall, rate your general satisfaction on how the Government handles the PPP process in Zimbabwe.

![Pie chart showing satisfaction levels](image)

**Figure 4.19 Overall, rate your general satisfaction on how the Government handles the PPP process in Zimbabwe.**

The figure 4.19 above sought to rate your general satisfaction on how the Government handles the PPP process in Zimbabwe. About 62.2% were not satisfied, 8.5% were neutral while 9.8% were satisfied, 9.8% were very satisfied and 9.8% were not aware to comment. The majority of the respondents indicated that they were not satisfied with the way the government was handling issues to do with PPPs in Zimbabwe. There was no policy that was governing the way the PPP were being operated in various ministries. This has given rise to corrupt activities taking place leaving some PPP projects uncompleted.
4.4.4 DESCRIPTIVE ANALYSIS OF DATA ON THE VIABILITY CAPACITY OF THE ZIMBABWEAN PRIVATE FIRMS TO VENTURE INTO PPPS IN ZIMBABWE.

4.4.4.1 PPP occurs when the government sells public assets to the private sector or when the government stops providing a service directly and relies on the private sector to deliver the service.

Figure 4.20 PPP occurs when the government sells public assets to the private sector or when the government stops providing a service directly and relies on the private sector to deliver the service. About 62.2% strongly agreed and 14.6% agreed, 7.3% were neutral while 9.8% disagree and 6.1% strongly disagreed. The result findings suggest that PPP occurs when the government sells public assets to the private sector or when the government stops providing a service directly and relies on the private sector to deliver the service.
4.4.4.2 Private sector organizations have capacity to venture in to a PPP venture?

Figure 4.21 Private sector organizations have capacity to venture in to a PPP venture?

The figure 4.21 above sought analyse that PPP occurs when the government sells public assets to the private sector or when the government stops providing a service directly and relies on the private sector to deliver the service. About 7.3% strongly agreed and 20.7% agreed, 8.5% were neutral while 50% disagree and 13.4% strongly disagreed. The results suggests that does not have capacity to venture into PPPs in Zimbabwe.

4.4.4.3 When the Government engaged in PPP with the private sector was the project completed on schedule?

Table 4.4 When the Government engaged in PPP with the private sector was the project completed on schedule?

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>8</td>
<td>9.8</td>
<td>9.8</td>
<td>9.8</td>
</tr>
<tr>
<td>Agree</td>
<td>8</td>
<td>9.8</td>
<td>9.8</td>
<td>19.5</td>
</tr>
<tr>
<td>Neutral</td>
<td>13</td>
<td>15.9</td>
<td>15.9</td>
<td>35.4</td>
</tr>
</tbody>
</table>
The Table 4.4 above sought to assess that when the Government engaged in PPP with the private sector was the project completed on schedule. About 9.8% strongly agreed and 9.8% agreed, 15.9% were neutral while 52.9% disagree and 13.4% strongly disagreed. The results show that the projects were not completed on time.

**4.4.4.4 There was a marked improvement in the efficient delivery of PPP projects when the private sector was engaged in Zimbabwe.**

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>11</td>
<td>13.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>42</td>
<td>51.2</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>82</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Figure 4.22 There was a marked improvement in the efficient delivery of PPP projects when the private sector was engaged in Zimbabwe.

The figure 4.22 above sought analyse that there was a marked improvement in the efficient delivery of PPP projects when the private sector was engaged in Zimbabwe. About 51.2% strongly agreed and 25.6% agreed, 7.3% were neutral while 9.8% disagree and 6.1% strongly disagreed. The results show that that there was a marked improvement in the efficient delivery of PPP projects when the private sector was engaged in Zimbabwe.
4.4.4.5 How would you rate the effectiveness of communication with the private sector with Government on areas to do with PPP in Zimbabwe?

The figure 4.23 above sought to rate the effectiveness of communication with the private sector with Government on issues to do with PPP in Zimbabwe. About 52.4% were not satisfied, 8.5% were neutral while 15.9% were satisfied, 11% were very satisfied and 12.2% were not aware to comment. The results show that the respondents were not satisfied with the communication of government and private sector on issues to do with PPP.
4.4.5 DESCRIPTIVE ANALYSIS OF DATA ON THE VIABILITY CAPACITY OF THE ZIMBABWEAN FINANCIAL INSTITUTIONS TO FUND TO PPPS IN ZIMBABWE.

4.4.5.1 Are financial institutions willing to fund PPP projects in Zimbabwe?

The figure 4.24 above sought to assess whether financial institutions willing to fund PPP projects in Zimbabwe. About 9.8% strongly agreed and 9.8% agreed, 15.9% were neutral while 51.2% disagree and 13.4% strongly disagreed. The results indicate that the financial institutions were not willing to fund PPP projects in Zimbabwe.

4.4.5.2 Financial institutions in Zimbabwe have capacity to fund PPP projects in Zimbabwe.

The figure 4.24 above sought to assess whether financial institutions willing to fund PPP projects in Zimbabwe. About 9.8% strongly agreed and 9.8% agreed, 15.9% were neutral while 51.2% disagree and 13.4% strongly disagreed. The results indicate that the financial institutions were not willing to fund PPP projects in Zimbabwe.
The table above sought to analyse whether financial institutions in Zimbabwe have capacity to fund PPP projects in Zimbabwe. About 8.5% strongly agreed and 20.7% agreed, 8.5% were neutral while 45.1% disagree and 17.1% strongly disagreed. This suggests that the institutions are not viable to fund the PPPs in Zimbabwe. Most of the banks are currently on the verge of recovery from the years of hyperinflation therefore cannot fund PPPs at the moment. Some banks have funded PPPs as are foreign funded and have are sound to meet the minimum requirements of the Reserve Bank of Zimbabwe.
4.4.5.3 PPPs have been instrumental in accessing private funding for economic development of Zimbabwe.

Figure 4. 26 PPPs have been instrumental in accessing private funding for economic development of Zimbabwe.

The table above sought analyse whether PPPs have been instrumental in accessing private funding for economic development of Zimbabwe. About 58.5% strongly agreed and 22% agreed, 7.3% were neutral while 11% disagree and 1.2% strongly disagreed. These suggest that the funded projects showed some elements of growth in the economy of Zimbabwe. This suggests that there are some banks that are viable that have managed to fund PPP and the results of what they funded were positive.
4.4.5.4 After funding are PPP project completed on within budget?

![Bar Chart]

Figure 4. 27 After funding are PPP project completed on within budget

The table above sought to assess whether after funding are PPP project completed on within budget. About 6.1% strongly agreed and 8.5% agreed, 14.6% were neutral while 48.8% disagree and 22% strongly disagreed. The results show that the projects were not finished within the prescribed periods of time and budget.

4.5 NORMALITY TEST

The researcher used Kolmogorow–Smirnov and Shapiro–Wik normality tests on the variables of the study. The test shows that if p-values of Kolmogorow –Smirnov and Shapiro –Wik are less than 0.05 it means that the data is not normally distributed. The table shows that the p-values for Kolmogorow –Smirnov and Shapiro –Wik are less than 0.05. This therefore means that the alternative hypothesis that the data is not normally distributed is accepted and the null hypothesis of a normal distribution is rejected.
Table 4. 5 Tests of Normality

<table>
<thead>
<tr>
<th>Tests of Normality</th>
<th>Kolmogorov-Smirnov</th>
<th>Shapiro-Wilk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statistic df Sig.</td>
<td>Statistic df Sig.</td>
</tr>
<tr>
<td>PPP being used to deliver infrastructure assets</td>
<td>.456 82 .000</td>
<td>.562 82 .000</td>
</tr>
<tr>
<td>Availability of government policy issues to do with PPPs</td>
<td>.339 82 .000</td>
<td>.819 82 .000</td>
</tr>
<tr>
<td>Capacity of the Private sector to venture into PPP</td>
<td>.325 82 .000</td>
<td>.836 82 .000</td>
</tr>
<tr>
<td>Capacity of the financial institutions to venture into PPP</td>
<td>.304 82 .000</td>
<td>.851 82 .000</td>
</tr>
</tbody>
</table>

a. Lilliefors Significance Correction

4.6 CORRELATIONS

The study used Spearman’s Rank Correlation Coefficient to establish the direction, statistical significant and strength of the relationships between the dependent and independent variables of the study. There is a statistically significant relationship between variables when p-value is greater than 0.05.

- There is strong positive relationship between PPP being used to deliver infrastructure assets and economic growth of the country through PPPs in Zimbabwe. (rho=0.713;p-value>0.05).
- There is weak negative relationship between availability of government policy issues to do with PPPs and economic growth of the country through PPPs in Zimbabwe. (rho= -0.291;p-value>0.05).
- There is weak negative relationship between capacity of the Private sector to venture into PPP and economic growth of the country through PPPs in Zimbabwe. (rho= -0.323;p-value>0.05).
- There is weak negative relationship between capacity of the financial institutions to venture into PPP and economic growth of the country through PPPs in Zimbabwe. (rho = -0.308; p-value > 0.05).

Table 4.6 Correlations

<table>
<thead>
<tr>
<th></th>
<th>Economic growth of the country through PPPs in Zimbabwe</th>
<th>PPP being used to deliver infrastructure assets</th>
<th>Availability of government policy issues to do with PPPs</th>
<th>Capacity of the Private sector to venture into PPP</th>
<th>Capacity of the financial institutions to venture into PPP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic growth of the country through PPPs in Zimbabwe</td>
<td>Correlation Coefficient</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>82</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PPP being used to deliver infrastructure assets</td>
<td>Correlation Coefficient</td>
<td>.713**</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>82</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability of government policy issues to do with PPPs</td>
<td>Correlation Coefficient</td>
<td>-.291**</td>
<td>-.308**</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.008</td>
<td>.005</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>82</td>
<td>82</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity of the Private sector to venture into PPP</td>
<td>Correlation Coefficient</td>
<td>-.323**</td>
<td>-.298**</td>
<td>.722**</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.003</td>
<td>.007</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>82</td>
<td>82</td>
<td>82</td>
<td>82</td>
</tr>
</tbody>
</table>
4.7 REGRESSION ANALYSIS

The researcher performed a multiple linear regression between Economic growth of the country through PPPs in Zimbabwe as dependent variable and the independent variables which were PPP being used to deliver infrastructure assets, Availability of government policy issues to do with PPPs, Capacity of the Private sector to venture into PPP and Capacity of the financial institutions to venture into PPP.

Table 4.7 Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.784&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.615</td>
<td>.595</td>
<td>.41835</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), PPP being used to deliver infrastructure assets, Availability of government policy issues to do with PPPs, Capacity of the Private sector to venture into PPP and Capacity of the financial institutions to venture into PPP

b. Dependent Variable: Economic growth of the country through PPPs in Zimbabwe

The table above show that the adjusted R squared is 0.576. This means that 59.5% of variations of economic growth through PPPs can be explained by the model. Thus, the effective size of this research is large as stated by Cohen’s rules of effect sizes. (Yee and San, 2011).
Table 4.8 ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>21.548</td>
<td>4</td>
<td>5.387</td>
<td>30.779</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>13.477</td>
<td>77</td>
<td>.175</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>35.024</td>
<td>81</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Economic growth of the country through PPPs in Zimbabwe

b. Predictors: (Constant), PPP being used to deliver infrastructure assets, Availability of government policy issues to do with PPPs, Capacity of the Private sector to venture into PPP and Capacity of the financial institutions to venture into PPP

The table above show that the F-value =30.779 (p-value=0.000) which means that this is statistically significant to justify the proposed model to be good. The researcher makes the inference that it is better to use the model to make decisions that to guess the results.

Table 4.9 Regression tests

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.559</td>
<td>.205</td>
</tr>
</tbody>
</table>

70
The regression tests show that there is a positive relationship between PPP being used to deliver infrastructure assets, Availability of government policy issues to do with PPPs, Capacity of the Private sector to venture into PPP and Economic growth of the country through PPPs in Zimbabwe. There is a negative relationship between Capacity of the Private sector to venture into PPP and Economic growth of the country through PPPs in Zimbabwe. The table above shows the predictive coefficients of the proposed model.

### 4.8 HYPOTHESIS TESTING

**H1:** *PPP being used to deliver infrastructure assets is positively related to Economic growth of the country through PPPs in Zimbabwe*

The significant value for PPP being used to deliver infrastructure assets is 0.00($\beta=0.0756$), which indicates that PPP being used to deliver infrastructure assets is positively related to Economic growth of the country through PPPs in Zimbabwe statistically significant(p-value<0.01). Therefore H1 is supported and accepted.
**H2:** Availability of government institutional framework to do with PPPs is positively related to Economic growth of the country through PPPs in Zimbabwe

The significant value for Availability of government institutional framework to do with PPPs is 0.699 (β=0.04), which indicates that Availability of government institutional framework to do with PPPs is positively related to Economic growth of the country through PPPs in Zimbabwe statistically significant (p-value>0.01). Therefore H2 is not supported and rejected.

**H3:** PPPs and Capacity of the Private sector to venture into PPP is positively related to Economic growth of the country through PPPs in Zimbabwe

The significant value for PPPs and Capacity of the Private sector to venture into PPP is 0.674 (β=0.097), which indicates that PPPs and Capacity of the Private sector to venture into PPP is positively related to Economic growth of the country through PPPs in Zimbabwe statistically significant (p-value>0.01). Therefore H3 is not supported and rejected.

**H4:** Capacity of the financial institutions to venture into PPP is positively related to Economic growth of the country through PPPs in Zimbabwe

The significant value for Capacity of the financial institutions to venture into PPP is 0.271 (β=-0.264), which indicates that Capacity of the financial institutions to venture into PPP is positively related to Economic growth of the country through PPPs in Zimbabwe statistically significant (p-value>0.01). Therefore H3 is not supported and rejected.

**4.9 DISCUSSION OF FINDINGS**

**4.9.1 THE IMPACT OF PPPS IN ZIMBABWE.**

The research revealed that there was an existence of PPP in Zimbabwe. According to Tan (2012) a public-private partnership (“PPP”) is a term used to describe a government-sponsored initiative or scheme which involves the use of private finance to facilitate the provision of services to the public and/or the delivery of social infrastructure...
assets. The respondents agreed that the presents of PPPs were available in different sectors such as education, transport, defense and health sectors. In areas where PPP units or projects have been used in Zimbabwe there is tremendous improvement provision of public services. This also drew a lot of foreign direct investment that came into Zimbabwe in the form of technology and finance. United Nations (2008) noted that strategically, the usage of PPP fosters economic growth by developing new commercial opportunities and increasing competition in the provision of public services and attracting private and FDI inflows, thus encouraging crowding-in of private and/or foreign investment. The respondents also revealed that the major reasons for embarking in PPP were to fund costly projects.

4.9.2 GOVERNMENT INSTITUTIONAL CONDITIONS ON POLICIES AND REGULATIONS FOR PPPS IN ZIMBABWE

The research revealed that Governments face an ever-increasing need to fund sufficient financing to develop and maintain infrastructure required to support growing populations. But there were drawbacks of corruption among official, misappropriation of funds, misallocation of project managers and political intervention in projects. There research revealed that the government had no policies to do with PPPs in Zimbabwe. According to World Bank (2007) institutions are in general understood to be the bodies setting formal rules (property rights, rule of law etc.) while taking into account informal constraints (beliefs, traditions and social norms) that shape human interactions. Each ministry had its own way of handling PPP projects. In Zimbabwe such office is none existent, PPPs are managed directly from the various ministries. According to Edwards and Hulme, (1996) it is paramount to have a PPP office and coordinate projects from one office. A PPP unit may coordinate the stakeholders involved in the PPP program at different levels. In case there are multiple departments or ministry-led PPP units, the central PPP unit may serve primarily to coordinate an overall national policy framework. The findings also show that there was no legislature to handle PPP in Zimbabwe and generally the respondents were not satisfied with the PPP administration in Zimbabwe.
4.9.3 CAPACITY OF THE ZIMBABWEAN PRIVATE FIRMS TO VENTURE IN TO PPPS IN ZIMBABWE.

The private party commonly provides the design, construction, operation and possibly financing for the partnership project, and is paid according to performance (Linder, 1999). Risks are identified and placed with the party best able to bear and manage them cost effectively. The research findings show that there was a marked improvement in the efficient delivery of PPP projects when the private sector was engaged in Zimbabwe. According to Lauri, (2005) successfully implemented, privatization can provide many public benefits including efficiency, innovation, and high quality services, which can yield cost savings as well as streamline government operations. The respondents were not satisfied in the way the government communicated with the Private sector on issues to do with PPP. Some respondents indicated that they were concerned with corruption engagement of private players in PPP projects thus they did not communicate publicly. If the tenders went public the procedures for granting are often flawed.

4.9.4 CAPACITY OF THE ZIMBABWEAN FINANCIAL INSTITUTIONS TO FUND TO PPPS IN ZIMBABWE.

The research findings that financial institutions were not willing to fund PPP projects in Zimbabwe. According to the World Bank (2007) more recent PPPs involving private financing are introducing revenue-sharing based on levels of rates of return on invested capital achieved from the project, with increased proportions of project revenues going to the public sponsor as the project IRR reaches greater levels. The high rate of IRR has forced most of the financial institutions not to fund PPPs in Zimbabwe. The findings also show that financial institutions in Zimbabwe do not have capacity to fund PPP projects in Zimbabwe. According to March (2007) public sector sponsors of PPPs are becoming increasingly interested in the financial returns from PPPs given the potential for some deals to generate windfall profits far above the purported rates of return required by the private sector to consider a project financially feasible. For the PPPs
that have been sponsored through the financial institutions the results fostered economic growth. However, there was a problem that some of the projects were not finished on time thereby flight of funds in projects.

4.10 CHAPTER CONCLUSION
This chapter will look at the data that was collected from the respondents. The data was collected using the questionnaire. The data was translated into pictorial graphs for analyses and discussion. The next chapter will focus on the conclusions and recommendations of the study.
CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION
This chapter focused on the conclusion and recommendations of the study on the impact of PPP in the Zimbabwean economy. The researcher conducted a hypothesis validation, answered the research questions and highlighted the contribution of the model to the research. The researcher made some recommendations and ended with highlighting areas that need further study.

5.2 CONCLUSION

5.2.1 HYPOTHESIS VALIDATION

The research found empirical evidence to validate and support the following hypothesis

**H1:** PPP being used to deliver infrastructure assets is positively related to Economic growth of the country through PPPs in Zimbabwe

The study however, failed to gather sufficient empirical evidence to support the following three hypotheses which were rejected:

**H2:** Availability of government institutional framework to do with PPPs is positively related to Economic growth of the country through PPPs in Zimbabwe

**H3:** PPPs and Capacity of the Private sector to venture into PPP is positively related to Economic growth of the country through PPPs in Zimbabwe

**H4:** Capacity of the financial institutions to venture into PPP is positively related to Economic growth of the country through PPPs in Zimbabwe
5.2.2 ANSWERS TO RESEARCH QUESTIONS

WHAT ARE THE FACTORS THAT CONTRIBUTE TO A SUCCESSFUL PPP?

The researcher concludes that the PPP projects that have been effected have brought infrastructural and economic growth to the country. However, there are a lot of projects that are still outstanding that require to be implemented. Corruption is one of the major impediments of PPP project implementation in the various ministries. Misappropriation of funds is one of the problems that have been highlighted as issue that have made PPPs less effective towards the economic growth of the country of Zimbabwe. Some PPP projects have been awarded to undeserving player who might not have the minimum requirements in terms of financial and operational resources. Thus, some of the PPP projects have failed to be completed. This has to large extend scared investors to venture into PPP projects.

ARE THERE ANY GOVERNMENT INSTITUTIONAL CONDITIONS ON POLICIES AND REGULATIONS FOR PPPS IN ZIMBABWE?

The researcher concluded that there were no policies and guidelines to address issues that concerned PPPs in Zimbabwe. There is also no legal framework to handle the PPPs in Zimbabwe government. Each Ministry had its own way of handling PPPs which made it difficult for the Ministry of Finance to manage performance and costs associated with the projects. These loop holes have created problems in the implementation of PPPs in Zimbabwe.

WHY ARE ZIMBABWEAN PRIVATE FIRMS NOT VIABLY CAPABLE TO VENTURE IN TO PPPS IN ZIMBABWE?

The researcher also concluded that the Private sector was not viable to meet the requirements of PPP projects in Zimbabwe. Due to a long period of economic collapse organizations started reviving their operations in 2009 after the dollarization was
effected by the government. This is as a result of lack of technology and knowledge to cost effectively work on various projects. Some of the projects have ended up being awarded to foreign players such as the Chinese and South African players.

WHY ARE ZIMBABWEAN FINANCIAL FIRMS NOT VIABLY CAPABLE TO VENTURE IN TO PPPS IN ZIMBABWE?

The researcher concluded that most of the local institutions are not able to fund these projects because liquidity problems. The banks have not met the minimum reserve requirements of the Reserve Bank of Zimbabwe. The economy of Zimbabwe is currently low. There are some the Zimbabwe financial institutions are able to fund PPPs in Zimbabwe. These institutions are not willing to fund PPPs because of operational problems associated with the risk of misallocation of funds, corruption and a history of uncompleted projects due to political interference. This is an impediment for PPP implementation in Zimbabwe although the projects that have been funded have brought economic and infrastructural growth in the country.

WHAT APPROPRIATE MODEL FOR PPPS CAN BE RECOMMENDED TO BE ADOPTED BY ZIMBABWE?

The researcher recommends the government to use Build Transfer and Build Operate Transfer to ensure that most of the projects generated are done and completed in the specified time periods. This will assist the financial institutions and private sector in providing services with minimum any hindrances from the government.
5.3 CONTRIBUTION

The researcher has contributed to existing literature and the body of knowledge through the findings of the research on PPP implementation in Zimbabwe. This has been done though the modification of the conceptual framework figure 5.1. Literature of PPP implementation generalized the problem of PPP in different sectors and other countries that is different in Zimbabwe. The researcher had to build up future research on PPP implementation on the empirical data.

The researcher after looking at the findings of the research modified conceptual framework as shown in Figure 5.1 Evidence in support of the hypotheses was PPP being used to deliver infrastructure assets is positively related to Economic growth of the country through PPPs in Zimbabwe. No evidence was found to support on availability of government policy issues, PPPs and Capacity of the Private sector to venture into PPP and Capacity of the financial institutions to venture into PPP is positively related to Economic growth of the country through PPPs in Zimbabwe. This is represented by the broken lines.
5.4 RECOMMENDATION

5.4.1 POLICY RECOMMENDATIONS

**PPP bill**
The researcher’s political commitment as one of the key fundamentals for accomplishment of PPP. One gauge of political commitment is the institutional and policy framework for PPP. Legislation acts as both assurance and insurance to investors that the government will honour the contract. This includes institutions governing the manner in which PPP are conducted, as well as the operation of the legislative framework governing the manner of PPP.

**Office for Public-Private Partnership**
The government should establish a PPP unit that deals directly with the coordination of PPP projects in the country. The researcher recommends an Office for PPP to be established, through resolution or by legal instrument, as a separate office under the President’s Office. The Office for PPP will be formed as an autonomous unit having significant autonomy on administrative and financial matters in discharging its mandated functions.

**Institutional framework**
For accelerating financing of PPP projects, a simplified and dedicated institutional framework is required. This institutional framework is designed to streamline the approval process, to ensure a smooth and linear process of approval. The institutional framework for developing strategy, identification, formulation, appraisal, approval, monitoring and evaluation of PPP projects is recommended to be presented as: Public-Private Partnership Advisory Council; Cabinet Committee on Economic Affairs; Office for Public-Private Partnership; Line Ministry/implementing agency; Finance Division; and Planning Commission.
**Fiscal Incentives**
PPP projects can be will receive the applicable incentives, provided by the government from regularly which may include: reduced import tax on capital items under PPP projects; and tax exemption or reduced tax on profit from managing for a specific period of time.

**Special Incentives**
Any specific project may get special unique incentives with the endorsement relevant government ministry which shall be affirmed in the PPP policy documents. Special incentives can be initiated towards PPP projects targeted for underprivileged population. Special incentives can be extended to local private sector investors who are resident in Zimbabwe to invest in PPP projects.

### 5.4.2 MANAGERIAL RECOMENDATIONS

#### Special finance advances and loans
The researcher recommend that the government give local companies projects and advance them with finances through local financial institutions to acquire technological advanced machinery that can be used in the projects. Through the finance of the big institutions in participation in PPP projects, the participation will also cascade to the small firms which may provide auxiliary services. This will therefore be a driver for economic development.

#### Financial lines of credit
The researcher recommends that the government should advocate for policies that will draw foreign lines of credits for PPP financing. The lines of credits should be managed through the Zimbabwean financial institutions as a way to boost their financial viability.

#### Fight corruption
The researcher recommends that the government step up action to fight corruption in allocation and misappropriation of funds that are earmarked for PPP projects. This will boost confidence of the private and financial institutions to venture into the PPP projects. Through a PPP office in the President’s office the selection process through the recommended infrastructure framework should be able to select the best service providers of PPP projects.

5.5 AREAS FOR FURTHER RESEARCH
The researcher recommends the following areas for further study:

An assessment of the role of PPP as a strategy for growth in the health sector in Zimbabwe.
REFERENCES


APPENDICE 1: SURVEY QUESTIONNAIRE

Graduate School of Management
University of Zimbabwe
Mt Pleasant
Harare

Dear Survey Respondent

May you kindly fill in this attached questionnaire. It is part of a research being conducted in partial fulfilment of the requirements of the MBA programme with the Graduate School of Management, University of Zimbabwe. This survey is part of a research project on the critical analysis into the Public Private Partnerships towards economic development of Zimbabwe.

This is a confidential survey; no individual will be identified by name in the report. You have been identified as a stakeholder in this survey, may you kindly assist in the data gathering process by responding to the questionnaire. The information you provide will be treated with utmost confidence and will be used solely for the purpose of this research.

I kindly ask you to send back the completed form as soon as you are able to complete it, but not later than 15 June 2014.

For further information, please do not hesitate to call me back on 0772 967 816.

Your assistance is greatly appreciated.

Regards

Researcher: Bornface Chiyangwa
Part 1: Demographics

1.1 What is your age? Please put an (x) in the appropriate box for your answer on a scale of 1 to 5 where:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>15-20 years</td>
</tr>
<tr>
<td>2</td>
<td>21-30 years</td>
</tr>
<tr>
<td>3</td>
<td>31-40 years</td>
</tr>
<tr>
<td>4</td>
<td>41-50 years</td>
</tr>
<tr>
<td>5</td>
<td>51 years and above</td>
</tr>
</tbody>
</table>

1.2 What is your level of education? Please put an (x) in the appropriate box.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Secondary/High School</td>
</tr>
<tr>
<td>2</td>
<td>Diploma level</td>
</tr>
<tr>
<td>3</td>
<td>Bachelor's degree</td>
</tr>
<tr>
<td>4</td>
<td>Masters and above</td>
</tr>
</tbody>
</table>

Other specify....................................................................................................................................................

1.3 How long have you been with this organization? Please put an (x) in the appropriate box for your answer on a scale of 1 to 4 where:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0 - 3 years</td>
</tr>
<tr>
<td>2</td>
<td>5-10 years</td>
</tr>
<tr>
<td>3</td>
<td>10-20 years</td>
</tr>
<tr>
<td>4</td>
<td>20 years and above</td>
</tr>
</tbody>
</table>

1.4 Which sector do you have experience with? Please put an (x) in the appropriate box.

<table>
<thead>
<tr>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Sector</td>
</tr>
<tr>
<td>Private Sector</td>
</tr>
</tbody>
</table>
Part 2: Main Questions

2 Objective 1: To assess the impact of PPPs in Zimbabwe.

2.1 Are you aware of the existence of PPPs in Zimbabwe? **Please put an (x) in the appropriate box.**

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Not sure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2.2 PPPs have been used to deliver infrastructure assets in the education, transport, defense and health sectors. **Please put an (x) in the appropriate box.**

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Not sure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2.3 Has PPP in the above mentioned areas create an impact towards the growth of the economy in Zimbabwe? **Please put an (x) in the appropriate box.**

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Not sure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What is the primary reason for implementing PPPs in Zimbabwe? **Please put an (x) in the appropriate box.**

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.4</td>
<td>Cost and time savings</td>
<td></td>
</tr>
<tr>
<td>2.5</td>
<td>Financing</td>
<td></td>
</tr>
<tr>
<td>2.6</td>
<td>Risk transfer</td>
<td></td>
</tr>
<tr>
<td>2.7</td>
<td>Shortage of work</td>
<td></td>
</tr>
</tbody>
</table>
2.8 Has the PPP been successful in accomplishing the economic development objectives? *Please put an (x) in the appropriate box.*

- Yes
- No
- Not sure

3. Objective 2: To assess Government institutional conditions on policies and regulations for PPPs in Zimbabwe.

3.1 Governments face an ever-increasing need to find sufficient financing. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>

3.2 Governments face an ever-increasing need to develop and maintain infrastructure required to support growing populations. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>

The following are the major drawbacks of PPP success in Zimbabwe. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th></th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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</thead>
<tbody>
<tr>
<td>3.3 Misappropriation of</td>
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<td>funds</td>
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<td>3.4 Poor allocation of projects</td>
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<td>3.5 Corruption by officials</td>
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<td>3.6 Political intervention in PPP decision</td>
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</tbody>
</table>

3.7 There any policies to address issues to do with PPP projects. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
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</tbody>
</table>

3.8 The government has practice guidelines on PPP implementation? *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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</thead>
<tbody>
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</tbody>
</table>

3.9 There is an office in Government that deal specifically with PPP collaboration and coordination. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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<tbody>
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</tbody>
</table>
3.10 There legislation on PPPs in Zimbabwe? *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>

3.11 Overall, rate your general satisfaction on how the Government handles the PPP process in Zimbabwe. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Very Satisfied</th>
<th>Satisfied</th>
<th>Neutral</th>
<th>Not satisfied</th>
<th>Don’t know</th>
</tr>
</thead>
</table>

4 Objective 3: To evaluate the viability capacity of the Zimbabwean Private firms to venture in to PPPs in Zimbabwe.

4.1 PPP occurs when the government sells public assets to the private sector or when the government stops providing a service directly and relies on the private sector to deliver the service. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>

4.2 Private sector organizations have capacity to venture in to a PPP venture. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>
4.3 When the Government engaged in PPP with the private sector was the project completed on schedule. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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</table>

4.4 There was a marked improvement in the efficient delivery of PPP projects when the private sector was engaged in Zimbabwe. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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</table>

4.5 Rate the effectiveness of communication with the private sector with Government on areas to do with PPP in Zimbabwe. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Very Satisfied</th>
<th>Satisfied</th>
<th>Neutral</th>
<th>Not satisfied</th>
<th>Don’t know</th>
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5 Objective 4: To evaluate the viability capacity of the Zimbabwean financial institutions to fund to PPPs in Zimbabwe.

5.1 Financial institutions are willing to fund PPP projects in Zimbabwe. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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</tbody>
</table>
5.2 Financial institutions in Zimbabwe have capacity to fund PPP projects in Zimbabwe. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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</table>

5.3 PPPs have been instrumental in accessing private funding for economic development of Zimbabwe. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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5.4 PPP project completed on within budget after funding by financial institutions. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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THANK YOU