

**AN ANALYSIS OF THE POTENTIAL USE OF PUBLIC-PRIVATE
PARTNERSHIPS IN WATER INFRASTRUCTURAL DEVELOPMENT
IN ZIMBABWE: THE CASE OF HARARE CITY COUNCIL**

BY

HUDSON MUTANDWA

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Abstract

The study was carried out to analyse the potential use of Public Private Partnerships (PPPs) in water infrastructural development in Zimbabwe using Harare City Council as a case study. PPPs play a pivotal role in water infrastructural development if fully implemented. Zimbabwe's rate of uptake is low. There are preconditions that are necessary for successful implementation of PPPs. These preconditions are legal and institutional frameworks and political will among others. The study used the case of the Harare City Council to interrogate if the necessary preconditions exist for the full implementation of water PPPs in the Zimbabwean context. Key informant interviews and documentary research were adopted. The study established that Zimbabwe does not have the preconditions necessary for successful implementation of PPPs and this confirms the thesis. The main challenges include lack of legal and institutional framework, lack of political will, unconducive socio-economic environment among others. Zimbabwe's water infrastructure is dilapidated. This is compounded by lack of fiscal space on the part of government to rehabilitate the infrastructure. PPPs could be a viable alternative to infrastructural development with the right environmental conditions. The study recommends that the government should quickly enact a PPP legal framework that enables the establishment of a PPP unit within the Ministry of Finance and this should be followed by an Act of Parliament which should institutionalize PPPs. The Government should address its debt and promote a conducive investment climate and should develop a political will as well as working for the removal of economic sanctions.

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DEDICATION

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ABBREVIATIONS

PPPs	-	Public Private Partnerships
ADB	-	Asian Development Bank Institute
GoZ	-	Government of Zimbabwe
USA	-	United States of America
UK	-	United Kingdom
WB	-	World Bank
ZNCC	-	Zimbabwe National Chamber of Commerce
BOT	-	Build Operate Transfer
RA	-	Republic Act
SA	-	South Africa
BTO	-	Build Transfer Operate
BOOT	-	Build Own Operate Transfer
ROT	-	Rehabilitate Operate Transfer
NPM	-	New Public Management
SAUR	-	Societed' Amenagement Urbainet Rural
WSS	-	Water Supply and Sanitation
SODEC	-	Societe de Distribution de Cote d' Ivoire
DOT	-	Develop Operate and Transfer
DBFO	-	Design Build Finance and Operate
LDO	-	Lease Develop and Operate
BLT	-	Build Lease Transfer
BT	-	Build and Transfer
AIDC	-	Alternative Information and Development Centre
SOEs	-	State Owned Enterprises
PFMA	-	Public Finance Management Act
GDP	-	Gross Domestic Product
CR	-	Commission Regulation
EO	-	Executive Order

CCPAP	-	Coordinating Council of Philippines Assistance Programme
CCPSP	-	Coordinating Council for Private Sector Participation
MWWSS	-	Manila Water Works and Sewerage System
UNICEF	-	United Nations Children's Emergency Fund
ZINWA	-	Zimbabwe National Water Authority
PPIAF	-	Public Private Infrastructure Advisory Facility
NLB	-	New Limpopo Bridge
BBR	-	Beitbridge Bulawayo Railway
USD	-	United States Dollars

CHAPTER ONE

PROBLEM STATEMENT AND ITS CONTEXT

1.0 Introduction

This chapter presents the background to the problem, statement of the problem, objectives of the study, research questions, thesis, and justification of the study, limitations and delimitations.

1.1 Background to the study

The possibility of using public private partnerships (PPPs) in delivering clean water for domestic and industrial use in Zimbabwe has hardly been investigated. In many countries, PPPs are being used for the delivery of water. Across the globe, interest in PPPs as an instrument for delivering water is gaining momentum because PPPs offer solutions to the development of infrastructure. PPPs allow governments to expand the provision of services by using the market tools (ADBI 2011: 4). Thus, PPPs create efficiency and effectiveness in service provision as well as creating commercial value. Zimbabwe is among those countries that are faced with limited fiscal space with an outstanding debt of more than US10 billion dollars to both domestic and international creditors (GoZ Budget Statement 2012, Zhou 2012: 34). Public utilities and service provisions are deteriorating. Its readiness to harness PPPs is what this research seeks to establish. The force behind PPPs is often limited public funds compounded by an increasing acceptance that the private sector is often better able to handle many of the traditional tasks of the public sector.

According to the ADBI (2011:5), the private sector has shown better ability in providing quality and efficient services. ADBI further notes that PPPs provide additional capital, better management and implementation skills, and adds value (ibid). PPPs enable efficient allocation of risks, thus improving the identification of needs and the use of resources over the whole life of a project. PPPs provide potential advantages which include the following: infrastructure provision, faster implementation, reduced whole life costs, better risk allocation, better incentives to perform, improved quality of service, generation of additional revenues and enhanced public management. Well designed PPPs demand preconditions that enable smooth implementation. Chief amongst them include legal and institutional requirements. The legal framework should provide conducive environments for PPPs. Regulatory uncertainty and unpredictability will keep financial institutions at bay. Clarity of

regulations that govern relationships between the private and the public sector is paramount. According to the OECD (2008) and the European Commission guidelines, the following preconditions must be taken into consideration: legislation determining the role of the private sector in providing public services, legal basis for cost recovery mechanisms, provision of guarantees to private contracting parties over the period of their involvement, clear land and property rights including intellectual property laws, clear land acquisition rules, licences, transparency of national laws, administrative capacity to negotiate and follow the contracts, provision of dispute settlement among others.

These preconditions have enabled successful implementation of PPPs in countries such as the United Kingdom (UK), Czech Republic, Austria, Singapore, Guinea, Mali, and Venezuela among others. The UK established what it called the “Partnership UK”, a unit dedicated to the implementation of PPPs, ADBI (2011:20). The Czech Republic established the “PPP Centrum”. Price Water House Coopers (2005) gives an account of European countries that established PPP units and PPP laws. These include Turkey, Poland, Latvia, Spain, and Ireland. These countries had established comprehensive legislations by 2005. (Price Water House Coopers (2005). In each case, the units were given full powers to implement PPPs. The UK, Netherlands, Ireland and Austria have active PPP units. In Asia, Singapore created the PPP Advisory council in 2004. In Africa, several countries have used PPPS for the provision of water for domestic use. Countries like Ivory Coast, Guinea, Senegal, Mozambique, Niger ,Gabon, and Mali followed the afterimage mode and provided household water to a total of more than 17 million people using PPPs (World Bank 2009; 59).

Many countries have used PPPs as a viable method for their infrastructural development. Against this background, this research seeks to analyze the potential use of PPPs in the development of water infrastructure in Zimbabwe. Zimbabwe’s water and sewerage infrastructure is in a sorry state (Dube and Chigumira 2011: 15). For example, the City of Harare’s water infrastructure is dilapidated and forty percent of treated water is lost through leakages (ZNCC, 2009). The Morton Jeffry Water Works which is the main water source for Harare, is dilapidated and can no longer cope with the ever growing population. The Zambezi Water Project proposed more than 100 years ago has not been implemented despite perennial water shortages in Matebeleland Region. Any water projects like Tokwe-Mukosi Dam in Masvingo, Kunzvi Dam in Harare and Zambezi Water Project have not been completed due to limited fiscal space. PPPs help in complementing government efforts in infrastructural

development of such kind, helping in irrigation development, urban water supply and sewerage reticulation, water for sporting facilities and for industrial use.

1.2 Statement of the problem

Experiences with public private partnerships (PPPs) the world over point to generally encouraging results but Zimbabwe does not have many success cases especially in the water section. Rate of PPP uptake is low in Zimbabwe. This study suggests that an array of challenges is currently working against possible uptake of PPPs by private players. Such challenges include high level of political risks, lack of enabling legislative frameworks and institutional infrastructure among others. As a result, the possibility of adopting PPPs in Zimbabwe's water infrastructural development remains deeply constrained by these challenges.

1.3 Objectives of the study

- To analyze whether PPPs as an intervention can help in the provision of water infrastructure for such uses as irrigation, water sports, domestic and industrial use.
- To understand the legal, institutional, structural and political frameworks necessary for the success of PPPs and assess whether Zimbabwe has these factors in place.
- To investigate the challenges being faced by Zimbabwe that hinders effective implementation of private public partnerships in water infrastructural development.
- To proffer recommendations for Zimbabwe to fully engage private public partnerships in water provision.
- To enrich related literature on the conditions that affect effective implementation of water infrastructure PPPs in countries such as Zimbabwe.

1.4 Research questions

1. Can public private partnerships be helpful in the provision of water infrastructure in Zimbabwe?
2. What are the legal, institutional, structural and political frameworks that govern PPPs in the provision of water in Zimbabwe?

3. What are the preconditions necessary for public private partnerships in water and do they exist in Zimbabwe?
4. Is Zimbabwe ready for PPPs in general and water PPPs in particular?
5. What are the challenges being faced by Zimbabwe that hinder effective implementation of public private partnerships in water infrastructural development?
6. What are the strategies that Zimbabwe should put in place to fully engage public private partnerships in water provision?
7. How does the Zimbabwean case say about the general literature on the conditions that affect effective water PPPs implementation?

1.5 Thesis

The thesis of this paper is that Zimbabwe does not have the preconditions necessary for successful implementation of PPPs particularly in water infrastructural development. Proper implementation of PPPs demands some preconditions which include legal framework, institutional framework, political will, public acceptance among others. For many countries PPPs provide foreign direct investment. These preconditions mitigate potential risks of private sector investment. Countries such as South Africa, the United Kingdom, Australia, and the Phillipines among others have fully complied with the PPPs preconditions. Zimbabwe is yet to comply with these pre-requisites since the idea was muted in 1998. South Africa established its PPP unit in 2000 through the national treasury and have already implemented its PPP projects in water infra structural development in 2005 such as the WRP - Metsi – a – LekoaSebokeng - Evaton Leakage Reduction PPP project and the water PPPs in Queenstown and Malute where a total population of 0.6 million is being served with clean water efficiently and effectively (Marin 2009, Dube and Chigumira: 2011: 17) The Phillipines enacted its PPP law in 1991, the Republic Act (RA) no.6957 and it is also known as the BOT law. It engaged in water PPPs in 1997 through a company known as Suez Subsidiary Ondeo. The Maynilad water concession represents the largest population served by the private operators (Marin 2009: 114). Zimbabwe does not have a collaboration of that kind. Similarly, the UK has established the PPP unit which was later named Partnerships UK and, since 1996, the UK has been running an active PPP unit (World Bank 2007:87). Projects worth USD\$80 billion have been achieved. Water PPPs in Zimbabwe will be very effective if Zimbabwe develops an environment that is conducive for their implementation.

1.6 Justification of the study

This study derives its importance from the fact that an analysis such as the one conducted here has not been conducted for any kind of PPP in Zimbabwe. The results of this research will be readily available to other researchers who are also interested in studying Zimbabwe's potential use of PPPs in water infrastructure and other areas. Conclusions and recommendations from this study may also be helpful to policy makers and implementers of PPPs in Zimbabwe. At the core of potential use of PPPs is lack of fiscal space by governments. In contrast, the private sector offers efficiency, effectiveness and managerial skills which increase project delivery at a limited cost. It is a common phenomenon that most governments enter into partnerships not by choice but by difficult circumstances. This study will contribute knowledge to governments and development partners.

The study takes a case study approach. Integration of other methodology will be used to produce well balanced realities on the potential use of PPPs in water infrastructure development in Zimbabwe. To date very limited academic research on the potential use of PPPs has been carried out in Zimbabwe. This research draw some lessons from other countries such as South Africa(SA) , United Kingdom (UK), the Phillipines among others which have successfully implemented PPP projects. The study of this nature will be important for Zimbabwe's policymakers. This study tries to fill in the gap of limited literature on PPPs in water infrastructural development. The study is also of importance in that it is being carried out at a time when Zimbabwe is facing limited fiscal space to maintain its dilapidated water infrastructure.

1.7 Limitations of the Study

In the process of undertaking this study, the researcher was confronted with a number of challenges such as inaccessibility of the information from governmental institutions due to complicated bureaucratic structures. The concept of PPPs is a sensitive political topic. Access to the Morton Jeffrey Water Works was prohibited. Responses were not easy to express their views especially those from government departments and the local authority. In a state like Zimbabwe in which the state is under sanctions from the West and the economy is at its lowest, political sensitivity inhibits research. It was difficult to gauge the extent to which the state is genuinely concerned with PPPs in the provision of water infrastructural development. However, in mitigating these limitations the researcher made use of key informants who were willing to reveal information after persistent interrogation and

questioning. The researcher also made use of other sources of information such as the internet, media as well as available literature.

1.8 Delimitations of the Study

The study was based on information from major players in water infrastructural development such as the City of Harare, Ministry of Local Government, Urban and Rural Development, ZINWA, Water Net, Ministry of Public Works, Ministry of Water and private players in water provision such as United Nations Children's Emergency Fund (UNICEF) and think tanks. The respondents were selected from key players of the above institutions.

1.9 Organisation of the Study

- Chapter 1: Problem Statement and its Context.
- Chapter 2: Literature Review and Theoretical Framework.
- Chapter 3: Research Methodology.
- Chapter 4: Data Presentation and Analysis.
- Chapter 5: Conclusions and Recommendations.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.0 Introduction

This chapter looks at the existing body of literature on Public-Private Partnerships (PPPs) in both developing and developed world. It generally represents origin, existing gaps as well as new developments experienced in this discipline. The chapter comprises the following subtopics and subthemes: Definition of concepts, the genesis of PPPs, Operational Models, prerequisites of PPPs in Water Infrastructural Development, The Virtues surrounding PPPs in Water Infrastructural Development, Global Experiences of PPPs in Water Infrastructural Development.

2.1 The Concept of Public-Private Partnerships (PPPs) Defined

Development agencies have extensively used PPPs as one of the modern approaches to bailout contemporary governments in public infrastructural development issues. There is a growing realization that PPPs, if fully utilised, can be a panacea for solving the demand for water infrastructure especially in third world societies to improving public welfare. Ideally, as Farlam (2005:6) illustrates that, “PPP’s may have the potential to solve Sub-Saharan Africa’s profound infrastructure and service backlogs, where nearly 600 million people lack access to electricity, almost 300 million have no access to safe water among them...” Notwithstanding appreciation of the fruits to be realised from Public-Private Partnerships, collaboration is impossible unless precise definition is given and understood by the key players. The concept of PPPs is evidently well documented in literature, but with different definitions. That is why Public Accounts and Estimate Committee report (2006: 37) states that despite that the term Public-Private Partnerships has been in general use since 1990s, there is no widely agreed single definition or model of PPPs. Pollit and Bockaert (2000) further state that the term Public Private Partnerships, while universally used, has different contemporary meanings and manifestations.

According to Dube and Chigumira (2010:11) the concept of PPPs entails “contracts” between a public sector authority and private party, in which the private party provides a public service and assumes substantial financial, technical and operational risks in the project. Similarly, Partnerships British Columbia (2003) defines PPPs as “legally binding contract” between government and business for the provision of assets and the delivery of service that

allocates responsibilities and business risks among the various partners. These contracts generally formalises collaborative efforts by both the government and business players to refurbish dilapidated public infrastructure; thus guaranteeing improved quality goods and services to the public. It is little wonder why ADB (2011:1) considers PPPs as a range of possible relationships among public and private entities in the context of infrastructure and other services. In this context PPPs as an agreement between a government and a private firm under which the private firm delivers an asset, a service, or both in return for payments contingent to some extent on the long term quality or other characteristic of output delivery (The World Bank 2007:11).

The idea behind PPPs' adoption is that, inadequacies in public service delivery that characterise traditional public administration demands adopting newer and sophisticated methods embodied in the private sector. This is cemented in Omoyefa (2008:17) who views PPPs within the public sector management reform as "...total overhauling of government administrative machinery with the aim of injecting real effectiveness, efficiency, hard core competence and financial prudence into the running of the public sector." This rebranding of the public sector is targeted to meet the demand of a rapidly improving and changing global socio political environment. It is crystal clear from this definition that PPPs involve public sector and the private sector to co-perform traditionally public sector roles usually in an open, competitive arrangement associated with the current wave of New Public Management. Fourie and Burger (2000) defined a PPP as an institutional and contractual partnership arrangement between government and a private sector operator to deliver a good or service to the public. Further, ADB (2011:1) argues that PPPs describe a possible relationship between a public and private entity in the context of infrastructure and other services.

A commonality in these definitions is that the concept of PPPs is largely discussed as a gap-filler towards infrastructural development by government. It must be noted that, however, the punch of PPPs in infrastructure projects largely depends on the extent to which the government effectively controls the private partners sufficiently providing operational autonomy for private partners

Defining the term infrastructure is therefore critical to show how PPPs are instruments for its development. Whilst this term can have various definitions, Public Accounts and Estimate Committee's Report (2006:45) defines infrastructure as physical assets required to satisfy the public's need for access to major economic and social facilities and services. It may be

divided into two broad types namely fixed and current assets. Similarly, Partnerships Victoria Guidance Material, Practitioner's Guide (2001:151) defines it as fixed capital assets such as schools, hospitals that supports the provision of services and can also refer reticulate services such as roads, energy and water services, rail and airport. This concept basically extends beyond physical asset to encompass major information technology procurements. Related ancillary services in this context may encompass accommodation services arising out of the infrastructure, building related services such as maintenance and some support services (Partnership Victoria Policy 2000:4). With these definitions, infrastructure can be therefore grouped into two basic categories namely economic infrastructure and social infrastructure.

Economic infrastructure incorporates roads; railways; airports; dams and reservoirs; water head-works; water treatment and reticulation facilities; while social infrastructure includes schools and other education facilities, hospitals, clinics and other health facilities, housing, recreational facilities and law and order facilities. Public Accounts and Estimate Committee's Report (2006:45). A cursory review of these definitions also exposes major characteristics of infrastructure. As argued by (Public Accounts and Estimate Committee's Report (2006:45), it summarises these features as follows; high initial capital, they are time consuming to build, they have long lives they exist to support other economic and social activities, not merely as an end in themselves. The said definitions are generally comprehensive because they all capture the two categories of infrastructure and more importantly the economic infrastructure, which include dams and reservoirs, water head-works and water treatment and reticulation facilities which forms the pivot of this study.

2.2 Genesis of PPPs in Infrastructural Development

The evolution of PPPs can be traced back to the period of the 1970s during which macro-economic dislocation ensued. The trajectory of PPPs is found in the New Public Administration (NPM) body of reforms in which there was a stubborn retreat of government frontiers in the provision of public goods and services. In this respect, the PPPs were seen as the gap-filler of the recurrent government failure. According to Mcquaid and Scherrer (2009:2) United Kingdom (UK) has been a leader in the large scale introduction of PPPs. To Ball et al. (2002) between 1987 and 2006 the UK government had signed 590 PPPs by the Conservative government through Thatcher's theme of 'draining the swamp'. In Zimbabwe according to Dube and Chigumira (2011:3) the idea of PPPs was mooted in 1998 and significant attempt to craft a PPP framework was done in 2004. However, up to now the legal

and regulatory frameworks of PPPs are yet to be established although some PPPs projects have been implemented in the country, namely the Beitbridge-Bulawayo Railway (BBR), the New Limpopo Bridge (NLB) and the Newlands Bypass (Zimbabwe National Chamber of Commerce 2009). Recent years have seen a marked increase in cooperation between the public and the private sectors for the development and operation of infrastructure in a wide range of economic activities. Such PPP arrangements were driven by limitations to cover investment needs but also by efforts to increase the quality and efficiency of the public service.

The evolution of water PPPs can be traced back to the 1990s when many governments embarked on ambitious reforms of their urban Water Supply and Sanitation (WSS) services (Marin 2009:1). Since 1990 more than 260 contracts were given to private contractors for the management of water and sanitation in developing countries and most of these projects were in the form of Build Operate and Transfer (BOT) models. Ibid further alludes that between 1991 and 2000 over 94 million people received water from private operators. By the end of 2007 160 million people were served by private operators which marked increase in water PPPs in developing and developed countries. Countries such as Algeria, China, Malaysia and Russia engaged the private water operators on a large scale. In developing countries in particular the evolution of water PPPs can be traced back to the 19th and 20th centuries (Marin 2009: 17).

Urban water systems in many cities of the Americas and Europe as well as in colonies were financed by private firms. Water infrastructure in countries such as Chile, New Zealand and the UK has been privatized in the 1980s. The rationale was that the private operator can operate more efficiently because of its profit motive and the fact that its contract contains clear, consistent objectives and means rather than multiple and often conflicting goals assigned to state owned utilities (Harris 2003). The 1990s witnessed massive development of water PPPs. Countries such as Argentina, Bolivia, Venezuela and Colombia in Latin America undertook water reforms from the 1980s. However, in Africa Cote d'Ivoire was an exception as it undertook private operator called Societe d' Amenagement Urbain et Rural (SAUR) since 1960 and operated the national private water utility called Societe de Distribution de Cote d'Ivoire (SODECI) under the affer-mage contract. Different countries started water PPPs at different times.

2.3 Models of PPPs in Water Infrastructural Development

As has been argued before, the concept of PPPs has reflected diverse experiences within governments and their applicability corresponds with contextually defined, nature, purpose as well as jurisdictional considerations. These differences have also entailed a wide range of models to accommodate these context-specific factors. Linda (2006:250) postulates that differences in PPP models stem from the situational specific contextual factors that affect their outworking in different jurisdictions over time and, in turn their nature, purpose, characteristic implementation and oversight. In literature there are myriad of models that seek to explain how PPPs can be applied to suit government's infrastructural networks whilst respecting their context specific factor. These models include Build- and- Transfer scheme (BT), Build- Operate- and- Transfer scheme (BOT), Build-Own-Operate-and- Transfer scheme (BOOT), Build-Lease- and Transfer (BLT), Build- Transfer- and Operate (BTO), Rehabilitate- Operate and Transfer (ROT) and Lease- Develop and Operate (LDO) (Dube and Chigumira 2011:2).The Nepal Planning Commission Paper (2009:8), highlighted the same PPP models but added the develop-operate and transfer (DOT) model. ADBI 2011:19) included the design build finance and operate (DBFO) model. This paper specifically focuses on BOT and DBFO as PPP models to appreciate how the concept of PPPs can be fully utilised in Water infrastructural development.

2.3.1 Built and Transfer (BT) Scheme

The underlying principle of this scheme is that, the private sector provides finances to construct the infrastructure and then hand over the facility to the government upon completion. The government would then pay back the agreed finances as agreed and the private player gets reasonable returns. The possibility of using this scheme in water infrastructural development is visible especially in dam construction, waterworks and sewer reticulation plants.

2.3.2 Build-Operate-and-Transfer (BOT)

The build-operate-and-transfer provides that the private sector constructs the infrastructure, operates the facility and maintain it. The private sector operates the facility for an agreed fixed term. The private is then allowed to impose the user-fees to the users of the infrastructure. This allows the private player to recoup the costs including some profits. The facility is then handed over to the public authority at the end of the fixed term, for example

20 or so years. In water infrastructural development, the BOT model can be of use since water is marketable; it is easy to put user-fees to the users of this commodity.

2.3.3 Build-Own-Operate-and Transfer (BOOT) Model

Implied here is that, the private sector finances, constructs, owns and operates the facility for a fixed term. In this scheme, the private sector is allowed to own the infrastructure during the tenure without prejudice and recovers its costs including profits through user-charges. The infrastructure is then handed to the government or government department after the agreed term. In water infrastructural development, the scheme suits quite well since the private player can develop dams, water treatment plants and introduce user-fees for an agreed term.

2.3.4 Build-Lease-and-Transfer (BLT) Model

The model presupposes that, the private players construct the infrastructure and upon completion, the infrastructure is leased to the government or government agency. It is during this lease period where the private player recoups its costs and gains reasonable proceeds from the government or government agency for an agreed term. The government then assumes ownership and control over the facility after the agreed term and stops paying the lease. In water infrastructural development, the model can apply since governments are faced with limited fiscal space to fund infrastructural development.

2.3.5 Build-Transfer-and-Operate (BTO) Model

Similarly, the private sector finances the construction of the infrastructure and transfers it to the government upon completion. The private player then operates the facility on behalf of the government and proceeds are shared as per contract agreement.

2.3.6 Rehabilitate-Operate-and-Transfer (ROT) Model

Implied in this model is that, the infrastructure exists but is dilapidated. The private sector refurbishes, maintains and renovate the facility. The same private player is allowed to operate the infrastructure for an agreed period. It is during this period where the private player earns returns from the investment. The facility is then handed back to the government body or agency. In Zimbabwe water infrastructure, the position is that the facilities are in a sorry state and demands massive rehabilitation. For example the Morton Jeffry Water Works, the

Chitungwiza Aquatic Complex Swimming facilities, Irrigation facilities only to mention but a few are in deplorable state. This scheme could fit in quiet well. The government does not have enough resources to do it alone.

2.3.7 Lease-Develop-and-Operate (LDO) Model

The model works as follows, the private player leases an existing facility from the government, renovates, modernises, or expands it before assuming operation rights for a fixed term. The company recoups its costs through operation and government benefits through lease payments.

An analysis of the above models indicates two basic categories and these include new projects and already existing projects. From these two categories, water infrastructural development requires both rehabilitation of the already existing infrastructure and also building of new projects. Dam construction, water treatment plants, pipes, irrigation schemes is possible under these categories. However, for the purpose of this study the researcher shall use BOT and DBFO. According to ABDI 2011.19) “BOT is suited to projects involve a significant operating content particularly water and waste projects and DBFO is suited to projects that involve a significant operating content particularly suited to roads, water and waste projects.” The strengths of BOT include transfer of operating risks, construction and design and it has the capability to speed-up construction. It also promotes innovation of the private sector as well as improving value for money. BOT improves the quality of operation and maintenance. It has also the advantage of off-loading the government workload so that it concentrates on its core public sector responsibilities. DBFO has the advantages of attracting private sector finances and debt finance discipline. It also delivers more predictable and consistent cost profile. Further, increased risk transfer in DBFO provides greater incentive for private sector contractor to adopt a whole life costing approach to design.

2.4 Pre-requisites for Successful Adoption of PPPs

The world over successful PPPs largely depend on conditions which serve as bench marks for proper implementation. Without these pre-conditions, implementation of PPPs becomes problematic. Pre-conditions of PPPs are relatively similar in context but vary from one country to another. In some countries such as the European Union preconditions are well spelt out in the European Commission guidelines. But countries are not forced to take those preconditions. Chief amongst the preconditions for successful implementation of PPPs are

not limited to the following, legal and Institutional framework, political will, financial support, economic stability, technical expertise, public acceptance, respect of property rights and government commitment

According to the ADB handbook the legal, regulatory and policy frameworks presents a benchmark for establishing PPPs. There is need for a country to create a policy framework for PPP activity and regulation. The legal framework helps in establishing the legal reforms needed to reduce impediments to improved or expanded service such as assignments of responsibility for development, control lines, financing, regulating and managing infrastructure assets. It is also important to note that realistic legal reforms are needed to overcome potential constraints to PPPs including inhibiting asset ownership or management, repatriation of resources and barriers to cost recovery. The legal framework is important in PPPs in that it regulates and monitors service obligations, compliance with service conditions, consumer protection, tariff regulation and asset management, there is need to develop a PPP process that is consistent with the legal and regulatory regime. Further, there is need to develop a PPP regulation that seeks to address perceived gaps in the legal and regulatory framework.

The Institutional and capacity status entails that there should be proper assignment of the appropriate level of authority to institutions and even creating new institutions that regulates PPPs. These new institutions must be composed of well educated in order to train new roles to staff to perform new functions and developing manuals, procedures standards and other tools required to implement new functions. The commercial, financial and economic issues highlights that there is need to agreeing with the stake holders on the economic balance of costs and benefits to be achieved in the sector reform. There is need to develop a financial plan for PPP that is realistic for the market and is commercially viable. The technical aspect entails defining and documenting the desired technical outcomes of the partnerships. Further it defines the correct metric for measuring improvements, achieving improvement, achieving the investment and documenting the expected improvements which do not require major investment.

In a nutshell the road map to PPPs includes; Strategic planning, Organising and managing the process, Collecting additional information, Defining objectives, Resolving constraints, Defining scope, Selecting options, Identifying partners, Financing for investment, Cost recovery strategy, Regulatory strategy, Finalising the terms of the partnership, Tendering and

procurement, Negotiating and contracting, Managing the contract, Monitoring and evaluation, Managing disputes and Managing transition

Edwards (1980:147) elaborates that “In implementing as well as formulating, accommodation must be made to political interests, scarcity of resources, and the nature of our bureaucracies and our political systems.” The political environment ought to be conducive for PPPs. Van Horn and Van Meters (1974:30) argues that implementation of public policies needs political support. For Fervrier (2003:7), preconditions for successful PPPs include establishing PPP structures, legal and regulatory structures, financial and economic implications, integrating grant financing and PPP objectives and conception, planning, implementation of PPPs. In addition the Nepal planning Commission elaborates on firm government commitment, creation of a separate autonomous high level body to deal with PPP issues, conducive policies and Acts and sharing of experiences. The European commission paper (2001) highlighted the same prerequisites but included public acceptance, quality practitioners, clarity on powers of public authorities, removal of tax anomalies and refining public expenditures capital control.

2.5 Virtues of PPPs in Water Infrastructural Development

Across the globe, desire for utilizing PPPs in public infrastructural development is gaining momentum ever than before largely to compensate government failures in delivering public essentials adequately. In the view of Asian Development Bank Institute (ADBI) (2011:4) in the last decade there has been an important increase in the use of public private partnerships; the driver being limited public funds coupled with an increasing acceptance that private sector is often better placed to handle many of the traditional tasks of the public sector.

Evidence on the ground generally points high uptake of PPPs in public infrastructure as immediate solutions to addressing perennial challenges by most governments in infrastructure networks in their respective countries as well as enhancing quality services delivery (Farlam, 2005:1). Majority of them are optimistic that applying PPPs model; in which government shares risk and responsibility with private partners, but ultimately retaining control of assets will go a long way in improving services, and concurrently avoiding some of the pitfalls of privatization: unemployment, higher prices and corruption. Particularly in the water sector, the concept of PPP can never be underestimated. According to Marin (2009:1) many governments in the 1990s embarked on ambitious reforms of their urban Water Supply and Sanitation (WSS) services that often included delegating the management of utilities to

private operators under various contractual arrangements. Hopes were high that PPPs would turn around poorly performing public utilities by bringing new expertise, financial resources and a more commercial orientation. As has been widely argued in literature, the concept of PPPs can never be ignored as remedial actions towards government failures in undertaking its sovereign duties especially in this context of limited fiscal space and rapid urbanisation and population explosion. According to Jerome (2004:20), the constant malfunction of African governments to deliver basic goods and services to the general population is well documented but not remedied. Governments in the developing world operate in an environment of limited fiscal space and thus lack resources for maintenance and upgrading of existing infrastructure. This is largely because government utilities are facing problems of low productivity, poor cost recovery strategies, political interference and general lack of transparency (Bailis and Hall 2000, Zhou 2012:34, Jerome 2004:6; World Bank 2007:23).

Harris (2003) further added problems of inefficiency, deprived pricing strategies, and corruption as major deterrence to effective service delivery in the public sector. This is buttressed in (Faulkner 1995), who revealed water supply and waste management in African countries have been the responsibility of public organisations. However these entities without the support of the private sector cannot meet increasing demands for service delivery. In fact, they lack the funds to improve and develop services. It is further argued these public utilities do not only experience challenge in identifying and affording new, eco-efficiency technology; but also lack the skill to manage the services efficiently.

What should be born in mind is that a commonality in all PPPs arrangement; where a private consortium contracts with a public sector agency to finance, design and construct (or refurbish) a facility under a time and cost-specific contract. Following construction, (usually by consortium) services are then provided under a long-term contract and more often than not, a revenue stream is used to repay debt, fund operations, deliver contracted services and provide a return to investors (Linda 2006:253). In fact, PPPs are one form in the range of procurement options that are available for public infrastructure. In fact, PPPs are recognised of the contemporary significance of addressing mounting public infrastructural commitments across the globe. In this case, the fundamental characteristic of a PPP is the involvement of the private sector in the delivery of a public infrastructure project and/or public services. It is further argued that the participation of the private sector in such projects, for instance, may encompass responsibility to build, own and operate an asset, while others may extend the arrangement to the transfer of the asset back to the government after a specified period, and

often at no cost (World Bank 2007:23). Equally important the contract may entail public sector assuming ownership of the asset on completion and leasing it back to the private provider (Ibid:13). In support of this, Farlan (2005:2) suggests the need for government to essentially improve their relations with private actors to realise benefits these partnerships can provide.

This is because the private sector arguably bristles with dynamics, creative in a world of entrepreneurialism, unlike the corrupt, “lazy” strike prone workers in the public sector (Farlan, 2005:05). In addition, studies from UK where Private Finance Initiative (PFI) was, demonstrated that cost savings by private organisations providing public services changed the terms of employment thereby reducing the costs in service provision. Therefore, the gains and benefits PPPs cannot be underestimated and must be considered carefully by governments. The reasons for privatisation are based on the generalisation that the private sector performs better than the public sector. Implied is that PPPs offers opportunity to overcome inefficiency and wastage that characterise the public sector (Ibid).

In this regard, Farlan (2005:06) concludes that the fiscal benefits from sale or lease of state-owned enterprise (SOEs), including reduced subsidies to these often loss-making entities, or new investment government cannot afford to provide on its own. He further added that there is also the efficiency gain of the private sector which can lead to lower prices and improved access by more of the population, the development of local financial market and increased private sector development which includes broadening local participation. In addition, PPPs is often regarded as an aid conditionality of donor agencies for developing countries (Ibid).

ADB (2011:4) suggests PPPs as viable avenue to steer up socio-economic growth. Given that PPPs are taken as engine for infrastructural development, economic and social development are arguably viewed as highly dependent on the development of infrastructure, especially in transport, and utilities such as water, power, and telecommunications. If these essential are made available for the public, it is strongly argued, this will resultantly improve social infrastructure for health and education as well as many other facilities. PPPs arrangement is also taken as enhancing government in tackling in key infrastructure deficits. In this case they are meant to finance long list of essential infrastructure projects which traditional governments, if left alone cannot invest in. Overall, the above author summarises the benefits of PPPs as follows: they provide additional capital; they provide better

management and implementations skills. In this case private sector engagement in public sector activities may bring in performance benchmarking in order to achieve value for money; thus improving the quality of public service.

PPPs are also important as they promote more efficient allocation of risks (thus improving the identification of needs and optimal use of resources over the whole life of a project). This is because at the pith of PPPs lies the allocation of risk to the partner that is capable of managing it. If properly managed PPPs are strongly considered as “*cash cow*” for government in the long term. This can be largely due to argued increase in the level of quality and efficiency which can motivate users to pay user-charges; hence more profits. ADBI (2011) further argues that since most contemporary governments are facing severe fiscal challenges that more often than not have compromised capital expenditure, reliance on PPPs can fundamentally result in faster implementation of public infrastructure projects for the good of the public. This can be due increase in the incentives by the private sector to deliver on time and according to specifications. Risk of design and construction are transferred to the private sector; and payments are based on delivery and quality, or the need to charge user fees encourages efficiency and quality (Ibid). Faulkner (1995:159) opines that across contemporary developing societies, there is a critical need for discovering new avenues for funding, technological support and leadership. This justifies that the private sector is needed for its distinct technological, financial and management resources. This is evidenced with proven records for delivering goods and services efficiently, maintaining capital equipment at a high standard and its ability to quick decision making than public bureaucracies.

In this case PPPs which allows private partner involvement with government control will not only ensure high quality and efficient public service delivery; but securing the much needed high degree of public accountability, preservation of public ethos, protection of all section of society and underwrites the delivery of social and environmental, as well as economic benefits. This in turn is regarded as a missing link for sustainable development as well as purely financial goals. Therefore the concept PPPs, as hybrid of government and private sector, is strongly believed as a modern solution against loopholes associated with government (traditional monopoly in public service delivery attached to inefficient, poor quality services) and full privatisation (whose profit motive undermines public ethos in service delivery).

2.6 Global Experiences of PPPs: Success and Failure Cases

2.6.1 South Africa Case Study

The South African government embarked on PPPs soon after attaining its independence in 1994. It took an approach of reforming management of state assets (Department of Public Enterprises 2005a, Flinders 2005:216). PPPs in South Africa falls under the National Treasury which constituted a PPP unit in 2000 and this PPP unit plays a pivotal role in the creation of PPPs (Burger 2000:1). In April 1997 the South African cabinet appointed an inter-departmental taskforce to develop policy, legislation and institutional reforms to incorporate PPPs. Between 1997 and 2000, two pilot projects were carried out. By mid 2000 the PPP unit was established and the unit is regulated in terms of Treasury Regulation 16 issued in 2004 to the Public Finance Management Act (1999). The water PPPs in South Africa started in 1992 in Queens Town and Malute and the population served is 0,6 million (Marin 2009). In 2000 a water PPP project was commissioned in Emfuleni. The project was called the WRP-Metsi-a-LekoaSebokeng-Evaton Leakage Reduction PPP Project. The project covered 70 000 households. The project was necessitated by the general deterioration of the infrastructure. Metsi-a-Lekoa did not have the financial capacity to rehabilitate the infrastructure. The project was carried by WRP private limited (Dube and Chigumira 2011:17). The municipality did not contribute any financial input including initial capital cost. The total cost of the project was SAR10 million.

The World Bank (2007:78) argues that the regulation 16 of the Public Finance Management Act (PFMA) established South Africa's National Treasury PPP unit in 2000 as a filter to exclude fiscally irresponsible PPP transactions. The evolution of a PPP unit in South Africa was motivated by the treasury concerns over a specific PPP transaction proposed by the ministry of Public Works. This was a procurement of a BOT contract for two prisons. Ibid further alludes that the PFMA Regulation requires that every PPP agreement, must be affordable for the government, show value for money, transfer substantial technical operational and financial risk to the private partner. The regulation 16 requires formal treasury approval for each PPP unit at four stages. These stages include completion of feasibility study. This is done to ascertain the affordability of the PPP and consistence of costs in line with the budget. The second stage is at the completion of bids documents. The selection of bidders is the third stage and the fourth and final stage the finalization of the PPP

agreement. The Treasury PPP unit has been credited for 13 deals worth us \$300 million dollars.

Most deals successfully concluded by the South African PPP unit include transport, health care, information technology. According to the World Bank (2007:80), the treasury PPP unit in South Africa managed to achieve its objectives. Former South African Finance minister in his speech in 2004 concluded that, “This is what PPPs are about. The public gets better, more cost effective services; the private sector gets new business opportunities. Both are in the interest of the nation”. The prerogative of the South African PPP unit is to ensure that PPP agreements comply with the legal requirements of affordability, value for money and sufficient risk transfer (Burger 2006:9). The PPP unit guide government departments and provinces to achieve world standards best practices. Grimsy and Lewis 2005; Goosling 2004; Hodge 2004; Fourie and Burger 2000 concurs that successful PPPs must include affordability, value for money and sufficient risk transfer. The South African constitution provides that “when an organ of state contracts for goods or services it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost effective”.

2.6.2 The United Kingdom (UK) Case Study

So much has been written about the (UK) treasury PPP unit and Partnerships UK. Since 1996 the UK has been running an active PPP Unit World bank (2007: 87). Under John Major’s Conservative government, the private finance initiative (PFI) was used for a variety of infrastructure sectors through a Design Build Finance Operate (DBFO) model. Tony Blair’s labour government changed the focus and re branded the programme as ‘Partnerships UK’ although both names are still being used. The UK has a separate PPP policy and project development agencies (World Bank 2007:87). Partnerships UK advise government agencies on PPP projects for a fee. Major achievements were made by the Partnerships UK. Since 1996 roughly seven hundred projects worth USD \$80 billion have been closed. New projects worth USD \$ 8 billion or 0, 4 percent of Gross Domestic Product (GDP) was established the same year. The UK’s PFI PPP activities between 1994 and 2005 represented two thirds of all European activities (World Bank (2007:87). Ibid further alludes that 80 percent of PFI projects were delivered in time and on budget.

2.6.3 The Portugal Case Study

Portugal embarked on its first PPPs in the 1990s to improve its infrastructure. In 2003 an audit on PPPs was carried and discovered that PPP liabilities amounted to ten percent of its GDP. In 2003, the government enacted a Decree Law number 86/2003 that defined the general rules relating to government intervention in design, conception, preparation, tender, adjudication, modification, auditing and global surveying of PPPs. The law sets minimum requirements for PPPs. Parpublica SA, a company owned entirely by the treasury was mandated with the responsibility of enforcing Decreto Lei No. 86/2003 by Despacho Normativo 35/2003. It is estimated that, Portugal closed USD\$10 – 12 billion in PPPs between 2004 –2005 (Price Water House Coopers 2005). Portugal had the biggest PPP activity in Europe and constituted 10 percent of all closed deals in Europe. Most of the PPPs in Portugal concentrated on transport water and waste water sector (World Bank 2007: 83).

NB: It is worth noting that in Europe the European Commission had its own PPP guidelines. Price Water House Coopers (2005) highlighted that European countries that include Austria, Ireland, Netherlands and United Kingdom have very active PPP units. Denmark, France, Germany, Italy, Portugal, Cyprus, Czech Republic, Hungary, Latvia, Lithuania, Malta, Poland, Bulgaria and Turkey have PPP units which are in progress. Ireland, Spain, Turkey, Poland and Latvia have comprehensive PPP legislation in place, while Belgium, France, Greece and Romania have comprehensive legislation being drafted. The European Commission's guidelines for PPPs include the directive 2004/17/EC of the European parliament and the council of 31 March 2004. It coordinates the procurement procedures of entities operating in the water energy, transport and postal services (30.04.2004). Directive 2004/18 EC of the European parliament and of the council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts (30.04.2004)

Commission Regulation (CR) No. 1564/2005 of 07 September 2005 establishing standard forms for the publication of notices in the framework of public procurement procedures pursuant to Directives 2004/17/EC and 2004/18/EC of the European Parliament and of the council. However the decision to use or not to use the European Commission guidelines lies within European member states, although the European Union finances PPP projects through the European Investment Bank.

2.6.4 Australian Case Study

Partnerships Victoria was established in 1980. The aim was that of UK and Portugal which intended to push and expenditure off the books (World Bank 2007:89). The return of the labour government in 1999 in Victoria under Steve Bracks influenced Partnerships Victoria on adoption and expansion of the previous PPP programme. Ibid further alludes that, the major focus was on risk transfer, maximising efficiency and minimising whole life costs. The treasury team is responsible for implementing the policy. As noted by the World Bank (2007:89), the Victoria's treasurer claimed that "Australia is now the second most developed PPP market in the world after the UK". Its projects include Spencer Street Station in Melbourne, re development of the Melbourne show grounds, a new convention centre, a major new court building and a number of water treatment works and accommodation projects. Partnerships Victoria was established in 1980. The aim was that of UK and Portugal which intended to push and expenditure off the books (World Bank 2007:89). The return of the labour government in 1999 in Victoria under Steve Bracks influenced Partnerships Victoria on adoption and expansion of the previous PPP programme. Ibid further alludes that, the major focus was on risk transfer, maximising efficiency and minimising whole life costs. The treasury team is responsible for implementing the policy. As noted by the World Bank (2007:89), the Victoria's treasurer claimed that "Australia is now the second most developed PPP market in the world after the UK". Its projects include Spencer Street Station in Melbourne, re development of the Melbourne show grounds, a new convention centre, a major new court building and a number of water treatment works and accommodation projects.

2.6.5 The Philippines Case Study

The Philippines has its BOT Centre and the PPPs were first muted in the 1980s and gained momentum in the 1990s. In 1997 President Corazon Aquino issued an Executive Order (EO) 215 EO 215 gave a green light to private operators to provide power. On take or pay basis. In 1991 the Republic Act (RA) No. 6957 also known as Build Operate and transfer (BOT) was enacted and amended in 1994 as RA No 7718 to provide a frame work from private sector investment in infrastructure . The BOT Law regulates national and local government PPPs and other sectors. In 2002. The Executive Order (EO) 144 was reorganised and converted the coordinating Council of the Philippines Assistance Programme (CCPAP) and its secretariat to the BOT centre and transferred the Coordinating Council for Private Sector Participation

(CCPSP)'s attachment from the office of the President to the Department of Trade and Industry (World Bank 2007:91). The BOT centre assisted in sixty transactions worth USD\$18 billion. The Manila Water Works and Sewerage System (MWWSS) was privatised at a value of USD\$7 billion. The Water Concession Maynilad Water Concession was won by Suez Subsidiary Ondeo in 1997. The two Concessions in Manila deserve special attention because they represent the largest population served by private operators in developing world (Marin 2009:114).

2.7 Conceptual Framework

2.7.1 Public-Private Partnership

PPPs involve the contract between the public sector authority and a private party, which the private party provides public services and assumes substantial financial, technical and operational risk in the project (Dube and Chigumira 2011:1). According to Partnerships British Columbia (2003) PPPs are legally binding contracts between government and business for the provision of assets and the delivery of services that allocates responsibilities and business risk among the various partners. In this regard PPPs are associated with 'value for money' as compared to the traditional public procurement options. When properly executed "they produce reduced life-cycle costs, better risk allocation, faster implementation of public works and services, improves services quality and additional revenue stream" (Renda and Schrefler 2006 as cited in Dube and Chigumira 2011: 1).

2.8 Theoretical Framework

2.8.1 The public Choice Theory

The researcher draws some theoretical guides from the public choice theory. The study of the public private partnerships in water infrastructural Development is conceptualised within the theory of Public Choice, Pioneered by Buchanan (1962) the theory involves the application of cataleptics of the science of exchanges. The theory entails the application of the rational choice model that is the application of economics to political science. The public choice theory regards the existing democratic arrangements as very poor predictors of citizens' preferences. Thus, it proposes the application of the market notions in public managements. The public choice theory is attached to the market notion of trading and competition. The theory is much related to the concept of power decentralisation as an opportunity to promote competitions among government agencies, Public Private Partnerships falls under this

notions. Wright (1995:13) defined the public choice theory as an economic analysis of political institutions. Public Private Partnerships is a concept that is best understood through the public choice theory in that it promotes opportunities and competition between government and private sector. The private sector enters into partnerships with government on merit. The public choice theory is based on the assumption that the private sector led economic growth and development is more efficient both productive and allocative efficiencies (Buse and Walt 2002). The private sector is more dynamic resilient, creative innovative and vibrant than the public one. The theory, however, reveals the nature and characteristic of public officials as self seeking individuals, utility maximisers, individuals who seek to abuse public offices for personal gains implied is that government rarely acted in the public interest since they have their own embedded interest.

The public choice theory is, therefore, instructive to the study of the use of public private partnerships in the water infrastructural development in Zimbabwe in that it is a sub – field in economics and has developed an important and helpful perspective on non market behaviour and calls for reforms. In his remarks in 1986 after receiving his Nobel Prize, Buchanan argued that

“those of us who have helped generate the wide spread notion that self interest is an important political motivation, would be extremely irresponsible if we acquiesce in the influence that reform and construction are not possible...We need not jump back into the delusion that political agents are benevolent in order to think seriously about reform. We must, I think hold onto the faith that modern individuals can change the cause of their own history and in ways that are not predetermined by their economies of interest, whatever in the models of public choice or Marxism. To change history in the direction of a society that combines liberty of person, prosperity and order, modern men and women must be considered able to take a more comprehensive view than that measured strictly by their net wealth. It is time to again dream attainable dreams and to recover the faith that dreams can become realities (1986).”

The implication of the public choice theory vis-a-vis the preconditions of PPPs and some case study is that the theory calls for the application of economics to political science. Thus, it proposes the application of market notions in public management that is trading and competition. Preconditions of PPPs are enablers of competitions and inclusion of market tools in public management. Preconditions such as the legal and institutional frameworks, stable socio-economic and political environment, respect of property rights, among others act as a link between private and the public sector. Countries such as South Africa, United Kingdom, the Phillipines among others have adopted the preconditions of PPPs and managed to match the theory and practice.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter is a synopsis of the methods that were used in the study on the analysis of the potential use of Public Private Partnerships in water infrastructural development. It consists of the research design, sampling framework, sampling procedures, data collection instruments and data analysis and presentation plan. The research adopted a mixed method approach which uses both desk research and in-depth interviews.

3.1 Research Design

3.1.1 Case Study Approach

The research used a case study approach. It is a strategy for doing research which involves an empirical investigation of a context using multiple sources of evidence (Robson, 1993:161-6). By taking potential use of PPPs in water infrastructural development in Harare City Council as a case study, the research had an in-depth study in terms of prerequisites, benefits and challenges in order to have a grand generalisation on Zimbabwe's preparedness to embrace PPPs in water infrastructural development.

3.2 Sampling Frame and Sampling Procedure

The study was carried out in Harare City Council (HCC). It was judgementally selected mainly because there is high utilisation of water for industrial, domestic, recreational and agricultural purposes compared to other provinces. HCC lies in Harare Metropolitan Province. It comprises of low, medium and high density settlements. According to ZIMSTAT (2012:110), its total population is 1 468 767. In addition, Harare City Council has over the years been struggling to provide water to its huge population. Its water infrastructure is dilapidated and old. Built in 1952, the facility needs massive rehabilitation. Harare is the administrative capital city of Zimbabwe.

3.2.1 Target Population

Analysis of potential use of Public Private Partnerships in water infrastructural development in Zimbabwe demands knowledgeable people. This is a knowledge based area. In this

respect the target population was drawn from individuals, organisations and social artefacts. Individuals including the academics, think tanks, directors in the Harare City Council and the Ministry of Finance, the Ministry of Local Government, Office of the President and Cabinet, Department of Public Works. Organisations include Zimbabwe National Water Authority (ZINWA), Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU), African Capacity Building Foundation (ACBF), Water Net, United Nations Children’s Emergence Fund (UNICEF). Social artefacts take the form of books, journals, newspapers and reports. (Burns and Grove (1997:236) define target population as “the entire aggregation of respondents or subjects that meet the designated set of criteria.

3.3 Sampling Procedure

3.3.1 Sample

The study used a sample of twenty (20) respondents from the target population. Non probability sampling technique in the form of purposive sampling was used to select the respondents from the target population. To Polit and Hungler (1995:279) a sample is a subset of the population which is selected to participate in the study. On the other hand, Williamson et al (1997:110) define non probability sampling as a selection procedure where there is no way of forecasting, estimating or even guaranteeing that each element in the population will be represented in the sample. Analysis of the potential use of Public Private Partnerships is a knowledge based area. Only knowledgeable people participate.

3.3.2 Purposive Sampling (Non Probability Sampling Technique)

Purposive sampling was used to select a total of twenty) key informants who include two (2) senior lecturers (academics) from the University of Zimbabwe in the Department of Political and Administrative Studies, two(2) directors from the Ministry of Local Government Public Works and National Housing, two(2) directors from the Ministry of Finance, two (2) directors from the Office of the President and Cabinet, two (2) representatives from UNICEF, two(2) directors from ZINWA, two (2) directors from ZEPARU, two (2) directors from Harare City Council, one (1) director from (ACBF), two (2) directors from the State Procurement Board and one (1) director from WATER NET. The table below summarises the aforementioned respondents,

Table 1: Categories of Respondents

Category of Respondents	Number Targeted	Position
Ministry of Local Government, Public Works and National Housing	2	Directors
Ministry of Finance and Economic Planning	2	Directors
Office of the President and Cabinet	2	Directors
State Procurement Board	2	Directors
United Nations Children Education Fund	2	Directors
Zimbabwe National Water Authority	2	Directors
ZEPARU	2	Directors
Harare City Council	2	Directors
African Capacity Building Foundation	1	Director
Water Net	1	Director
Academics	2	Directors
TOTAL	20	

According to Williamson et al (1977:111), purposive sampling refers to a judgemental form of sampling in which the researcher intentionally selects certain groups of individuals for their relevance to the issue being studied. The major advantage is that it is a way to ensure that the researcher gets at least some information from respondents who are crucial and informative to the study, but hard to locate because of their strategic positions which they have in an organisation (ibid). PPPs are a knowledge based area and a study of this nature requires highly knowledgeable people. This concurs with Babbie (2010:193) who notes that purposive sampling “is the selection of a sample basing on the knowledge of a population, its elements and the purpose of the study. It is a non probability sampling method in which the units to be observed are selected on the basis of the researcher’s judgment about which ones will be most useful or representative.

Further, Tongco (2007:147) notes that the researcher has to decide what needs to be known and sets out to find people who are willing to provide the data by virtue of knowledge or experience. This method was used in the selection of units to be interviewed. The technique was used to select the twenty (20) key informants to be interviewed from the Ministry of Local Government, National Housing and Public Works, Ministry of Finance and Economic Planning, Office of the President and Cabinet, and Academia, Harare Local Authority, ZINWA, ZEPARU, ACBF, UNICEF and Water Net.

It must be noted, nevertheless that this technique as a non-probability sampling does not guarantee representativeness of respondents to the entire population since respondents are not selected by chance.

3.4 Data Collection Methods

Qualitative methods shall be employed to as data collection instruments.

3.4.1 Documentary Search

The research used electronic sources as well as literature which are categorized under documentary search. The documentary search was on preconditions of PPPs, experiences and challenges of PPPs in Zimbabwe, policy and implementation levels. Pre-requisites of PPPs literature forms the bedrock of research by providing the comprehensive data that was used to assess Zimbabwe's preparedness to embrace successful PPPs.

Policy level literature forms the cornerstone by providing the current position of Zimbabwe on its endeavour to embrace PPPs. Relevant pieces of legislation governing PPPs, National Budget Statements, Ministerial Statements, Parliamentary debates among others, were used. Implementation level literature to review tangible benefits of PPPs in water infrastructural development included relevant survey reports, by government, academia, Non-Governmental Organisations (NGOs), UNICEF, relevant Newspaper articles, websites, media reports, book material, journals as well as unpublished materials. Further budgets, constitutions, blue prints, mid-term policies, feasibility studies, draft policy documents among others were used.

3.4.2 Key Informant Interviews

To Scott (1990:54) "a key informant interview is a loosely structured conversation with people who have specialised knowledge about the topic you wish to understand." Key informant interviews were conducted with two directors from the Ministry of Finance, two directors from the State Procurement Board (SPB), two directors from the Ministry of National Housing and Public Works, one director from the Office of the President and Cabinet, two directors from the City of Harare, two senior lectures from the University of Zimbabwe's department of Political and Administrative Studies, two directors from ZINWA, two directors from UNICEF, two directors from ZEPARU, one director from ACBF and one director from Water Net. This method was used to gain a comprehensive understanding of the potential use of PPPs in water infrastructural development. Guion et al (2011) alludes that "key informant

interview uses an open ended discovery-oriented approach which allows the interviewer to deeply explore the respondent's feelings and perspective on a subject under study. This method was chosen because of its advantages which include the following.

Public Private Partnerships is a knowledge oriented area and therefore in-depth interviews allows further probing, rephrasing questions to make sure they are understood. Rich data was also gathered in relatively easy and inexpensive way. Claire (1959:238) alludes that key informant interviews are qualitative in-depth interviews with people who know the subject under study.

However, the method has its inherent weaknesses. According to Boyce and Neale (2006:3), the method is prone to bias. Key informants especially from ministries and local authority could be biased due to the sensitive nature of their positions. There is also a possibility of biased information through the influence of the interviewer and it is not suitable for collecting sensitive information and therefore generalisation of results to the larger population becomes difficult. To circumvent these weaknesses, the researcher cross-validated the data gathered using this method by another qualitative techniques such as documentary research.

3.5 Data Analysis and Presentation Plan

3.5.1 Content Analysis

The study made use of content analysis in analysing data. Babbie (2010:156) alludes that content analysis is the study of recorded human communications such as books, websites, paintings and laws.” Public Private Partnerships is not a new phenomenon, a lot of literature has been written about PPPs and the research used content analysis to obtain data from books, websites, paintings and laws. To Holsti (1968:601) content analysis is “any technique for making inferences by systematically and objectively identifying specialised characteristics of messages.”

It is thus a research tool focused on the actual content and internal features of media in order to determine the presence of certain words, concepts, themes, characters, or sentences within texts or set of texts to qualify this presence in an objective manner. The method involves systematic analysis where communication content will be categorized and classified. This method was used to test one textual data against each other for reliability and authenticity. The analysed data was presented in essay format.

3.5.2 Thematic Analysis

According to Rice and Ezzy (1999:258) thematic analysis “involves the identification of themes through careful reading and re-reading of data”. Thus, data gathered through key informant interviews was grouped into themes of similar characteristics and then examined case by case.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

This chapter presents and analyses the data collected. Sharp (1993) describes data analysis as the ordering and structuring of gathered data in order to produce knowledge. The data was analysed manually using qualitative analysis. Thematic analysis was thus used to analyse data. Data was gathered from key informant interviews was analysed thematically using thematic analysis. Rice and Ezzy (1999:258) postulate that thematic analysis involves the identification of themes through careful and rereading of data. In this case narrations are grouped into themes focussing on a particular issue.

Data collected from books, documents, journals and newspapers was analysed using content analysis. Thus secondary data collected from such collaboration was analysed using content analysis. Babbie (2010:156) alludes that content analysis is the study of recorded human communications such as books, websites, paintings and laws. Triangulation or juxtapositioning of data collected from key informants and desk research was done to circumvent the inherent weaknesses of the two methods.

The research questions were as follows:

Research questions

1. In your own view, can PPPs be helpful in the provision of water infrastructure in Zimbabwean local authorities?
2. What is Zimbabwe's readiness with regard to PPPs?
3. What are the legal, institutional and political frameworks that govern PPPs in the provision of water in local authorities in Zimbabwe?
4. How effective are these frameworks (if any) in promoting PPPs in water infrastructure development in Zimbabwe?
5. What are the preconditions necessary for successful implementation of PPPs in the Zimbabwean water infrastructure development?
6. Do you think Zimbabwean local authorities are ready for implementation of PPPS in general and water infrastructure in particular? Please explain your answer.

7. What do you see as major challenges hindering effective implementation of PPPs in water infrastructure development in Zimbabwean local authorities?
8. What efforts have you made to mitigate these challenges?
9. What specific measures do you suggest to be adopted to fully engage PPs in in water infrastructure development in Zimbabwe?

4.1 Presentation and discussion of data

Data was presented and analysed at the same time. Key informants were drawn from senior government officials and think tanks that were at director level. Two key informants were drawn from the University of Zimbabwe's department of political and administrative studies.

4.1.1 Benefits of PPPs

Question 1 seeks to identify whether the respondents were of the view that PPPs can be helpful in the provision of water infrastructure in Zimbabwe's local authorities. All of the 20 respondents concurred that PPPs are a panacea to water infrastructure development in especially local authorities. A further probe on the same question about the virtues of PPPs and models preferred indicated that most of the respondents were aware that government is faced with a challenge of limited fiscal space. The problem is compounded by the rapid dilapidation of water infrastructure especially in Harare. PPPs can help to source private sector funds to boost water infrastructure which include major dams around Zimbabwe. Respondents from the private sector and the University of Zimbabwe clearly gave a cocktail of advantages of using PPPs which include the ability of PPPs to make use of the private sector skills and financial resources to improve water infrastructure in time. PPPs improve service delivery at affordable prices; PPPs improve foreign direct investment in water infrastructure, creation of jobs to local people. For example, on construction of dams, sewerage works, among others. Respondents further alluded that PPPs brings certainty in long term planning by government injecting capital thereby reducing pressure from the government on infrastructure development especially water. PPPs in water infrastructure benefits indigenous entrepreneurs through sub-contracting in infrastructure development. PPPs allow risks to be allocated to the party best able to manage or absorb them. Information gathered from desk research collaborates very well with the same information given by the respondents on the benefits. Farlam (2005:1) argues that evidence on the ground generally points high uptake of PPPs in the public infrastructure as immediate solutions to addressing perennial challenges faced by most governments in infrastructure networks in their respective

countries as well as enhancing quality service delivery. Jerome (200:20) further alludes that, the constant failure of African governments to provide adequate services to their people is well documented and can only be remedied through PPPs. Mann (2009:1) highlighted that many governments embarked on PPPs in the early 1990s in urban water supply with high hopes of turning around poorly performing public utilities by bringing the new expertise, financial resources and a more commercial orientation. The Zimbabwe Agenda for Socio-Economic Transformation also gave an impetus to the use of PPPs in water infrastructural development. On page 2 and 3 the ZimAsset document categorically indicates that water and sanitation infrastructure must be rehabilitated and the strategy to achieve that is the adoption of PPPs. In his maiden speech on the official opening of the 8th session of Parliament, President Mugabe highlighted that PPPs were a way to go. Basing on the data collected from the respondents and documentary evidence, the benefits of PPPs are indisputable.

4.1.2 Zimbabwe's Readiness

All the respondents indicated that Zimbabwe is not ready to embrace PPPs in water infrastructure development. Although Zimbabwe has already engaged PPPs with a Chinese company to rehabilitate the water infrastructure in Harare City Council, data solicited from the city council indicate that confusion shrouds the PPP deal due to lack of a legal framework and an institutional framework. So many offices are involved and this is supported by allegations published in the Herald of 5 February 2010 with a heading "City Officials look 100 million" as shown by Figure 1 below.

Figure 1.



Source: The Herald 5 February 2014

Corruption continues to hinder PPP uptake through underhand deals, inflation of prices if there is no proper legal framework. Respondents from the Harare City Council indicated that although the deal is a PPP project, there are no clear rules and regulations in place. Respondents from the University of Zimbabwe attributed that Zimbabwe is not ready because of its lack of political will especially to involve the Western countries of which the political leadership declared western countries enemies. The other reason why Zimbabwe is not ready according to respondents at the University of Zimbabwe is that Zimbabwe is under sanctions from the western powers and hence private players from those countries are forbidden through instruments such as Zimbabwe Economic Recovery Act (ZIDERA) 2001 adopted by the United states of America.

Respondents from a think tank ZEPARU revealed that Zimbabwe is not ready for PPPs because its PPPs policy guidelines of 2004 which sought to provide the parameters for the development of an appropriate legal and regulatory framework never really took off. Although some PPP projects were carried out in Zimbabwe, they were implemented on an ad hoc basis without proper evaluation of success or failure.

Without the proper legal and institutional framework, all the PPP projects that were implemented in Zimbabwe through the BOT model used statutes such as the Procurement act Chapter 22:15 and the Income tax Act Chapter 23:06. One respondent from the Ministry of finance indicated that there is currently no legislation, policy or institutional framework that pertains to PPPs specifically in Zimbabwe. Currently, there are efforts to enact new PPP legislation in Zimbabwe. In addition respondents from the Ministry of Finance clearly indicated that the concept of PPP legislation is shrouded in confusion. They professed ignorance about which institution is responsible for PPPs. They indicated that the Public Accounts Committee has a hand which is obscure.

Key informants from the African capacity Building Foundation (ACBF) agrees that Zimbabwe is not ready for PPPs because the country lacks political commitment, legal framework, lack of finance, lack of monitoring and evaluation, lack of legislation, among others. The data gathered from the interviews concurred with data gathered from literature. Dube and Chigumira (2011:3) in their ZEPARU working paper clearly highlighted that Zimbabwe is yet to adopt a PPP legislative framework. Further, data gathered from a Zimbabwean PPP Legislative Review (2010) argues that there is no appropriate legal and regulatory framework. Honourable Hebert Murerwa the then Acting Minister of Finance was

quoted as saying; “these guidelines also provide the parameters for the development of the appropriate legal and regulatory framework”. Of interest is that the document highlighted that “policy and action deriving therefrom (de facto) is not law (de jure) it of assumes its guise”.

From the evidence gathered from the respondents and documentary evidence, it is apparent that Zimbabwe is not ready for successful implementation of PPPs in water infrastructure. There is no adequate legal, institutional framework to deal with PPP especially in water infrastructure. Countries such as South Africa, the United Kingdom, among others have well established PPP units. In 2004 the South African government established its PPP unit regulated in terms of Treasury Regulation 16 issued in 2004 to the Public finance Management Act (1999). The UK Treasury PPP unit and partnerships dates back to 1996. Compared to other countries which have well established PPP units, Zimbabwe’s readiness to embrace PPP units in water infrastructural development remains low note.

4.1.3 Effectiveness of Zimbabwe’s current PPP framework

Data collected from most key informants alludes that the PPP de-facto laws can be traced back to the Policy Guidelines of 2004. Further, the short term economic recovery programme (STERP) of 2008 tried to invite the private sector to participate in the provision of infrastructure on a PPP basis. It offered dispensations and privileges to private sector. Despite all the promises, the Guidelines are ineffective. Short Term Economic Recovery Programme (STERP) was superseded by Zimbabwe Agenda for Socio Economic Transformation (ZIM ASSET) which is yet to produce results. Key informants from the University of Zimbabwe argued that there is no framework that relates to water PPPs. Respondents from the Office of the President and Cabinet (OPC) alluded that, the current framework is working and is institutionalised within the ministry of finance. The ZIM ASSET blue print on page 52 and 53 highlighted that water and sanitation infrastructure will be rehabilitated through the adoption of PPPs. It remains to be seen how Zimbabwe will embrace successful PPPs without a proper legal and institutional framework.

Respondents from the University of Zimbabwe’s department of Political and Administrative studies argue that, there is no evaluation on the projects done through PPPs to measure success. It is however difficult to tell effectiveness under such circumstances

Key informants from the ministry of Finance, think tanks, the University of Zimbabwe in the Department of Political and Administrative Studies concurred that the current statutes that

govern PPPs in Zimbabwe are unclear and ambiguous. They further alludes that there is no legal framework that govern PPPs.

Senior government officials from the Office of the President and Cabinet (OPC) and Ministry of Local Government highlighted political willingness on the part of the government. Some think tanks argue that, there is generally lack of political will to enact legal and institutional frameworks that govern PPPs in Zimbabwe. They further argue that politicians deliberately cripple the implementation side for their self aggrandisement. The debate of political will is still confusing in Zimbabwe. One would wonder whether public pronouncements as simply rhetoric or serious business on the part of government to embrace PPPs, 80% of the respondents concurred that there is no institution responsible for PPPs in infrastructural development. Documentary data collected from the Public Private Partnership: Legislative Review for Zimbabwe (2010:5) also states that the policy guidelines document (2004) was adopted as a prelude to a legal and regulatory framework being put in place. Ibid further elaborates that currently PPPs in Zimbabwe can be done under the procurement Act.

Data gathered from respondents from the Ministry of finance reveals that the proposed legal and institutional framework is an idea spearheaded by the former Deputy Prime minister's office during the inclusive government. Efforts are still under way to make an act.

4.1.4 Pre-requisites of PPPs in Water Infrastructure Development.

All the key informants concurred that the legal and institutional frameworks are key preconditions for successful implementation of PPPs. Implied here under the legal framework is the Creation of an Act of parliament that should be in the Constitution on PPPs. Key informants from the university's Department of Political and Administrative Studies further alludes that, that Act of parliament must supported by a statutory instrument that operationalise the constitution provision. Key informants in the form of think tanks allude that the PPP policy must be supported by PPP Guidelines including standardized contract terms. Further, that Guidelines should cover important areas such as appointment of transaction advisors, completing a feasibility study, risk assessments and contract management among others. Key informants from the Ministry of Finance also add weight on the creation of a PPP Act. In their view a PPP Act will provide for the establishment of a PPP Unit. The PPP Act will become a dedicated legislation. According to ADB (2011) the legal, regulatory and policy frameworks presents a bench mark for establishing PPPs. The

legal frameworks helps in establishing the legal reforms needed to reduce impediments to improved or expanded service such as financing, regulating and managing infrastructure assets (Ibid).

According to the World Bank (2007:91) Phillipines enacted its PPP law known as the Republican Act (RA) No.6957 also known as the BOT. The law was again amended in 1994 as RA No. 7718 to provide a framework for private sector investment in infrastructure. From the foregoing deliberation, it is paramount to not that the legal frame work provides the basis for successful implementation of PPPs. Data collected from the key informants generally points to the legal framework as a bedrock for successful PPPs.

The success of the PPP process hinges on the presents of a PPP institution to oversee the PPP process (Dube and Chigumira, 2011:23). Key informants from the University of Zimbabwe's department of Political and Administrative studies alluded that as a prerequisite, institutionary that run PPPs must established. According to the Word Bank, these institutions in other countries are called PPP Units. They play a supportive role. According to the draft policy document of (2010:15) the successful roll out of PPPs in Zimbabwe requires institutional framework. The draft policy document of (2010) further gave a summary of roles of such institutions which include:

- (a) Identifying and submitting the proposals for PPPs to the unit.
- (b) Engaging Transaction advisors to assist with feasibility studies.
- (c) Procuring such PPP and liaison with the State Procurement Board.
- (d) Evaluating and selecting the preferred bidders in liaison with the SPB.
- (e) Negotiating and awaiting the contract.
- (f) Implementing and managing PPP projects. The institutions will be intimately involved with the project throughout its life time in order to achieve the objectives of the project.

According to the Draft PPP Document 2010 the role of the PPP Unit as an institution is to advocate for PPPs and to give technical support. It can be summarised as follows:

- a) To coordinate and harmonise the implementation and review of the PPP programme.
- b) To ensure there is enabling legislature environment for PPPs.

- c) To ensure the guidelines and procedures for PPPs are followed.
- d) To ensure the advancement of social and economic goals of Zimbabwe.
- e) To recommend approval of PPP projects to the Cabinet.
- f) To advise Government and assist on technical issues related to PPPs.
- g) To act as the repository of information on PPPs in Zimbabwe.
- h) To promote the PPP concept among domestic and international investors and the general public.

Data gathered from key informants and documentary evidence suggests that there should be an institutional framework as a prerequisite for full successful implementation of PPPs.

Other prerequisites include the much talked about that is the political will to engage private partners, economic stability, respect of property rights, financial support, technical expertise and government commitment among others. Key informants from the Ministry of Finance gave much input on the above preconditions as enabling factors in order for Zimbabwe to embrace the concept of PPPs.

4.1.5 Readiness of Zimbabwe's local authorities to implement PPPP

All the respondents concurs that if the country is not ready then an institution cannot be ready. Evidence given on question 2 on Zimbabwe's readiness suggest that even the local authorities are not ready to embrace PPPs. In addition, the current PPP project being carried out at Morton Jeffry water works opened a can of worms. The Herald of 5 February, 2014 published a story entitled "City officials loot US100 million by FariraiMachivenyika. That is an indication that the local authority is not ready to embrace successful PPPs in water infrastructural development. See pictures cutesy of the Herald.

4.1.6 Challenges hindering effective PPP Implementation

Data collected from key informants, points to lack of legal and institutional framework that govern PPPs in Zimbabwe. Key informants from think tanks alluded that lack of political will, duplication of roles, lack of financial capacity, lack of expertise, unconducive economic environment, unpredictable laws, country risk among others are some of the challenges that hinder effective implementation of PPPs in Zimbabwe. On the other hand key informants from the Ministry of Local Government and Public Works blamed it all on illegal sanctions as a major challenge because investors from foreign western countries are restricted to do

business with Zimbabwe. Another key informant from the University of Zimbabwe highlighted that corruption is another challenge. The respondent gave an example of the PPP project which he better known as the Chisumbanje ethanol project. That PPP deal according to the source is allegedly shrouded in corrupt deals by high ranking government officials. Another example is the current Sino Zimbabwe PPP deal which again according to the Herald is already infested with massive corrupt activities. The other challenge according to the Ministry of Finance is that of the country's international debt. Currently, Zimbabwe's international and domestic debt stands at US10 billion of which the government should act as a guarantor in PPP projects. This deters would be investors.

According to the draft PPP document of 2010 challenges such as process risk, complex enforcement of contractual obligations, conflicting interest between the public and private sector, lack of finance, lack of expertise are some of the key challenge hindering effective implementation of PPPs in Zimbabwe. Key informant from African Capacity Building Foundation (ACBF) argues that 'inconsistencies on the part of government are another challenge. He gave an example of initiatives made by the Deputy Minister's office linked to STERP then followed by ZIM Asset which is silent on legal and institutional framework and the office has been disbanded. This is a clear Zimbabwean fashion and it makes it difficult for continuity, the source said. This is supported by Dube and Chigumira (2011:3) who argues that Zimbabwe's PPP idea was mooted in 1998 and the first framework was attempted in 2004 and the guidelines never really took off. Apparently Zimbabwe is facing a myriad of challenges for it to fully embrace successful implementation of PPPs basing on the evidence on the ground.

4.1.7 Efforts made to circumvent the challenges

Think tanks have written fully researched documents, full of recommendations which are at the government's disposal for consideration, for example, ZEPARU published a book titled "The scope for PPPs for Infrastructure Development in Zimbabwe. Key informants from the Office of the President and Cabinet also gave their account that, the office of the former Deputy Prime Minister made great strides by coming up with a draft document of 2010 on PPPs. The draft document is currently circulating in parliament and it is up to the Government to either approve it or reject it.

If the DB draft is accorded its status, Zimbabwe will mitigate all its challenges and become champions in embracing PPPs successfully. Key informants from the OPC argue that Zimbabwe had made efforts to meet its challenges by refining institutional framework in 2004. The variable institutional parties involved are spelt out with their roles and functions as well as reporting structures. Despite efforts made by the government to meet challenges in embracing PPPs, these efforts are not adequate.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.0 Summary of the Study

The study analysed the potential use of PPPs in water infrastructural development and suggest solutions to the problem. The study was necessitated by the fact the PPPs generally point to encouraging results world over. Zimbabwe's water infrastructure has dilapidated over the years to the extent that there is perennial water shortage in major cities particularly Harare and Chitungwiza. Construction of major dams for domestic commercial and agricultural use is moving at a snail pace. At the core of potential use of PPPs is lack of fiscal space by the government vis-à-vis efficiency and effectiveness and managerial skills by the private sector. The study of this nature will be important for Zimbabwe's policy issues with respect to Zimbabwe's investment climate particularly its legal and institutional framework.

5.1 The main research questions

- What is Zimbabwe's readiness with regard to PPPs?
- What are the pre-conditions necessary for PPPs?
- What specific measures should be adopted by Zimbabwe in order to fully embrace PPPs?

5.2 In-depth interviews were chosen because of the following reasons:

- (a) PPPs are knowledge based and only knowledgeable people were chosen to give information.
- (b) Very little, has been written on PPPs, particularly in water infrastructure in Zimbabwe.
- (c) It enables the researcher to do further probing.

5.3 Summary of major findings

- Zimbabwe is not yet ready for successful implementation of PPPs.
- The major preconditions of PPPs are legal and institutional framework.
- Zimbabwe's current PPP institutional framework is not conducive.
- PPPs have more benefits if fully implemented.

- The current socio-economic and political environment in Zimbabwe is not conducive for PPPs.
- Zimbabwe does not have what it takes in order to fully embrace successful PPPs in water infrastructural development.

5.4 Measures to fully engage PPPs

The study established that the country should adopt a proper legal and institutional framework. There should be generally a political will to attract foreign direct investment. Economic sanctions should be removed in order for the country to attract investors. The country's debt should be cleared so that confidence from the private sector can be restored.

5.5 Benefits of PPPs

The study established that PPPs compliment government efforts in infrastructural development. Zimbabwe's rate of PPPs uptake is very low. Zimbabwe's water infrastructure is dilapidated and the only solution is to embrace PPPs. They bring in capital, expertise, efficiency and effectiveness.

5.6 Areas for further research

The study managed to assess the benefits and preconditions of PPPs. Further the study established Zimbabwe's position to embrace the concept of PPPs, challenges the nation is facing in order to fully tap that opportunity and possible solutions. However, the study faced some limitations which include inaccessibility of some information from government departments. Further research to evaluate and assess progress of the BBR, NBP, Chisumbanje ethanol project, the New Limpopo Bridge and the new Harare City water infrastructure initiative must be carried out.,

5.7 Conclusions

The study was set to establish Zimbabwe's potential use of PPPs in water infrastructural development. The study established that Zimbabwe is not ready to fully embrace PPPs. The country does not have the prerequisites necessary for successful implementation of PPPs which are not limited to the following, legislative framework, institutional framework, established PPP Unit. The study further established that political will; socio economic and political factors complicate Zimbabwe's readiness. Benefits associated with PPPs were

established and government should fulfil the preconditions necessary for successful implementation of PPPs.

5.7 Recommendations

Zimbabwe should put into effect the legal and institutional framework that should act at a springboard for foreign direct investment. The country should fast track the finalization of the PPP policy and institutional framework. The creation of the PPP policy should enhance the creation of a PPP Unit that should work within the Ministry of Finance and Economic Planning. For example, the South African Government established a PPP unit regulated in terms of Treasury Regulation 16 issued in 2004 to the Public Finance Management Act (1999), World Bank (2007:78).

Zimbabwe should mobilize sources for the PPP unit. The country should fight corruption in order to attract local and foreign investment . PPPs require open and transparent business transactions especially in awarding of tenders and the pricing of services and commodities. This should be done by technical experts who have the constitutional mandate to do the job. Zimbabwe should engage the International Monetary Fund and the World Bank in order for it to access its line of credit. Further the country should accelerate its debt clearance in order for it to gain the confidence of moneylenders both domestic and external money lenders and built investor confidence. Furthermore the country should work towards the removal of economic sanctions that blockade foreign direct investment especially from the western countries.

Finally this study recommends that Zimbabwe should improve its socio-economic and political environment as well as respect of property rights. PPPs require consistent laws and a stable economic and political environment to carry long term projects such as BOTs among others and allay the fears of investors.

PPPs as an intervention produce encouraging results. The Government should seriously engage PPPs as an intervention to water infrastructural development. This concurs with bribe and Chigumira (2011:27) who argue that PPPs can indeed help especially at a time like now where the Government is financially handicapped.

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CITY OF HARARE

HUMAN CAPITAL DEPARTMENT
TOWN HOUSE, HARARE, ZIMBABWE
POST OFFICE BOX 990
TELEPHONE 752979 / 753000

EMAIL: hrd@hararecity.co.zw
ADDRESS ALL CORRESPONDENCE TO THE HUMAN CAPITAL DIRECTOR.

16 January 2014

Hudson Mutandwa,
University of Zimbabwe
P. O. Box MP 167
Mount Pleasant
HARARE

Dear Sir

RE: AUTHORITY TO UNDERTAKE RESEARCH : H. MUTANDWA

This letter serves as authority for Hudson Mutandwa to undertake his research project on the topic “AN ANALYSIS OF THE POTENTIAL USE OF PUBLIC PRIVATE PARTNERSHIP IN WATER INFRASTRUCTURAL DEVELOPMENT IN ZIMBABWE” A CASE STUDY OF CITY OF HARARE.

This is in partial fulfillment of the requirements for the Masters Degree in Public Administration at the University Zimbabwe.

The City of Harare has no financial obligation and neither shall it render any further assistance in the conduct of the research. However, the researcher is requested to avail a copy of the research to the undersigned so that residents of Harare can benefit out of it. The research should not be used for any other purpose other than for the study purpose specified.

Yours sincerely



DR. C. CHINGOMBE
HUMAN CAPITAL DIRECTOR
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HARARE TO ACHIEVE A WORLD CLASS CITY STATUS BY 2025

Interview Guide

1. In your own view, can Public-Private Partnerships (PPPs) be helpful in the provision of water infrastructure in Zimbabwean local authorities?
2. What is Zimbabwe's readiness with regard to PPPs?
3. What are the legal, political and institutional frameworks that govern PPPs in the provision of water in local authorities of Zimbabwe.
4. How effective are these frameworks (if any) in promoting PPPs in Water infrastructure development in Zimbabwe?
5. What are the preconditions necessary for successful implementation of PPPs in the Zimbabwean Water infrastructure development?
6. Do you think Zimbabwean local authorities are ready for implementation of PPPs in general and water infrastructure in particular? Please explain your answer.
7. What do you see as major challenges hindering effective implementation of PPPs in water infrastructural development in Zimbabwean local authorities?
8. What efforts have you made to mitigate these challenges?
9. What specific measures do you suggest to be adopted to fully engage Public-Private Partnerships in water infrastructural development in Zimbabwe?