

Will Public-Private Partnership (PPP) Always Boom in Presence of Enabling Environment?

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Abstract

Bangladesh shows presence of an enabling environment for public-private partnership (PPP) policy delivery due to having political support, institutional development, financial commitment and legal coverage with PPP Act. However, during last five years, only 6 projects have reached at contract sign stage. It indicates that presence of an enabling PPP environment does not always guarantee PPP policy delivery to a great extent. Therefore, the overarching research question of this study is 'will public-private partnership (PPP) always boom in presence of enabling environment? If not, why?' To address the research question, qualitative research approach is adopted and thirty public sector officials working at field level, Ministries and PPP implementing agencies have been interviewed with semi-structured questionnaire. The study finds that implementing agencies' inability to identify PPP suitable projects, lack of understanding and interaction among the public and private partners, lengthy delivery process, capacity constraints and interest deficiency among the private investors, and political interference affect PPP delivery. Findings of the study indicate PPP policy requires synthesized approach of policy implementation instead of mere focusing on top-down view. Therefore, there is a need to address other factors to a great extent for enhanced and successful PPP delivery.

Keywords: *Public-private partnerships, PPP delivery, synthesized approach, top-down view*

1. Introduction

Public-Private Partnership (PPP), as a public policy tool for public infrastructure and service delivery, has been able to attract widespread interest among the

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different communities of the world. Bangladesh is not away from it. However, PPP policy delivery status during previous years raised a concern about achievement of development goals of Bangladesh. Therefore, PPP policy delivery has been explored in this paper. Indeed, PPP has mainly evolved within the political decision-making realm in the Western society. During the 1980s in the UK, public sector had gone through an internal reorganization along with quasi-market lines and the private business started to take a new role as a supplier of public services (Lowndes and Skelcher, 1998: 19). Later on, Conservative Government of UK introduced Private Finance Initiative (PFI) in 1992, in which, a private company would design, build, operate and finance a hospital, school, or prison, to public output specifications and the government agrees to purchase the service over a fixed period of time, at which point it would revert to public ownership (Wettenhall, 2003, p. 3). New Labour came to power in successive regime and they also adopted the 'idea of PFI' but preferred to label it with friendlier sound 'Public-Private Partnerships' (Wettenhall, 2003, p. 3).

In the same fashion, after 1980s, Bangladesh experiences privatization of state-owned enterprise and in 1990s this trend continues along with some outsourcing and public administration reform initiatives in line with the New Public Management (NPM). Since introducing Private Finance Initiatives in 1992 in the United Kingdom, PPP as an alternative mechanism to traditional method is becoming popular for addressing infrastructure shortage and quality public service delivery. Government of Bangladesh has adopted several initiatives by which traditional relationships with the private sector are expected to be gradually elevated to a long-term strategic and goal oriented functional relationship in infrastructure and service delivery (GoB, 2011, p. 10). Therefore, Private Sector Power Generation Policy of Bangladesh was adopted in 1996 to support the development of Independent Power Producer (IPP) in the country. It assisted implementing around 40 PPPs in the power sector, which indeed contributed to enhancing the number of PPP success case.

To capture success in other infrastructure sectors, the Government of Bangladesh introduced the Private Sector Infrastructure Guidelines (PSIG) in 2004. Based on this initiative, up to 2009, 27 PPPs were implemented (GoB, 2009). Among the implemented projects, some PPPs were successful (especially power and telecommunication sector PPPs) (The Asia Foundation, 2010, p. 4) and some were unsuccessful such as Sonamasjid Land port PPP (Khan, 2011, p. 167) or stressed Jatra-bari-Gulistan Flyover PPP (Khan, 2011, p. 167). The Dhaka Elevated Expressway PPP project initiated under this Guideline, reached contract close in January 2011 and now it is under construction. Because of sporadic success with

the PSIG 2004, there was a need for revising the guidelines and hence Government issued the Policy and Strategy for Public Private Partnerships (PSPPP), 2010. The PSPPP 2010 comes up with comprehensive range of reforms (e.g., institutional, regulatory, financial including tax incentives for PPP projects). Later on, Bangladesh Public-Private Partnership Act has been enacted in 2015 and PPP Authority is established. Based on top level political support and institutional capability through PPP Authority under Prime Minister's Office and PPP Unit under Finance Division, financial commitment through Viability Gap Financing (VGF) and long-term financing through 3 Bangladesh infrastructure Finance Fund Limited (BIFFL) and legal coverage, Bangladesh now shows presence of having an enabling PPP environment.

The PPP initiatives of Bangladesh have been praised by international community. For example, the Economist Intelligence Unit (2014) see PPP related efforts of the government of Bangladesh in the following way:

A well-designed institutional framework has emerged, with high-level support for PPPs. An enabling policy from 2010 has been fleshed out in subsequent guidance documents, and a PPP law is pending parliamentary approval. Project experience under the new framework remains limited, however (Economist Intelligence Unit, 2014).

It seems the PPP program in Bangladesh is quite well placed. However, presence of an enabling PPP environment does not always guarantee PPP policy delivery to a great extent. Up to June 2017 only 45 projects got in-principal approval, among which 6 projects have reached at contract sign stage. These six PPP projects are: Haemodialysis center at Dhaka and Chittagong, two Hi-Tech Park PPP projects, Mongla Economic Zone PPP and Two Jetties at Mongla Port. Other projects are either at project development stage or at procurement stage (Source: Public Private Partnership Authority, 2017). In this context, the scenario of PPP project delivery per year clearly indicates that PPP policy delivery is not with the pace of institutional, regulatory, project and capacity development initiatives of the country. Therefore, the aim of this study is to understand the factors of PPPs delivery in presence of an enabling environment with the following research question, 'will PPPs always boom in presence of enabling environment? If not, why? To get answer of this question, an exploratory study with qualitative research approach has been conducted. Finally, the paper has been organized in following ways: Section one elaborates background of the study and identifies research question. Section two discusses relevant literatures on PPP, policy implementation frameworks and PPP research in Bangladesh. Section three describes research method focusing on data collection and analytic techniques of data. Section four presents findings in narrative style based on which a conceptual

framework for PPP policy delivery has been finalized. At the end, section five concludes the paper indicating recommendations and future research direction.

2. Literature review

PPP is one of the engaging words found in the recent public-sector governance and management literature. Dutch public management scholars Van Ham and Koppenjan define PPP as ‘co-operation of some durability between public and private actors in which they jointly develop products and services and share risks, costs and resources which are connected with these products or services’ (Van Ham and Koppenjan, 2001, p. 7). However, Van Ham and Koppenjan (2001) is silent about the cooperation arrangement. Bovaird (2004) overcomes the issue of cooperation arrangement in PPP. According to Bovaird (2004), *PPP means ‘a working arrangement based on a mutual commitment (over and above that implied in any contract) between a public sector organization with any organization outside of the public sector’* (Bovaird, 2004, p. 2). Here, Bovaird (2004), indeed, accepts two forms of PPP organization: which often without any form of legal underpinning and other partnerships, and secondly, which are backed by contracts but where partners display levels of commitment to each other over and above those contracts. Long-term infrastructure contract type PPP, which involves the design, construction, financing, maintenance and in some cases operation of public infrastructure or public facility by the private sector under a long term contract (Hodge et al., 2010 cf. Campbell, 2001) can be categorized as second type of PPP considering the style of governance.

Considering PPP as style of governance, Lowndes and Skelcher (1998) argue with a complete mix of governance in PPP and mention that different modes of governance are predominant at different stages of PPP. Whereas, Van Gestel, Voets, and Verhoest (2012, p. 22) divide PPP life cycle into two parts: public-public stage (i.e., the period before putting the contract on the market), in which hierarchy and market dominates and public-private stage (i.e., the periods when the private actors come into play), which is dominated by network forms of governance. Furthermore, in PPP literature, two major forms of management strategies are employed in PPP i.e., network management strategies based on trust among partners and project management strategies based on central steering by the public partner. Van den Hurk and Verhoest (2015, p. 2) as well as Willems (2014, p. 7) consider long-term infrastructure contract type PPPs as hybrid form of PPP, which combines the features of both network management and project management strategies. This has been supported by Alam, Kabir, and Chaudhri (2014)’s

study on two infrastructure PPPs of Australia, in which they find that the success of PPP depends on the processes and actions used to co-create managerial social capital and 5 building mutual trust by sharing risks, responsibilities, and experience. Based on above, PPP policy implementation needs to capture these governance and management perspective.

In public policy implementation perspective, after 1970s several policy implementation frameworks have been developed, such as, top-down model, bottom-up model and synthesized model. Main scholars in synthesized models adopted the top-downers' concern with effective policy execution as their starting point and blended several elements of the bottom-up perspective and of other theories into their models (Pülzl and Treib, 2006, p. 95). Among the synthesizers, Scharpf (1978) tries to reconcile the idea of political steering by central governments with the argument of bottom-up scholars that the transformation of policy goals into action depends upon the interaction of a multitude of actors who have distinctive interests and strategies (Pülzl and Treib, 2006, p. 96). As PPP combines the features of both central steering and the processes of collaboration among interdependent actors, PPP policy implementation is expected to follow synthesized model of policy implementation to achieve expected performance in terms of success.

There are profuse literatures on critical success factors of PPP, as well as on factors affecting success of a PPP project. In case of PPP project delivery which ends after signing the PPP contract, success factors are not discernible in literature. Rather literature mostly emphasize on overall PPP success factors, which may contain the project delivery factors. However, those scholars who look at PPP through New Public Management (NPM) lens such as Awortwi (2004), see success factors differently from those who see PPP through New Public Governance (NPG) lens, such as Baru and Nundy (2008). For example, Awortwi (2004) puts emphasis on contractor selection, post-contract opportunism whereas, Baru and Nundy (2008) give emphasis on trust among partners. Some scholars such as Li, Akintoye, and Hardcastle (2000) divide available all factors in two arenas: external factors (e.g., legal framework, commitment from policy makers) and internal factors (e.g., risk sharing, commitment to partnerships). There are some studies which distinguish success factors based on different phases of PPP project cycle e.g., stakeholders' engagement in planning phase or pre-formation phase (Chen, Hubbard, and Liao, 2013; Koppenjan, 2005; Samii, Van Wassenhove, and Bhattacharya, 2002). Vela and Pardo (2012) look success factors from private sector perspectives (e.g., allocating resources, right contract specifications), whereas Pessoa (2010) look success factors from developing country contexts (e.g., lack

of institutional capacity, weak governance system). The point to highlight here is that there is deficiency of literature on factors during the 6 delivery phase of PPP i.e., up to PPP contract sign. This is also evident in the country specific study such as in the case of Bangladesh.

The PSIG 2004 of Bangladesh were implemented modestly and policy delivery, as well as, policy performance was not that much encouraging. Asian Development Bank's Technical Assistance report evaluated this initiatives and highlighted that Bangladesh's PPP infrastructure development program has not delivered a significant volume of needed projects, and there are weak procurement performance due to proper preparation for bidding processes, lack of ownership within implementing government bodies, frequent changes of project management, inconsistent bidding processes, skewed risk allocations in bid documents, and not following established procurement standards. According to Asian Development Bank (2010, p. 4), this empirical evidence undermine confidence in government solicitation processes and drive value-added infrastructure participants away from the market. Khan (2011) argues that without transparency in the procurement, no PPP model can offer satisfactory results to any of its stakeholders. Besides, right technical design of the infrastructures, weak financial plan, involvement of weak financial institutions, political economy which compromise with transparency, technical expertise and due diligence, reasonable risks sharing structure and lack of appropriate understanding of different PPP activities are important factors in Bangladesh (Khan, 2011, p. 134). In sum, long-term infrastructure type PPP delivery through a synthesized approach of policy implementation has been mostly overlooked in the literature. Therefore, it is argued that presence of an enabling PPP environment focusing mostly on top down approach of policy implementation could not accelerate PPP delivery and there is a need to search for other factors in analyzing PPP policy delivery. In this regard, this study tries to develop a framework for PPP policy delivery through incorporating relevant other factors.

3. Methods and materials

Research approaches (i.e., quantitative, qualitative and mixed methods research), research strategies (e.g., experiment, case study) and research methods (i.e., data collection, analysis and interpretation) are three key features that represent a perspective about research and present information in a successive way from broad construction of research to a narrow procedures of methods (Creswell, 2014, p. 3). This study views PPP policy process through interaction and 7 nego-

tiation with the implementing partners in which each partner is guided by their own values and distinctive strategic choices, which are also shaped by a variety of contingent circumstances. In this regard, Creswell (2007, p. 40) argues, firstly, extracting ideas, values and beliefs of the implementing officials about policy process is required to be carried out through employing a qualitative enquiry as there is no such established facts and information readily available. Secondly, through qualitative inquiry it is possible to get detail understanding about the subjective interpretation of participants involved in complex issues, which can be used for comparing with one another, as well as, can be used for comparing with what is found in the literature. Finally, qualitative research helps understand the contexts or settings, in which participants in a study, address a problem or issue. The underlying meaning is that we cannot separate people's views and opinions from the context and for better understanding of PPP policy process, it is important to know how participants engage themselves in addressing this phenomenon within their local context. Therefore, qualitative approach is more suitable to address the research question raised in this study.

Typically, qualitative research approach uses in-depth interviews with semi-structured or openended questions, field notes, focus group discussions, and participant observation for data collection. Whereas, subjective reflection, normative analysis, and argumentation are used here as tools for understanding public policies, analysis and interpretation. It is expected that this qualitative approach and methods would enable confirmation or corroboration of each other via triangulation, elaborate or develop analysis through providing richer detail and would initiate new lines of thinking through attention to fresh insight. In this study, interview methods are adopted as a major source of evidence. Interviews are conducted on three categories of government officials. These three categories represent implementing agency officials, Ministry officials and field level government officials. It is important to note that field level government officials are not directly connected with PPP policy delivery. Table-1 gives composition of the respondents.

Interviews are conducted in face-to-face setting with semi-structured questionnaire with the key respondents as well as through email with whom face to face interview was not possible due to some constraints. Purposive and snowball sampling procedure are adopted for key respondent selection at all levels. Altogether 30 interviews were conducted. Interview duration was mostly half hour to one hour. Interview sessions were expected to be recorded based on consent from the interviewees. However, due to some limitations, handwritten notes were taken for all the answers.

Table 1: List and composition of key respondents

Key respondents	Number of respondents
Implementation Agency (IA) Officials (e.g., Bangladesh Railway, Roads and Highway Division, Bangladesh Parjaton Corporation, National Housing authority and PPP Authority,)	12
Implementing Ministry officials / Line Ministry Officials	12
Field level officials	6
Total	30

On the other hand, based on Miles and Huberman (1994), three step procedures were followed for interview data analysis. These steps are storing, managing and processing. At the first stage, grouping was done with an aim to identify major theme from all data based on the variables, and indicators. Then at the second stage, after closely looking the contents sequence of a particular variable were identified which match theoretically guided sequence found from literature survey. At this stage, emphasis is also given in searching more explanation from the key respondents based on actual field level experience, which can explain the policy delivery. Later on, at the third stage, triangulation is done on selected information, opinions, and views with other sources. In cases of hard facts, triangulation is done with documentary evidence and in case of soft facts triangulation is done with another respondent's information.

4. Findings and discussion

The key respondents were asked to tell about the major constraints in identification, adoption and delivery of PPP project. Based on themes and views derived from interview transcript, this section finalizes the conceptual framework. The following sub-section briefly describes the identified major themes, which is followed by construction of the framework.

4.1 Identification of PPP suitable projects

Field level officials opined that there is a problem of right project identification which is PPP able or possible to implement through PPP. This has been substantiated by Ministry level official who spelt out reasons behind this. According to one Ministry level official, political will dominates in identifying and adopting PPP project at the implementation agency. Moreover, there is a lack of expertise in identifying PPP project at the implementing agency too. Therefore, imple-

menting agencies are unable to take right decision regarding a project 9 whether it will be PPP project or project to be implemented under Annual Development Program (ADP).

In the simplest sense, implementing agency has deficiency in identifying the right project as a candidate for PPP. PPP Authority (PPPA) as a facilitating body for PPP delivery, endorses this view and identifies the reasons behind the deficiency of the implementing agencies in the following ways:

“implementing agency is not that much careful in selecting project to be implemented through PPP” (Respondent from PPPA).

“there is a lack of PPP able project in the implementation agencies, Due to not having projects at the hand of implementing agency, they select some project which are not related with the core functions of the implementing agencies” (Respondent from PPPA).

“like ADP there is no structured system for choosing PPP” (Respondent from PPPA).

Therefore, for having small number of PPP delivery, implementing agency’s deficiency to identify the right project to be implemented through PPP route is a constraint. Due to political influence or public-sector expertise shortage, implementing agency selects project to be implemented through PPP route which is not actually PPP suitable.

4.2 Interaction and understanding among the public and private partners

Lack of understanding, cooperation and trust among the public and private partners are viewed as one of the important factors in delivering PPP. This has been reflected in all the respondents’ views. For example, field level officials see “there is a lack of understanding especially lack of trust and confidence between the participants, which create an obstacle in proper coordination between partners. Therefore, this distance bar the private and public partner to form a strong tie for investment through PPP”. These views have also been reflected among the ministry level officials who emphasized that lack of understanding between public and private partners creates a wall in accelerating investment in PPP projects. According to one ministry level official,

“there is a lack of confidence among private partners on the public agency for investing through PPP. Indeed, lack of understanding between partners and lack of having sufficient trust make the partners apart” (Respondent from the Ministry).

PPP Authority officials and implementing agency (IA) officials also gave their opinions in the following ways:

“private sector is not fully trusted by the implementing agency. There is suspicion among the implementing agency that private party will not handover the project in due course or private party may go for litigation to exploit the facilities” (Respondents from IA).

“There is a misconception among the officials of implementing agency that if the project is implemented through PPP, implementing agency will lose control over the project” (Respondents from PPPA).

“public officials are skeptic thus at first, they want to know how far the already taken PPP project performs. After getting the feedback, they will take the decision. (Respondents from IA).

“those implementing agencies have completed one or two projects in PPP mode, they are coming again for PPP. So, it is all about perception and understanding among the parties involved in PPP projects” (Respondents from PPPA).

The views of the respondent indicate that public partner in the implementing agency has communication gap with the private investor. Implementing agency officials lack trust and confidence and they stay away from the private investors, which create a gap between two parties. This lack of interaction and mutual understanding obstruct private investors to be engaged in working with the public sector and therefore result into low PPP delivery. It is clearly evident from the views that if the private partner would have worked with the public sector and through this experience, private partner would have gained confidence and trust then it would have been easier for both the partners to be engaged in forming partnership and in investing in public infrastructure and services delivery through PPP.

4.3 Procedural easiness of PPP delivery

The existing system of PPP delivery in the implementing agency is lengthy and to some extent cumbersome which requires several stages of approval from PPP Authority and from the Line Ministry. This creates uneasiness in the implementing agency, and it delayed the PPP project processing there. According to field level officials, “PPP project takes longer time at approval stage which call for stagnation in some point of time. This lengthy decision making sometimes create interest deficiency among the implementing agency officials”. Besides, field level officials also identified lack of access in obtaining required utility e.g., gas, water, electricity 11 in due time which creates tension and uneasiness among the partners too. Ministry level officials also reiterated these factors as one of the important one, such as,

“PPP project take longer time at project approval stage and there is deficiency in following specific time frame by the implementing agency (Respondent from the Ministry)”.

Lengthy processing time in terms of getting approval from different places including PPP Authority creates uneasiness, which has been reflected in the responses among the implementing agency officials. According to the implementing agency officials' views,

“transaction advisors are appointed to conduct detail feasibility study and related activities to select private party. According to my experience, functioning of transaction advisor is very slow. They often defer their submission of deliverables which ultimately slow down the whole process” (Respondents from IA).

PPP Authority facilitates PPP delivery through approval and project development activities. In this connection, PPP officials put safeguards and indicate lack of interest among the implementing agency for low PPP delivery. According to the PPP Authority officials' views,

“perception of government officials is major factor in PPP take up or in delaying PPP activities. Such as implementing agency at one point of PPP project processing declare that they will go through ADP route not PPP route, which make the whole process lengthy” (Respondent from PPPA).

“there is inter-ministerial involvement in most of the PPP projects. Decision making in those projects is a big challenge. Suppose Dhaka bypass project which require consent and approval from several departments and authorities. These make delay” (Respondent from PPPA).

“due to not having availability of robust data necessary for detail feasibility study, project preparation takes time and it delayed the project delivery” (Respondent from PPPA).

“there is persistent lack of interest among the implementation agency in taking ahead of activities connected to PPP projects” (Respondents from PPP Authority).

“as PPP projects require approval from different levels, understanding gap in those level hamper smooth progress of the project. Besides there is change of individual at the implementation agency and ministry level. People change means whole concept is changed (Respondents from PPPA).

The views on individual change at the implementation agency and ministry level has been supported by the implementing agency officials. According to implementing agency official *“there is lack of proactive project management setup at the implementation agency. Project Director and his team usually work as extra job for the PPP project which is one of the major obstacles”*. However, there is a consensus among the respondents regarding lack of understanding about PPP among the implementing agency officials, which is one of the main reasons for making delay in obtaining project approval as well as getting the project ready for delivery at the right time.

In sum, approval process of PPP project takes time and follows a lengthy process. Implementing agency officials indicate different levels of approval e.g., at the ministry level, or inter-ministerial level or even at the PPP Authority, no incentive for the PPP project team at the implementation agency level and lengthy project development as reasons behind this lengthy process. Moreover, when the wrong project is selected, it also gets stuck in getting approval of linked component from the Executive Committee of the National Economic Council (ECNEC). As a result, delay occurs in PPP delivery schedule.

4.4 Capacity and interest of the private entities

There is a lack of capable private investor and interested private investor for PPP delivery in Bangladesh. This has been reflected in the respondents' views, such as,

“private sector has managerial and technical capacity shortage for going ahead with PPP, therefore, they are not that much interested when an implementing agency come up with a project to be implemented through the private investors” (Respondent from Field level).

“profit motive of the private sector and lack of interest in serving national interest restrict the private investor to form a partnership with the public sector for public infrastructure and service delivery” (Respondent from the Ministry).

“private sector lacks sufficient capability in raising funds or they have shortage of capital for investing” (Respondent from the Ministry).

Ministry level officials also mentioned about the risks incurred in the PPP projects for both the private and public sectors, which hinder private investor to be engaged in a PPP projects. 13 These views have also been reflected in the opinions of the PPP Authority officials. PPP Authority officials provided with further detail in this regard. According to PPP Authority officials,

“due to private investors capability constraints, private investors face problems in accessing finance, logistics support, and raw materials” (Respondents from PPPA).

“perception of the private sector still is not in line with the PPP. There are misunderstanding among the private investor that financing will come from the government, even they think that no bidding is required for PPP projects” (Respondents from PPPA).

“we have big investor in product sector, but they are not coming to PPP. Now it is a challenge how we can attract investor with high financing capacity. Indeed, commercial terms is important in attracting private investor. If implementing agencies, ask for high upfront payment then it reduces the interest of the private sector” (Respondent from PPPA).

It is certain from the views of all level of respondents that private investors of Bangladesh are not capable enough in being engaged with the public sector for public infrastructure and service delivery of large projects. They may have lack of

interest too in this regard. Besides misunderstanding about funding and required capability gap in funding arrangement, demand of upfront payment by the public sector has been revealed as important reasons for lack of interest among the private investor. This has been reflected in lower number of bidders and in some cases no bidders during PPP transaction stage.

4.3.5 Political interference during PPP delivery

It is interesting that respondents have identified political interference as one of the causes in lower PPP delivery. All respondents identified this factor, but their expressions were different. For example, field level officials indicated about unfavorable political situation, instability in political situation, as well as corruption in public offices as factors behind lower PPP adoption. Ministry level officials were more specific about this factor. According to the ministry level officials,

“political will dominates the PPP project adoption, moreover, there is uncertainty in political climate which bar private investors to be engaged in PPP” (Respondent from the Ministry).

Furthermore, lack of good governance in terms of accountability, transparency, corrupt mentality, dishonest intentions came out as important ingredients in lower PPP policy delivery. 14 These political influences at the implementing agencies have been reflected in the views of implementing agency (IA) officials. According to the implementing agency officials’ views:

“sometime political interference results in inappropriate project selection and incompetent bidder selection which ultimately help reducing interest about PPP among the implementing agency officials” (Representing from IA). “unsolicited proposals backed up political persuasion ultimately create problem which increase complexity in PPP policy delivery” (Representing from IA).

“PPP projects should be free from all sorts of political interference. Otherwise there may have opportunity of being biased which ultimately create delay in policy delivery” (Representative from IA).

Based on the above views, it is observed that political influences at the implementing agency level are correlated with other factors. In quantitative term, it is multicollinearity because political interference also has some influences in project identification, delays in delivery and diminishing interest among the public and private partners. This also sometime blocks right cooperation among the partners too. In qualitative study, this multicollinearity is difficult to sort out. Therefore, in this study, political interference has been identified as one of the factors behind lower PPP policy delivery.

Conceptual framework for PPP policy delivery

Based on analysis of responses, besides an enabling environment for PPP, five other major factors have been identified. Though there are some gaps in articulation about the factors among the different levels of respondents especially field level and ministry level officials, which has been overcome by the detail discussions among the implementing agency and PPP Authority officials, who are directly related with the PPP delivery. Finally, combination of views on the factors are derived, which can be expressed in the following ways:

1. Implementing agency fails to identify PPP suitable projects, therefore PPP project intake is low;
2. Lack of understanding between public sector and private investors inhibits partnership formation;
3. Existing process is lengthy which obstructs the process to flow smoothly;
4. There are capacity shortages and interest deficiency among the private investors, therefore they are not coming forward even though there are incentives.
5. Political interferences in PPP project adoption and partner selection affect the delivery process.

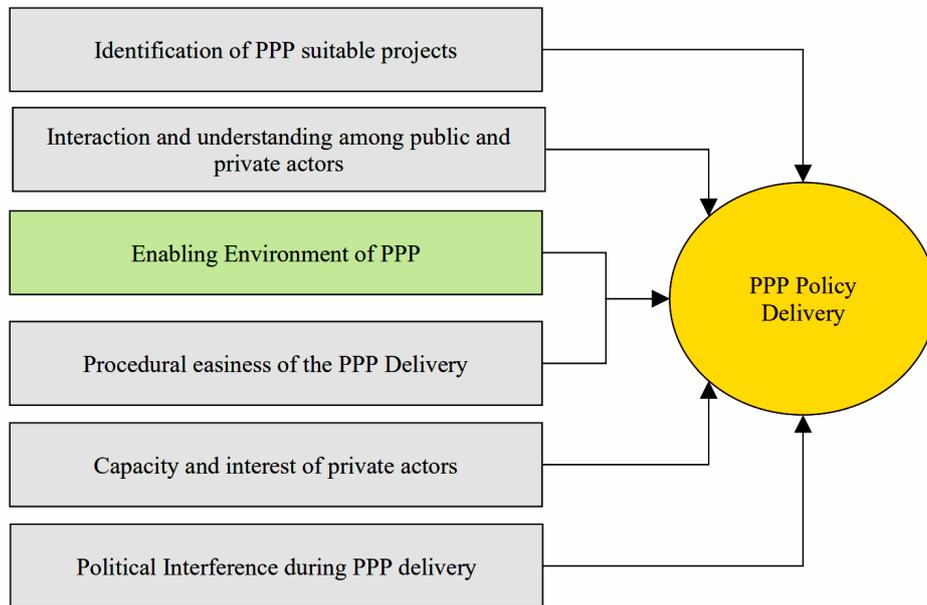


Figure 4.1: Conceptual framework of PPP policy delivery in Bangladesh

These five factors along with ‘Enabling Environment of PPP’ in Bangladesh form

the core factor and become part of the conceptual framework of PPP policy delivery (Figure 4.1). This framework constitutes major findings of the study. It is expected that implementing agencies, PPP Authority, Ministry level officials and other concerned officials will get a complete picture about the factors behind lower PPP policy delivery.

5. Conclusion and policy recommendation

This study aims to explore the factors behind lower PPP policy delivery. Based on qualitative research approach and interview with the key respondents from field level, Ministry level, PPP Authority and implementing agency level, this study reveals five factors besides an enabling environment. These are identification of PPP suitable projects at the implementing agency, interaction and understanding among the public and private actors, procedural easiness of PPP delivery, capacity and interest of the private investors and political influence during PPP delivery. Findings of the study indicate that PPP policy requires synthesized approach of policy implementation. Besides, government needs to consider following policy recommendations:

1. Government should give emphasis on strengthening PPP initiatives through different mainstreaming activities, such as inclusion of investment through PPP as percentage of PPP Policy Delivery Enabling Environment of PPP Procedural easiness of the PPP Delivery Capacity and interest of private actors Interaction and understanding among public and private actors Identification of PPP suitable projects Political Interference during PPP delivery Annual Development Program (ADP) in structured way and inclusion of PPP in the Annual Performance Agreement (APA) of the implementing agency.
2. Implementing agencies should have sector specific list of private investors and focus on developing in-house transaction skill.
3. Capacity development of the public-sector officials should be taken along with promoting private sector with different activities. It is also important to take initiatives in capacity development of PPP Authority in terms of placing required persons along with incentive for dealing with job of technical nature.
4. Coordination and consultation is required with other government offices, private sponsors and lenders during identification and preparation phase.

5. Further improvement of existing legal and regulatory framework is required for encapsulating above views, enhancing easiness for parties' concerned and reducing time of PPP delivery.

The study considers long-term infrastructure type PPP delivery through the lens of both New Public Management and New Public Governance paradigm and therefore emphasizes on synthesized view of policy implementation. Study findings substantiate this consideration. Researchers opined that to expedite PPP delivery and to take this delivery rate at a certain level requires overcoming the identified barriers, which are not insurmountable. However, this study is mostly based on the public-sector respondents. Therefore, future studies on PPP delivery can be conducted with incorporating views from the private investors as well as more sector specific implementing agency officials. Moreover, a quantitative study can be conducted with the developed analytical framework.

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