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RESEARCH ARTICLE

Project Selection and Transparency Factors in Housing Public-Private Partnerships in Nigeria

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Abstract

The application of Public-Private Partners (PPPs) in housing provisioning is on the increase across the world. However, there is a paucity of empirical studies on the specific factors considered at the initiation, and measures taken to ensure transparency at the procurement stages, of PPP housing projects. This study examined project selection factors and transparency measures in PPP housing projects using data sourced from oral interviews with 27 experts in nine PPP housing schemes in Nigeria. Results of the content analysis revealed that the top two selection factors considered by both the public and private sector operators of PPP housing projects in Nigeria are the availability of land and viability of the funding arrangements. Whereas the public-sector partners also consider the availability of competent private sector to deliver the projects, the private developers are concerned with the location of proposed projects. It was also found that the two key measures taken to ensure transparency at the procurement stage of the projects are transparent and competitive bidding and open advertisements of tender opportunities. These imply that before embarking on PPP housing projects, operators should ensure that there is available land in good locations, sound funding arrangements, and measures for achieving transparency in the schemes.

Keywords

Public-private partnerships, housing, project selection, transparency, Nigeria.

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Introduction

The failure of public and commercial private sectors to independently address the burgeoning urban housing crisis in many countries has given rise to the joint efforts of the public and private sectors in seeking ways to deliver decent and affordable housing through public-private partnerships (PPPs or 3Ps) (Canadian Council for PPP, 2007; UN-HABITAT, 2006; 2011). The evolution of housing PPPs in the different countries can be linked to evidence in the literature (Abdul-Aziz and Jahn-Kassim, 2011; UN-HABITAT, 2006; 2011; Madden, 2011; Taiwo, 2015) showing that PPPs have great potentials to improve access to decent and affordable housing to households with critical housing needs. This view is of course linked to the success of PPPs in infrastructure provision in the different countries as reported in previous studies (see Aziz, 2007; Leccis, 2015; Sanda, Daniel and Akande, 2016; Osei-Kyei and Chan, 2016).

The reviews by Ke *et al.* (2009) and Tang, Shen and Cheng (2010) have shown that enormous research efforts have gone into the various aspects of PPPs in infrastructure provisioning globally. For example, the existing studies (Li *et al.*, 2005; Zhang, 2005a; Węgrzyn, 2016; Kwofie, Afran and Botchway, 2016; Onyemaechi, 2017) have identified several critical success factors for PPP projects. Among the factors identified are appropriate project identification and selection (Qiao *et al.*, 2001; Węgrzyn, 2016) and transparent procurement process (Zhang, 2005a; Federal Republic of Nigeria (FRN), 2009; Gleave, 2012; Węgrzyn, 2016). In housing, studies have examined the objectives and success factors (UN-HABITAT, 2006; Abdul-Aziz and Jahn-Kassim, 2011), challenges (UN-HABITAT, 2006; Trankanont and Charoenngam, 2014) and the modus operandi of PPPs in housing (Aziz and Hanif, 2006; Abdul-Aziz, 2012; Filushina *et al.*, 2015). Other studies are on the contexts in which PPPs have been applied (UN-HABITAT, 2006; Yuan *et al.*, 2012) and their control mechanisms (Abdul-Aziz, 2012). In Nigeria, the existing studies have examined several issues, including the role of partners (Ibem, 2010; Oladokun and Aluko 2012; Ibem and Aduwo, 2012; Taiwo, Adeboye and Aderonmu, 2014), the contributions of PPP (Ibem 2011a; 2011b; Ibem and Aduwo, 2012), the level of awareness of PPP among industry stakeholders and the factors necessitating its adoption in housing (Oladokun and Aluko, 2012). Others have investigated the challenges and prospects of PPP (Ukoje and Kanu, 2014; Olofa and Nwosu 2015; Aduwo, Ibem and Onyemaechi, 2017), the relationship between the operational structure and outcomes (Ibem, Aduwo and Alagbe, 2015), the critical success and motivating factors for housing PPPs (Onyemaechi, Pollard and Samy, 2015; Onyemaechi and Samy, 2016).

Although these studies provide insight into the origin, antecedents, current practice, the outcomes, challenges and prospects of PPPs, they fail to provide adequate understanding of the key factors considered at the project selection stage and the transparency measures in PPP housing schemes in Nigeria. In view of the growing concern over the poor performance of PPP in housing in Nigeria (Ibem 2011a; 2011b) because of several factors including, corruption (Ibem and Aduwo, 2012) and the submission by Greve and Hodge (2011) suggesting that transparency was being threatened by PPPs due to the involvement of the private sector; the current study examined the project selection and transparency factors in public-private partnership housing projects in Nigeria. The specific objectives were to:

- identify the key factors considered at the project selection stage of PPP housing projects in Nigeria; and
- identify and analyse the transparency measures in PPP housing projects in the study area

This study is based on oral interviews with 27 experts selected from nine PPP housing projects in Nigeria. The study therefore contributes to knowledge by revealing how the operators of PPP housing projects in Nigeria are addressing issues of project identification and selection as well as transparency. Findings of this study are considered valuable additions to the current discourse on PPP in housing from the Nigerian perspective.

Literature Review

PPP PROJECT IDENTIFICATION AND SELECTION FACTORS

The application of PPP in public infrastructure and housing provisioning has been receiving increasing attention, particularly in the developing countries where huge supply deficit of fixed infrastructure and housing exists (Miraftab, 2004; Alinaitwe and Ayesiga, 2013). According to Ouenniche, Boukouras and Rajabi (2016), PPP projects can be described as ventures between the public and the private sectors in the development and management of public infrastructure and services hitherto provided solely by government. Evidence in the literature (Grimsey and Lewis, 2004; World Bank, 2006) reveals that a wide range of economic and social infrastructure projects have benefited from the application of PPPs. However, the focus of the current study is on housing PPP projects in a developing country that is confronted with a supply deficit of over 17 million housing units.

According to the World Bank (PPIAF, 2009), there are five distinct stages in the planning, execution and management of PPP infrastructure projects. These are: (i) identification, prioritization and selection stage (ii) due diligence and feasibility studies stage (iii) the procurement stage (iv) award of contract to the winning bidder; and (v) contract management stage. In this study, the focus is on the identification, prioritization and selection; and procurement stages.

Notably, the identification, prioritization, and selection of PPP projects is usually the first stage of PPP projects. Bing *et al.* (2005) explained that this stage provides operators the opportunity to make strategic decisions on whether the selected project can and should be procured using the PPP option instead of the conventional procurement route. Although the World Bank Public-Private Infrastructure Advisory Facility (PPIAF, 2009) has identified several factors considered at the selection and prioritization of PPP infrastructure projects, the study by Bruggema *et al.* (2009) found that the factors considered at the identification and selection stage of PPP in low-income housing projects in Kenya are varied. These included (i) consciousness about other partners' goals and interests (ii) political support (iii) support from target group and financiers (iv) clarity of the benefits to everyone (v) clear definition of financial issues (vi) sufficient approved technical capability (vii) readiness of government to grant necessary approvals (viii) availability of land; and (ix) the willingness of residents to move in the case of slum upgrading projects. Others are (i) reduction of corruption through clear definition of cash flows and the ability of a consortium to manage the houses (ii) clarity about the roles and responsibilities of the parties (iii) availability of highest management personnel of each stakeholder to support the project; and (iv) the availability of the working framework that is based on collaborative arrangement. The authors further explained that these factors were the key determinants of the level of success of PPP in low-cost housing in that country.

From the foregoing, it is obvious that in PPP housing projects, the key factors considered at the project identification and selection stage are related to the prevailing economic, political

and institutional environment of the location of the projects. This is understandable because previous studies (e.g. Zhang, 2005a; Chan *et al.*, 2010; Alinaitwe and Ayesiga, 2013) have shown that these are some of the critical success factors for PPP infrastructure projects in general and PPPs in housing specifically (Onyemaechi, Pollard and Samy, 2015; Kwofie, Afran and Botchway, 2016). Moreover, Ibem, Aduwo and Alagbe (2015) and Kwofie, Afran and Botchway (2016) explained that the factors that must be taken into consideration at all stages of PPP in housing are mainly institutional, regulatory, policy and funding issues, and that these factors combine to determine the outcomes of PPP housing projects.

TRANSPARENCY MEASURES IN PPP HOUSING PROJECTS

Although there are several definitions and conceptions of transparency in the literature, Nelson (2003) was of the view that transparency entails among other things fullness of disclosure of information; accessibility of documents, timely availability of information and the mechanisms for recourse and influence. On the other hand, Greve and Hodge (2011) identified good governance, citizens-as-consumers/customers and corporate governance as the three key perspectives to understanding transparency. They explained that freedom of information for citizens; openness in dealings with citizens by public office-holders; predictability in decision-making processes and fighting corruption are the key components of transparency. This means that transparency manifests in openness, citizen participation in decision making and intentional sharing of vital and quality information on activities and programmes.

The existing studies (Qiao *et al.* 2001; Zhang, 2005b; Chan *et al.*, 2010; Alinaitwe and Ayesiga, 2013; Kwofie, Afran and Botchway, 2016) have stressed the need for transparency in the procurement process for successful PPP projects. Hood and Heald (2006) have observed that transparency has become a highly topical issue in PPP endeavours, especially in many developing countries. For example, in Nigeria, Agwor (2015) found that there was little or no transparency in business transactions and in the execution of government programmes and activities. In fact, in 2016, Nigeria ranked 28/100 on the corruption perception index and 136 most corrupted of 176 countries in the world (Transparency International, 2016). In addition, Ibem and Aduwo (2012) found that corruption was one of the factors militating against the good prospects of PPP in housing in Ogun State. It is therefore not surprising that the National Policy on Public-Private Partnership in Nigeria (FRN, 2009) identified transparency as one of the cardinal principles of PPP projects designed to ensure fiscal discipline, achieve a high standard of public and corporate governance, the rule of law, integrity and accountability, fairness, non-discrimination and openness; and elimination of bribery and corruption in the award of PPP contracts in this country.

The UN (2004) explained that in PPP projects, transparency refers to (i) the way in which the design and initiation of such projects, procurement and selection process ought to be organized (ii) the taking into account the interests of all 'stakeholders' like, local citizens, NGOs, trade unions, civil society, media, investors, lenders and government; and (iii) the limitation in the use of bribes and corruption to win favours and approval for projects from governments. They further noted that the lack of transparency and incidence of corruption have negative repercussions on PPP projects and can lead to a feeling of frustration and resentment amongst the citizens, hostility, delay in the full implementation and failure of such projects. This view was corroborated by Greve and Hodge (2011) who argued that transparency should be part of all stages of PPP projects and that full disclosure of information on PPP projects at the pre-contract stage enables all stakeholders; including citizens to express their views on the project. They also underscored the importance of timeliness in the release

of information on PPP contracts and the adoption competitive tendering process guided by established rules that engender a level playing ground for all interested bidders at the procurement stage. According to OECD (2008), these measures can help operators to achieve an acceptable level of transparency and accountability, leading to public acceptability and support for PPP projects.

From the foregoing review the two key ways for achieving transparency in PPP projects at the procurement stage are to ensure timely provision and unrestricted access to tender information; and the adoption of competitive and transparent bidding process in the selection of private partners and contractors. This means that the essence of transparency measures in PPP projects is to ensure among other things, freedom of access to information by all project stakeholders, openness in dealings with all partners and stakeholders, collective decision-making processes, timely provision of project information and elimination of all forms of bribery and corruption in the projects. Despite this understanding, much is not known on the measures engaged by the operators of housing PPPs in Nigeria in ensuring transparency at the procurement stage of the projects. This is a gap the current study sought to address.

PPP HOUSING PROVISION IN NIGERIA

PPP was officially adopted in housing provision in Nigeria in 2002 through the New National Housing and Urban Development Policy. Previous authors (Oladokun and Aluko, 2012; Aduwo, Ibem and Onyemaechi, 2017) have observed that the adoption of the PPP approach in housing in Nigeria was predicated on the need for the private sector to play more active roles in addressing the huge housing supply deficit and escalating cost of housing, especially in urban areas of the country. These authors identified the three key reasons why PPP was implemented in the Nigerian housing sector to include, the inability of government and commercial private sector to independently address the over 17 million supply deficits of housing units; the need to relieve government of the financial burden associated with public housing; and to improve housing affordability for most urban residents in the country through private sector-led initiatives.

The current housing situation in Nigeria is indeed very pathetic and the most worrisome aspect of it is that the poor and low-income people are the most affected by this situation. According to previous authors (Taiwo, 2015; Aduwo, Ibem and Onyemaechi, 2017), this situation can be linked to the high level of poverty; high cost of housing units; and failure of the past public housing schemes to adequately cater for the needs of this income group in Nigeria. In view of the poor performance of government-led housing delivery strategies in providing decent housing at affordable cost to most Nigerians (Ibem, 2010 and Taiwo, 2015), it was the expectation of many that the adoption of PPPs will help address housing affordability challenge confronting millions of low-income households in Nigerian cities. However, evidence in the literature (Ibem, 2011a; Ibem and Aduwo, 2012; Ukoje and Kanu, 2014; Taiwo, Adeboye and Aderonmu, 2014; Olofa and Nwosu, 2015) shows that no significant progress has been made in affordable housing for the low-income urban residents in this country under the current PPPs arrangement. Among the several reasons adduced for this, include over reliance on the joint venture model of PPP in housing; inadequate supply of land; high interest rate on housing finance, and high cost of building materials; high building standards and the non-involvement of local government authorities and not-for-profit private-sector organisations in PPP housing projects. Others are the lack of proper definition, monitoring, and incidence of corruption in the implementation of PPP housing projects in Nigeria.

It is obvious that the outcomes of PPP in housing in Nigeria are contrary to the evidence in the literature indicating that in countries like Malaysia (Abdul-Aziz and Jahn-Kassim, 2011) and the Philippines (UN-HABITAT, 2006), where PPPs have made significant progress in housing provision for their low-income households. It was on this premise that previous authors (Ibem, 2011a; Ukoje and Kanu, 2014; Aduwo, Ibem and Onyemaechi, 2017) have identified affordability issue as one of the key challenges PPP in housing was yet to resolved in Nigeria.

Research Method

The data used in this paper were drawn from a larger research project designed to examine the prospects of PPP in urban housing in Nigeria. In view of the goal of the research coupled with the fact that it is an exploratory study, qualitative research involving face-to-face oral interviews was considered the appropriate research strategy. Previous studies (e.g. Ibem, 2010; 2011; Abdul-Aziz, 2012, Ibem, Aduwo and Alagbe, 2015) adopted similar approach.

This research covered the six geo-political zones and the Federal Capital Territory (FCT), Abuja in Nigeria. In a preliminary survey by the second author, 39 PPP housing projects were identified in aforementioned zones and territory in Nigeria. Of these, 25 projects were identified to have been completed. Consequently, one completed PPP housing project was selected from the Southeast, Southsouth, Northwest, Northcentral and Northeast zones and the Federal Capital Territory (FCT-Abuja). However, three projects were selected from the southwest zone because it had the largest number of PPP housing projects in Nigeria at the time this research was conducted. Table 1 shows the nine PPP housing projects where participants of this research were selected from.

Table 1 List of PPP Housing Projects from where Operators were selected

Project No.	Project Name	Location	No of Housing units	Public Sector Partners	Private Sector Partners
P1.	FHA Estate	Owerri, Imo State, (South East zone)	255	Federal Housing Agency(FHA)	Tangent Limited
P2.	Diamond Estate	Lagos (South West zone)	500	FHA	Locke International
P3.	FHA Estate	Yenogoa, Bayelsa State (South South zone)	246	FHA	Chris Brown Limited
P4	FMLHUD Estate	Kaduna State (North West Zone)	98	Federal Ministry of Lands Housing and urban Development (FMLHUD)	Archistrol Nigeria Ltd
P5	North Bank Estate	Benue State (North Central Zone)	140	FHA	Paul B Ltd

Table 1 continued

Project No.	Project Name	Location	No of Housing units	Public Sector Partners	Private Sector Partners
P6	FMLHUD Estate	Adamawa State (North East Zone)	170	FMLHUD	Newturn Key Ltd
P7	FMLHUD Estate Kuje	Federal Capital Territory -Abuja	150	FMLHUD	Opinion Engineering
P8	Sparklight Estate	Ogun State Southwest	200	Ogun Property and Investment Company(OPIC)	Sparklight Property Development Company Ltd
P9	Co-operative Home Ownership incentive scheme	Lagos State (Southwest)	10,000	Lagos State Ministry of Housing	First World communities Ltd

Source: Onyemaechi (2016)

Key informants in this research were purposively selected from each of the nine PPP housing projects. Specifically, only those in the cadres of project managers and senior officers directly involved in these selected PPP housing projects participated in this research. Assistance was sought from the human resource departments of the organizations involved in these projects in identifying those officials who fall under this category. One project manager was selected from each of the private partner in the nine PPP housing projects designated as PP1-PP9. Two officers (R_1 and R_2) of the cadres of project managers and deputy project managers were selected from the public-sector partners (PSP) in each project and are designated as PSP1-PSP9. This means that 18 officers were sampled from the public-sector partners in the nine housing projects listed in Table 1. In all, 27 officers were interviewed in this research.

The principal data collection strategy used in this research was oral interview. The interviews were based on questions drawn from interview guide designed by the researchers. The adoption of an interview guide was to ensure that the interviews were systematic and comprehensive as explained by Ibem, Aduwo and Alagbe (2015). The questions used were reviewed by experts in academics and practice to ensure that they are consistent with the objectives of the research. The interviews were conducted between December 2014 and February 2015 in the study area, and each interview session lasted for about one hour. All the interviews were recorded electronically and later transcribed into word documents.

The data collected were subjected to content analysis. According to McTavish and Pirro (1990), content analysis is a research tool that helps researchers to determine the presence of certain words or concepts in texts or sets of texts, quantify and analyse the presence, meanings and relationships of such words and concepts, and then draw inferences on them. Palmquist, Carley and Dale (1997) explained that there are two general categories of content analysis: conceptual analysis and relational analysis. Whereas the former helps to establish the existence and frequency of concepts represented by words or phrases in a text; and it is referred to as

thematic analysis. On the other hand, the later helps to examine the relationships among concepts in a text. In this research, the conceptual content analysis was conducted because the emphasis was on the identification of the common themes and key concepts that emerged from the interviews. The content analysis was complimented by simple descriptive statistics, which were used in the analysis of proportions and percentages of the respondents on the factors identified in the interviews. The factors were identified and ranked based on the frequency of their occurrence as mentioned by each of those interviewed.

Study Findings

BRIEF DESCRIPTION OF PARTICIPANTS IN THE RESEARCH

The 27 participants in the research were of different professional backgrounds in architecture, civil engineering, building technology, and project management with over 15 years of experience in the Nigerian construction and real estate industry. Of the 18 PSPs interviewed, four were representatives of State government-owned housing agencies and ministries, while 14 were drawn from the Federal Housing Authority (FHA) and the Federal Ministry of Land, Housing and Urban Development. Like their counterparts in the public sector, those drawn from the private sector partners were also of the different professional disciplines in the built environment with over 15 years of work experience in the construction and real estate sectors of the Nigerian economy.

KEY FACTORS CONSIDERED IN AT THE SELECTION STAGE OF PPP HOUSING PROJECTS

The 27 informants were asked to identify the key factors considered at the initiation stage of the PPP housing projects listed in Table 1. Their responses and summary are presented in Appendix 1. From the summary of the result presented in Table 2 it is evident that 20 different factors were identified by the informants. However, a further examination of the factors reveals that the majority (82%) of the operators of the PPP housing projects in both the public and private sectors identified the availability of land for the project as one of the key factors considered at the project identification and selection stage of PPP housing schemes in Nigeria. This is followed by the funding arrangements for the project as identified by around 67% of those interviewed; the availability of competent private sector to deliver the project identified by around 48% of them; and marketability of the housing units identified by around 44.4% of the informants, respectively.

Table 2 Summary of findings on Project Selection and Identification Factors

Factors Identified	Private Sector Partners (n=9) n (%)	Ranking of factors for the private sector partners	Public sector partners (n=18) n (%)	Rank of factors of Public sector partners	Total No. of Respondents (n=27) n (%)	Overall Ranking of factors for the operators
Availability of land for the project	6(67)	1	16(89.0)	1	22(82.0)	1

Table 2 continued

Factors Identified	Private Sector Partners (n=9) n (%)	Ranking of factors for the private sector partners	Public sector partners (n=18) n (%)	Rank of factors of Public sector partners	Total No. of Respondents (n=27) n (%)	Overall Ranking of factors for the operators
Funding arrangement	5(56.0)	2	14(78.0)	2	18(67.0)	2
Availability of competent private sector to deliver the project	3(33.3)	4	10(56.0)	3	13(48.2)	3
Marketability of the housing units	5(56.0)	2	7(39.0)	5	12(44.4)	4
Cost of the project	4(44.4)	3	6(33.3)	6	10(37.0)	5
Impact of the project on host communities	0(0.0)	-	9(50.0)	4	9(33.3)	6
Location of the project	6(67.0)	1	1(6.0)	9	7(26.0)	7
Price of housing units	3(33.3)	4	3(17.0)	7	6(22.2)	8
Feasibility of the project	2(22.2)	5	3(17.0)	7	5(19.0)	9
Profit margin	3(33.3)	4	2(11.1)		5(19.0)	9
Role of government in the project	0(0.0)	-	3(17.0)	7	3(11.1)	9
Target population of housing project	0(0.0)	4	3(17.0)	7	3(11.1)	10
Risks involved in the project	3(33.3)	4	0(0.0)	-	3(11.1)	10
Quantity and type of housing to be produced	0(0.0)	-	2(11.1)	8	2(4.0)	11
The technology to be used	0(0.0)	-	1(6.0)	9	1(4.0)	12
Cost recovery	0(0.0)	-	1(6.0)	9	1(4.0)	12
Affordability of housing units	0(0.0)	-	1(6.0)	9	1(4.0)	12

Table 2 continued

Factors Identified	Private Sector Partners (n=9) n (%)	Ranking of factors for the private sector partners	Public sector partners (n=18) n (%)	Rank of factors of Public sector partners	Total No. of Respondents (n=27) n (%)	Overall Ranking of factors for the operators
Availability of political support	0(0.0)	-	1(6.0)	9	1(4.0)	12
Environmental factors	1(11.1)	6	0(0.0)	-	1(4.0)	12
Conditions for the partnership	1(11.1)	6	0(0.0)	-	1(4.0)	12

A comparison of the views of the officials from the private and public-sector partners shows that whereas the three top factors considered by the private sector partners are the availability of land, physical location of the proposed project and funding arrangement for the projects, the public-sector partners are concerned with the availability of land, funding arrangements, and the availability of competent private sector to deliver the projects.

TRANSPARENCY MEASURES IN PPP HOUSING PROJECTS

The experts were also asked to identify the various measures put in place to ensure transparency at the procurement stage of the PPP housing projects listed in Table 1. Their responses are presented in Appendix 2. From the summary of the transparency measures presented in Table 3, it is however obvious that the operators of PPP housing projects in the study area adopted four key measures in ensuring that there is transparency at the procurement stage of the projects. These measures include: (i) competitive and transparent bidding process identified by around 89% of the experts; (ii) open advertisement of tender opportunities as indicated by 30% of them (iii) strict compliance with the provisions of the public procurement legislation (i.e. the Bureau for Public Procurement act) and (iv) the memorandum of understanding (MoUs) signed by parties to PPP contracts.

Table 3 Summary of Transparency Measures in PPP Housing Projects

Transparency Measures	No. of Respondents (N=27)	Percentage
Competitive and transparent bidding process	24	89.0
Open Advertisement of tender opportunities	8	30.0
Strict compliance with the BPP procurement legislation	1	4.0
Strict compliance with MOUs signed by the partners	1	4.0

Discussion

From the findings of this research it is evident that the operators of housing PPP projects identified 20 different factors they considered in the project selection and identification stage

of PPP housing schemes. In the order of importance to both the private and public-sector partners, these factors are the availability of land, and soundness of funding arrangements for the proposed projects. This result appears to be consistent with that by Bruggema *et al.* (2009) indicating that the availability of land and clear definition of financial issues were the key prerequisite factors considered in PPP low-cost housing Kenya. This finding is understandable because previous studies (UN-HABITAT, 2006; Ibem and Aduwo, 2012; Taiwo, Adeboye and Aderonmu, 2014) have shown that land and finance were the two critical issues in PPP in housing in Nigeria and other countries. Surprisingly, the issue of affordability of the housing units to the target population, which is a major concern in Nigeria today as captured in the literature (Ibem, 2011a; Ibem and Aduwo, 2012; Ukoje and Kanu, 2014; Aduwo, Ibem and Onyemaechi, 2017) did not emerge as an important factor considered at the project selection and identification stage of the housing schemes investigated. This is probably because the operators already knew the target income groups of the houses; and as such affordability was not a key issue in those projects.

Comparing the views of the public-sector partners with those of the private partners, the result also reveals that the public-sector agencies viewed the availability of land; funding arrangements; the availability of competent private sector to deliver the projects; the impact of the proposed project on the host communities as the top four issues of concern. The emergence of the availability of a competent private sector to deliver the projects as one of the key factors considered by the public-sector partners is not a surprise because previous studies (Zhang, 2005a; Aziz, 2007) have shown that generally, a critical component of the success of PPP projects is the availability and selection of a private-sector partner that offers both the best value and the capability to deliver the required services. Hence, it is ideal for government agencies who intend to embark on PPP housing projects to consider the availability of competent private sector developers before initiating such schemes. For the private partners, emphasis appears to be on the availability of developable land; the physical location of the proposed project; the funding arrangements; and marketability of the housing units to be produced. Others are the profit margin, price of the housing units and risks involved in the project. These factors are indeed very important to every private sector investor in PPP housing projects as explained by the UN-HABITAT (2006). Findings of this study seem to agree substantially with those by Bruggema *et al.* (2009) in showing that other factors like consciousness about other partners' goals and interests, political support; and clarity of the benefits to everyone are important considerations at the initiation of PPP housing projects.

Regarding the transparency measures at procurement stage of the housing projects, the study also found that competitive and transparent bidding process was the key measure implemented by the operators interviewed. This finding is not a surprise because according to Chan *et al.* (2010), transparent procurement process is one of the five main elements of success in PPP projects. Moreover, evidence in the literature (UN, 2004 and FRN, 2009) shows that transparent and competitive bidding process ensures that every tender submitted is evaluated using uniform standards and criteria; and thus, reducing the use of bribes and other forms of corruption in the award of PPP contracts. This is also in agreement with the essence of transparency as a tool for fighting corruption in PPP projects as presented in the literature (see Nelson, 2003; UN, 2004; FRN, 2009; Hodge and Greve, 2011). Again, this finding appears to be consistent with the submission by Greve and Hodge (2011) on the role competitive tendering plays in engendering transparency in PPP projects. Contrary to the finding by Ibem and Aduwo (2012) indicating that corruption was one of the challenges militating against the successful provision of affordable housing for the low-income earners in Nigeria via the PPPs

arrangement, this specific finding of this study seems to suggest that the use of bribes and other corrupted practices to win housing PPP contracts is minimal in the study area.

In addition, there is also the use of open advertisement of tender opportunities, which provides every potential partner or contractor equal and unhindered access to tender information and the opportunity to submit tenders. This seems to be in line with the fullness of disclosure and accessibility of information dimensions of transparency at the procurement stage as previously identified by authors (e.g. Nelson, 2003; Greve and Hodge, 2011). Further, apart from taking into consideration the impact of PPP housing projects on the host communities, particularly, for payment of compensation for land acquired for the projects, no evidence was found on how the operators were taking into considerations the interests of local communities as stakeholders in these housing projects as suggested in the good governance literature (UN, 2004; Greve and Hodge, 2011). This might help to explain why host communities where PPP housing projects are in Nigeria often show some levels of resentments to such schemes as reported in an earlier study by Onyemaechi (2016).

Conclusion

This study examined the project selection and transparency factors in public-private partnerships in housing in Nigeria. Based on the findings, the following conclusions are made. First, the two factors ranked top on the list of factors considered in the selection of PPP housing projects by both the public and private sector partners are the availability of land and funding arrangements for the projects. Second, the key transparency measures at the procurement stage of housing PPP projects in Nigeria are transparent and competitive bidding process and open advertisement of tender opportunities.

Findings of this study imply that to ensure PPP housing projects are successful, the public-sector partner that has the responsibility of providing land for PPP housing projects must ensure that developable land is made readily available and in a good location for the private partners to execute the projects. The study also implies that funding arrangement is a critical issue at the initiation stage of PPP housing projects, therefore, intending partners in PPP housing projects must develop sound and viable funding framework for such projects to be considered viable. For the private sector partners, the lesson from this research is that they should develop adequate capacity in the provision of finance and expertise required to deliver housing projects that guarantee value for money if they must be given the opportunity to partner with government in mass housing delivery.

Another key implication of this study is that, as it is true with PPP infrastructure projects, transparency can be achieved at the procurement stage of PPP housing projects through competitive and transparent bidding process and open advertisement of tender opportunities. Among other benefits, these can limit the use of bribery and corruption in the award of PPP housing contracts and improve the transparency rating of such projects. Besides, in future PPP housing projects in Nigeria and other developing countries, there is a need for operators to further enhance the good governance content by taking into considerations the interests of local communities at the initiation and procurement stages of the projects.

This study is limited in three areas. Firstly, by including only nine completed PPP housing projects in the study area; and secondly, by being qualitative in nature. In view of these, it is suggested that future studies should adopt a quantitative approach or a mixed method and include more respondents. The third limitation is that findings of this study are subject to the bias of the 27 experts who served as the key informants in the research.

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Appendix

APPENDIX 1: DATA ON THE KEY FACTORS CONSIDERED IN THE INITIATION STAGE OF PPP HOUSING PROJECTS

Question: What are the key factors considered in initiating and implementing PPP housing in Nigeria?		
Respondents	Reponses	Factors Identified
PP _{P1}	Availability of funding; the location of the project, the environmental factors there, marketing arrangement, pricing, the feasibility of the project	<ul style="list-style-type: none"> • Funding arrangement; • Location of the project • Environmental factors • Marketing arrangement • Cost of housing units • Feasibility of the project
PP _{P2}	Availability of land, cost of project, cost of unit to be produced, marketability of the project the area involved, the private developer who has the capacity and finance to execute the project and deliver on time	<ul style="list-style-type: none"> • Availability of land • Cost of project and housing to be produced, • Marketing of the housing units • The capacity and financial base of the private partners
PP _{P3}	The location that is very important to us, the type of land, the communities where the project is to be located, the feasibility of the project, the marketability of the houses and the funding arrangement and the cost of doing business there	<ul style="list-style-type: none"> • Location of the project • Availability of land • Feasibility of project • Marketability of houses • Funding arrangement • Cost of production
PP _{P4}	Availability of land for PPP housing project, a competent private partner that has the technical and financial capacity to deliver the project according schedule; the marketability of the project; you look at including the risk involved and economic risk too	<ul style="list-style-type: none"> • Availability of land • Availability of competent private partner • Marketability of the housing units • The risk involved
PP _{P5}	The location, the land issues, environmental issues, the funding source, the unit price and profit margin and even the government partner to ensure they are committed	<ul style="list-style-type: none"> • Cost recovery • Location of the project • Environmental issues • Funding arrangement • Unit cost of housing; and profit margin

APPENDIX 1 continued

Question: What are the key factors considered in initiating and implementing PPP housing in Nigeria?		
Respondents	Reponses	Factors Identified
PP _{P6}	The first is to even see if the land is available, the cost, the location, what are the challenges. They also want to know what it will cost the government too	<ul style="list-style-type: none"> • Availability of land • Location of the project • Cost of production • Risks and challenges involved in the proposed project
PP _{P7}	We consider the developers with capacity to deliver the project and look at the marketability of the houses; have unencumbered land for the project	<ul style="list-style-type: none"> • Competent private sector developers • Marketability of housing units • Availability of land
PP _{P8}	We consider the environment, location of property in development matters; we want to develop an estate to make profit and availability of land	<ul style="list-style-type: none"> • Location of the project • Profit margin • Availability of land
PP _{P9}	The conditions of the partnership, the funding, the marketing of the houses when completed; the access to land and even the location of the; Even the risk, cost and profit from the project must be considered too	<ul style="list-style-type: none"> • Conditions for the partnership • Funding arrangement • Marketability of housing units • Availability to land • Location of the project • Cost of production • Profit Margin • Risks involved in the project
PSP _{P1} R ₁	Availability of land, marketability of the project, it is marketable? Then the location of the project, the private developer, does he have the capacity to deliver	<ul style="list-style-type: none"> • Availability of land • Marketability of the project • Location of the project • Availability of competent private sector
PSP _{P1} R ₂	The marketability of the project, the cost of the project, the expertise of the private partner, there capacity to deliver on the project, the interest of the local community, and profit margin	<ul style="list-style-type: none"> • Marketability of the housing • Cost of project • Expertise of private partner • Interest of the host community • Profit margin

APPENDIX 1 continued

Question: What are the key factors considered in initiating and implementing PPP housing in Nigeria?		
Respondents	Reponses	Factors Identified
PSP _{P2} R ₁	The private developer, the feasibility study, the marketability of the project, availability of; land for the project., pricing too for the off takers	<ul style="list-style-type: none"> • Competency of private developer • Feasibility of the project • Marketability of the housing units • Availability of Land • Cost of the units to be produced
PSP _{P2} R ₂	Availability of land for the project, the project cost, the impact of the project on the host communities, the private developer to be engaged, availability of funds to support the project and even the completion time of the project.	<ul style="list-style-type: none"> • Availability of land • Cost of the project • Impact of the project on the host community • Competency of the private sector developer • Availability of funds
PSP _{P3} R ₁	Availability of land for the project, impact of the project and the source of funding and some other environmental factor like land topography and then we consider the cost to government and availability of the fund and the selling price of the housing unit	<ul style="list-style-type: none"> • Availability of land • Impact of the project on the host communities • Availability of funds • Cost of production • Cost of housing units to be provided
PSP _{P3} R ₂	Marketing and cost of the unit, the selecting of private partner with the capacity and expertise to deliver the [project as scheduled, you consider the funding capacity as well. Then the land for the project	<ul style="list-style-type: none"> • Marketability of the housing units • Competency of private sector developer • Availability of funds for the project • Availability of land
PSP _{P4} R ₁	Their land available, who will be the technical partner, where are the funding coming from, what technology will be deployed, what will be the impact on the community and town a large, what is the target group and how are we going to market the houses. So, from looking at the feasibility of the project to marketing it will be considered	<ul style="list-style-type: none"> • Availability of land • Competency of the private sector • Availability of funds for the project • Impact of the project on the host community • Target group of the housing project • Marketability of the houses • Feasibility of the project

APPENDIX 1 continued

Question: What are the key factors considered in initiating and implementing PPP housing in Nigeria?		
Respondents	Reponses	Factors Identified
PSP _{P4} R ₂	We look at availability of land; what is the cost to government, what does the government need to do for the project to take off, what is the impact on the host communities, then who will be the private sector partner and what are the funding arrangement	<ul style="list-style-type: none"> • Availability of land • Cost to government • Impact on the host communities • Funding arrangement
PSP _{P5} R ₁	We must be sure we have the land first, then we look at the impact on the communities, then the issue of what the roles of government will be, then who will be the private developer, on the private developer alone, there will be many criteria they must meet . We look at it to see if you have the muscle to raise funding for that particular project	<ul style="list-style-type: none"> • Availability of land • Impact of the project on host communities • Governments' role in the project • Funding arrangement
PSP _{P5} R ₂	We consider land, are there land for the project, how many houses will it take, what kindly of houses are we going to build and for who? Any compensation. Then we begin to look at the technical skills, whatever technology they are bringing in, do they have the technical capacity. Is there skill going to enhance the speed of delivery. Access to funding	<ul style="list-style-type: none"> • Availability of land • Types of houses to be constructed • Target population • Technical capacity of the private sector • Funding arrangement
PSP _{P6} R ₁	Availability of land for the project; the impact on the host communities; the partners, do they have the funds to do the development, what time will it take to complete the project, what will be role of the government, who are the focus for this project and many other considerations.	<ul style="list-style-type: none"> • Availability of land for • Impact of the project on the host communities • Funding arrangement • Governments' role in the project • Target population
PSP _{P6} R ₂	We consider availability of land for the project, the capacity of private developer to develop with their fund, the technology to be used and even the sales of the unit	<ul style="list-style-type: none"> • Availability of land • Funding arrangement • The technology to be used • Marketing of the housing units

APPENDIX 1 continued

Question: What are the key factors considered in initiating and implementing PPP housing in Nigeria?		
Respondents	Reponses	Factors Identified
PSP _{p7} R ₁	The political support is strong	<ul style="list-style-type: none"> • Availability of political support
PSP _{p7} R ₂	If the land is available and unencumbered. the impact of the project on host communities, then how many unit are we producing and what types of houses, what will be the role of government,	<ul style="list-style-type: none"> • Availability of land • Impact of the project on host communities • Quantity and type of houses to be constructed • Governments' role in the project
PSP _{p8} R ₁	How to make profit; availability of land for the project and, financing of the project, completion time, and capacity of developer	<ul style="list-style-type: none"> • Profit margin • Availability of land • Funding arrangement • Capacity of the private developer to deliver on time
PSP _{p8} R ₂	Is the availability of land; the feasibility study, the private developer, the funding capacity and we look at the community as well, what is the impact of the project on the community itself	<ul style="list-style-type: none"> • Availability of land • Feasibility of the project • Funding arrangement • Capacity of the private developer to deliver on time • Impact of the project on host communities
PSP _{p9} R ₁	Technical competence of the party, their financial capability, their credibility and experience and we look at the issue of affordability; cost project, we sure we will even get people to pay for these houses	<ul style="list-style-type: none"> • Technical competence of the partners to deliver • Funding arrangement • Affordability of housing units • Cost of project
PSP _{p9} R ₂	Availability of land for the project, the social issues; compensation, who will be the private partner, what are their capacities, what tract record, what will be the cost	<ul style="list-style-type: none"> • Availability of land • Capacity of the private developer to deliver on time • Cost of project

PP_{p1}-PP_{p9}=Private Partners in PPP housing projects 1 to 9

PSP_{p1}R₁= Public Sector Partners Respondent No. 1 in PPP housing projects

PSP_{p1}R₂= Public Sector Partners Respondent No. 2 in PPP housing projects

APPENDIX 2: TRANSPARENCY MEASURES IN PPP HOUSING PROJECTS

Question: What structures and processes have been put in place by the institutions to ensure transparency and competitiveness in the implementation and operation of PPP housing in Nigeria?		
Respondents	Responses	Measures Identified
PP _{P1}	There is a regulator which is the BPP (bureau for public procurement) they follow it to a very good extent. In terms of unsolicited proposals, that is actually how it should be driven	<ul style="list-style-type: none"> • PPP housing procurement process is based on the BPP
PP _{P2}	They advertise and there are competitive bidding processes for the projects	<ul style="list-style-type: none"> • Open advertisement • Competitive bidding process
PP _{P3}	It is very competitive and transparent. Regarding unsolicited proposal,	<ul style="list-style-type: none"> • Competitive and transparent bidding process
PP _{P4}	The institutions like the ministry advertises their housing project, you go through a competitive bidding process. However, you will hear them say “shake body ooh, if you want to get the job” so that is a problem too	<ul style="list-style-type: none"> • Open advert by government • Competitive bidding process
PP _{P5}	They have a competitive and transparent process in the housing PPP partner selection and even implementation.	<ul style="list-style-type: none"> • Competitive and transparent bidding and selection process
PP _{P6}	They have a bidding process which is supposed to be competitive even though it is not. They do man no man, if you don't have anybody or can bring money, then you forget it.	<ul style="list-style-type: none"> • Competitive bidding and selection process
PP _{P7}	About competitive, it is not really base on merit. It's not really competitive because the Nigerian factor still plays a very vital role here. You are selected when you are connected, when you have people there in the corridors of power	<ul style="list-style-type: none"> • Competitive bidding and selection process
PP _{P8}	I think they are still transparent in that aspect. We have to bid, they require us bringing some things on board, they were other people too, and they have their own selection and they choose the best person for the job.	<ul style="list-style-type: none"> • Transparent selection process
PP _{P9}	The process is competitive and the best partner with best value offer at reasonable cost will be selected. The guidelines are there for whatever PPP you want to do with the Lagos PPP housing	<ul style="list-style-type: none"> • Competitive bidding and selection process

Question: What structures and processes have been put in place by the institutions to ensure transparency and competitiveness in the implementation and operation of PPP housing in Nigeria?		
Respondents	Responses	Measures Identified
PSP _{P1} R ₁	So, I think is competitive and transparent	<ul style="list-style-type: none"> • competitive and transparent selection process
PSP _{P1} R ₂	I was privileged to be in a committee that access all the submissions made then for prospective PPP participation. I was on that committee and we went through the submissions, made our inputs and recommendations to the authority. For example, one of the partners (applicants) then, the submission was beautiful on paper with claims of good jobs done. And we recommended he should be considered but, on a condition, that the authority should take another step to verify those claims. But these are some of the loopholes which the human factor comes in to play	<ul style="list-style-type: none"> • Competitive bidding process
PSP _{P2} R ₁	We advertise the jobs and ensure competitive bids, we give everybody a level playing ground, even when it is and unsolicited proposal, we still call in for bids to ensure competitiveness.	<ul style="list-style-type: none"> • Open advertisement • Competitive bidding process
PSP _{P2} R ₂	The PPP is usually advertised. The bidders follow the process and the successful one will emerge. So, I can say it is competitive	<ul style="list-style-type: none"> • Open advertisement • Competitive bidding process
PSP _{P3} R ₁	The selecting is open and done by a team of expert. The process is competitive all the way to implementation so as to get the best.	<ul style="list-style-type: none"> • Competitive bidding process
PSP _{P3} R ₂	It is usually advertised and there is a competitive bidding process, documents and claims are verified and the best proposal that suits the aim of government in terms of best value is selected. It is handled by competent hands and professionals, so it is competitive enough	<ul style="list-style-type: none"> • Competitive bidding process

APPENDIX 2 continued

Question: What structures and processes have been put in place by the institutions to ensure transparency and competitiveness in the implementation and operation of PPP housing in Nigeria?		
Respondents	Responses	Measures Identified
PSP _{P4} R ₁	There is a bidding process that is open and transparent, we advertise it and private developer interested will apply and the selection process will begin. It is competitive, and the best partner will be selected.	<ul style="list-style-type: none"> • Open Advertisement of tender opportunities • Open, transparent and competitive bidding and selection process
PSP _{P4} R ₂	The ministry in accordance to the PPP guidelines advertises the project; the process is open and competitive from the bidding process to the completion of the [project]. It is transparent and open. We ensure it, in-fact most of the people who have being given help we don't know them.	<ul style="list-style-type: none"> • Open Advertisement of tender opportunities • Open and competitive bidding process
PSP _{P5} R ₁	The process starts from an open bid and from that point to final agreement it is open and competitive even when there is unsolicited proposals, the government will invite other developers to tender and offer values too. The structure is put in a way that it supports transparency and promotes competitiveness	<ul style="list-style-type: none"> • Open and competitive bidding process • Transparent selection process
PSP _{P5} R ₂	The PPP process here is open and competitive, the system is that even if you are coming with unsolicited proposals you will still need hand it in for us to subject it to our competitive bidding process. We select the best value offer	<ul style="list-style-type: none"> • Competitive bidding process
PSP _{P6} R ₁	By and large, we have never really been, but may be now, but prior to now, we have never really been in a situation whereby there we have some much competition because the land is there and there are enormous opportunities to select private partners. I know in such cases we use open advertisement and competitive bidding process	<ul style="list-style-type: none"> • Open advertisement and competitive bidding
PSP _{P6} R ₂	There is an open competitive bidding process for all to partake and the best is selected. So, it is open, transparent and competitive, every developer is invited to witness it	<ul style="list-style-type: none"> • Open, transparent and competitive bidding process

APPENDIX 2 continued

Question: What structures and processes have been put in place by the institutions to ensure transparency and competitiveness in the implementation and operation of PPP housing in Nigeria?		
Respondents	Responses	Measures Identified
PSP _{P7} R ₁	So that is why I said right now, what we do in terms of selection of private partners here, we do it through unsolicited proposal. So, when they bring in their proposals, they may say they are interested in developing partnership with the ministry in building housing and units of housing, particular location etc. we will look at it and now re-invite them for presentation and preliminary discussion	<ul style="list-style-type: none"> • Transparent selection process
PSP _{P7} R ₂	From the bidding process to project itself, the process is open, competitive and transparent. The developers have equal opportunity to present their offers and the best value will emerge. We ensure transparency and competitiveness	<ul style="list-style-type: none"> • Open, competitive and transparent bidding process
PSP _{P8} R ₁	What really happens is this the MoU it will be clearly stated that before you can give out any project, any contract to any of the company the two partners have to be there they have to make sure that the person you are giving the project to is the best	<ul style="list-style-type: none"> • The use MOUs as tool for implementing PPP housing project
PSP _{P8} R ₂	The process is very open and competitive from the beginning; we advertise and get the best of the developer who offered us best value. Transparency is the watch word here	<ul style="list-style-type: none"> • Open advert for tender opportunities • Open and competitive bidding process
PSP _{P9} R ₁	PPP laws states clearly that all transactions should be opened as competitive bids. So, we ensure that all our transactions are advertised, and everyone given a fair opportunity to compete. Even when we have unsolicited proposals, we still tell the champions that we might need to open it for others to compete (so as to achieve that competitiveness in the process)	<ul style="list-style-type: none"> • Competitive bidding and selection process

APPENDIX 2 continued

Question: What structures and processes have been put in place by the institutions to ensure transparency and competitiveness in the implementation and operation of PPP housing in Nigeria?

Respondents	Responses	Measures Identified
PSP _{p9} R ₂	If you have ten, they will rate the entire ten based on those lay down indices. For a single source unsolicited, you have to go through this screening process, they have to come to this? (You have to), even if it is a single initiative. This is done just to achieve transparency	<ul style="list-style-type: none"> • Transparent selection process