An Analysis of Public-Private Partnerships in East Africa

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Received: May 4, 2020  Accepted: August 13, 2020  Online Published: September 3, 2020
doi:10.5430/rwe.v11n5p152  URL: https://doi.org/10.5430/rwe.v11n5p152

Abstract
The impact of the implementation of public-private partnerships (PPPs) in the Sub-Saharan African region on infrastructure and services is becoming increasingly perceptible. A considerable number of African countries have embraced PPPs as a mechanism to finance large projects due to a constrained fiscus. At present, many financial institutions, such as the World Bank, the International Monetary Fund and the African Development Bank, which finance some of the projects, have established a department or unit that mainly focuses on infrastructure development in developing countries. The private sector in Africa is equally seen as a significant partner in the development of infrastructure. African governments need to tap into private capital to invest in infrastructure projects. This scientific discussion provides an analysis of PPPs in the East African region. This article selected a number of countries to illustrate PPP projects in the sub-region. The analysis of this study illustrates that the East African region represents unique and valuable public-private partnership lessons in different countries. This study also traces the origins of PPPs to more than a century ago where developed countries completed some of their projects using the same arrangement. This paper further demonstrates that the application of PPPs is always characterised by three factors, namely a country, a sector and a project. Experts in the field often refer to these elements as layers, which usually precede any successful PPP.

Keywords: public-private partnerships, comparative, Sub-Saharan Africa, sector, policy analysis, East Africa

1. Introduction
The implementation of public-private partnerships (PPPs) in the Sub-Saharan African (SSA) region currently illustrates a positive impact, particularly with regard to infrastructure development. A considerable number of African governments have established that tapping into private investment for the development of large infrastructure projects is a more viable solution. According to Akintoye (2009:2), “PPPs have become an increasingly popular means for procuring public services and infrastructure”. For this reason, an increasing number of countries in the different SSA sub-regions are now conversant with the fact that PPPs can bring realisation to government infrastructure projects. In the view of the United Nations Development Programme (UNDP) (United Nations Development Programme, 2015:1), “this reveals the constraints that governments in developing countries and chiefly in SSA, such as of scarcity of funds, corruption, nepotism, poor planning and project formulation, as well (as a) lack of expertise among senior officials”.

This paper observes that various projects, such as the construction of roads, railways, hydropower plants, airports, harbours, water plants, schools and hospitals, have been affected under PPPs. This demonstrates that PPPs cannot focus on any particular sector, but could be implemented in the different sectors of the economy. Many African governments embrace PPPs as a mechanism to finance large infrastructure projects due to a lack of national funding (Tshombe & Molokwane, 2016: 72, 73). What is ideal for African states at present is the implementation of PPP projects, which could improve the quality of service delivery. The implementation of PPPs in many of the African nations today is because of inefficiencies of public enterprises to deliver a better quality service to the consumers. Experiences from different regions on the African continent show that the adoption of PPPs in the region is growing. This can be seen in English- and French-speaking countries. According to the UNDP (2015:8), “PPP arrangements can play a vital role in driving economic growth by providing well planned, well-funded, and well maintained
infrastructure and public service”. Many African states have realised that the implementation of PPPs in the different sectors of the economy is achievable.

The primary focus of this paper is the East African region. This paper examines PPP projects in selected countries, which include Kenya, Uganda, Tanzania, Burundi and Rwanda. These countries have been selected purely on the basis that they already have PPP projects that have been completed within their borders. According to Grimsey and Lewis (2004:6), the essence of a PPP is not for government to buy an asset. The objective, however, is to purchase a stream of services under specified terms and conditions. This feature is key to the viability of the transaction since it provides the right economic incentives. The argument can, therefore, be seen as a motivating factor to senior government officials in the SSA region, urging them to improve the quality of infrastructure projects in different countries through PPPs.

2. Theoretical Foundation of Public-Private Partnerships

In the past three decades, the implementation of PPPs gained prominence across the globe. The advent of PPPs meant that government entities moved away from proving infrastructure projects through the traditional procurement method. This development led to a change in the mind-set of government officials towards project implementation. In an effort to define what a PPP is, the researchers’ understanding is that it is a collaboration between government and the private sector concerning the implementation of a specific project. This collaboration is based on a specific prescribed time period. The World Bank (2015:8) describes a PPP as a “long term contractual arrangement among a government institution and private sector entity for providing a public asset or service in which the private party bears significant risk and management responsibility”.

The Asian infrastructure, in partnership with the United Nations (2011:8), states that a “PPP is a relationship or collaboration built on the expertise of each partner that meets clearly defined public needs through the appropriate allocation; resources, risks, responsibilities, and rewards”. For the Ministry of Finance in Kenya, a PPP is a performance-based contract under which the private sector supplies public services over time, which the public sector, end user or a hybrid of both pay under this arrangement. Output is specified by the contracting authority, while input is the responsibility of the private sector (Republic of Kenya, 2014). The experience of the Kenyan government shows that the State will retain total strategic control of the service. The Ministry of Finance pronounced that the State would secure new infrastructure, which would become the assets of government at the end of the contract. With regard to risk sharing, the government was able to allocate substantial risk to the private sector. In South Africa, a PPP is applied under the framework of the Public Finance Management Act, 1999 (Act No 1 of 1999) (PFMA), which defines a PPP as a “contract between a government institution and private sector, where the private company performs an institutional function or uses state property in line with output specification. Substantial project risk is then transferred to the private company, and the private party benefits through unitary payments from the government budget or user fees” (Republic of South Africa, 2007:4). This principle is applied in any three spheres of government, namely national, provincial and local governments. A considerable difference in infrastructure development in SSA is conspicuously noticeable in countries that meaningfully understand the application of a PPP.

Taking into consideration the historical foundation of PPPs, the participation of a private entity in the development of infrastructure began well over two centuries ago on the European and North America continents. In the United Kingdom (UK), the use of tollgates was authorised by law in 1364. The first turnpike model was implemented in 1664 (Grimsey & Lewis, 2004). The justices of Herfordshire, Huntingdon and Cambridge requested Parliament to pass an Act allowing them to raise funds for the reparation and upgrading of a section of the Great Northern Road crossing the three countries. During this particular period, legislation gave the justices the authority to implement three tollgates to collect at a specific rate from vehicles and livestock passing through that particular section of the road for 21 years (Cossons, 1934). The 21 years was, therefore, adequate for the contracted company to recover its debt and turn the road back to government without any charge. As observed by Grimsey and Lewis (2004:4), “it was not until early in the nineteenth century, however, that the customary formula vesting the administration of roads in ad hoc local bodies, and of transferring the cost of maintenance from the public to the user’s, was firmly established”. The experience shows that each country in Europe had its own history on PPPs, as seen in the UK and the Netherlands.

However, an analysis of the French national experience of PPPs illustrates that the concept is much older than that of other European nations (Grimsey & Lewis, 2004, World Bank, 2009:34). The French are said to have used PPPs for more than a hundred years. The French PPP concession model called ‘Sociétés d’Economie Mixtes and Concession’ remains one of the most popular modes of constructing and managing commercial public services and public
infrastructure. To date, the country has been using PPPs to distribute 75 per cent of its water for more than two decades. The two major operators for water distribution are Lyonnaise des Eaux and Vivendi (currently called the Veolia Environment), which control 62 per cent of water distribution across France (Prasad, 2006:23).

These two companies are involved in many sectors, such as sewage disposal and urban central heating waste collection where PPPs are well established in France. It can, therefore, be concluded that PPPs are more established in France compared to other EU countries as they have been used in France since the seventeenth century (Grimsey & Lewis, 2004:47). Many financial institutions, such as the World Bank, the African Development Bank and other multilateral development banks have established PPP units that focus on infrastructure development in developing countries. The approach that many of these financial institutions are adopting is to assist developing countries that struggle to finance their infrastructure projects through a PPP arrangement. The African Development Bank (2017:5) strongly emphasises infrastructure and uses PPPs as an intervention instrument to overcome bottlenecks that have hampered developing countries’ ability to attract foreign direct investment. With this kind of mechanism, many countries in Africa understand that collaboration with the private sector is the way to follow in terms of infrastructure development in Africa.

The researchers observed that the use of PPPs in Africa brings about change in government institutions. To illustrate this, the theory of change is well placed to describe this reality on the African continent. Scholars further explain the theory of change as a “clear picture of the intended result from an action, and explains how programme activities and results are connected with each other and contribute to achieving results at different levels” (Reeler, 2007:4). The theory of change implies that if a PPP project is implemented, change towards a government programme is inevitable. When government decides to invite the private sector to participate in the development of an infrastructure project, there is a clear possibility for transformation in that particular sector of economy. Concurring with Reeler (2007:4), the African Development Bank (2017:8) further explains “the theory of change as presenting the context of PPP evaluation, the inputs and outputs as well as the immediate, intermediate and final outcomes and impact”. In this context, a link can be drawn between inputs and outputs. The private sector or financial institutions provide financing and expertise, which could be considered as the input. The output, on the other hand, could be considered as the end result, namely the ‘project’, as recommended by the host country. The “change in the recipient community’s life” will inform the impact the project has had. The host country initiating a PPP project in a specific area and economic sector should strive for proper project implementation, nullifying any failure from both parties (government and private companies). Given the foregoing, this study observes that the implementation of PPPs is always characterised by three factors. First, a country; secondly, a sector and thirdly, a project. The figure below explains the combination or the relationship between these factors.

**Public-Private Partnership Factors**

![Figure 1. Public-private partnership factors](source: Constructed by the researchers)
PPP implementation experiences from elsewhere dictate that the three factors should be present collectively for a PPP project to be successful. In other words, these are necessary preconditions. Consequently, it remains obligatory for government officials to have a clear understanding of these three factors, as well as the applicability of PPPs, and this applies to officials across government ministries. Within a country, it is essential that a PPP legislation and regulatory framework be present for purposes of reference during a PPP contract. Legislation explains the entire process before, during and after government has approved a PPP project.

A second essential element requiring extensive consideration is a sector. PPP projects are usually implemented within a sector, even though some projects cut across sectors. This sector could be water, energy, transport or health, among other sectors. It should be noted without exception that these projects require financing from a different sector, namely the private sector. In fact, the private sector is widely associated not only with the sector factor, but with all three factors cited in Figure 1 above. The last factor is the project, which brings government officials and the private sector together to decide on its implementation. The success of a PPP will subsequently be effectively evaluated after the accomplishment or completion of a PPP project. Another essential element requiring extensive consideration is financing. PPP projects require financing from the private sector.

3. Public-Private Partnerships on the African Continent

In Africa, the private sector has increasingly been seen as a significant partner of the public sector. The challenge, however, is the weak institutions and mechanisms for this partnership in some countries (United Nations Economic Commission for Africa, 2005:98-99). African economies need to tap into private capital to invest in infrastructure. These countries also need to remove impediments ranging from a missing legal and regulatory framework for PPPs to a weak technical and institutional capacity for designing and managing PPPs. In essence, the implementation of PPPs brings with it unique and improved implementation and management techniques (United Nations Economic Commission for Africa, 2017:185). A recent trend, however, indicates an improvement in the number of African countries setting up PPP authorities to augment their legal, regulatory and institutional frameworks. This section puts into perspective the PPP portfolio in East Africa and discusses the legal and institutional frameworks of various African countries for PPP implementation.

As illustrated in the 2017 African Development Bank Report (see Figure 2), the leading countries in East Africa with regard to the implementation of PPPs are Uganda and Kenya with 29 per cent, followed by Djibouti, the Seychelles and Rwanda with 14 per cent. Tanzania has two offices dealing with PPPs, namely the PPP Coordinating Unit and the PPP Finance Unit. The former is housed at the Tanzania Investment Centre, while the latter is at the Ministry of Finance (Clyde & Co, Tanzania, 2013:1). The country revised legislation governing PPPs in 2010. Tanzania has several PPP projects, including the Chalinze Super Highway in Dar es Salaam, the toll road from Arusha to Moshi, the Mbegani Port project in Bagamoyo, the Mwambani Port project in Tanga, the Kisarawe Cargo Freight Station, the expansion of the Mtwara Port, the improvement of the Kilwa Port, as well as the expansion of the Kasanga and Kigoma ports (Clyde & Co, Tanzania, 2013:1-2).
PPPs in Tanzania have also been implemented at local government level (Ngowi, 2006:3-13). In Kenya, the government recognises the inadequacy of public financing to fully support the country’s development agenda and meet the infrastructure deficit. The government further requires involvement of the private sector in order to implement PPPs (Nabutola, 2014). Uganda has PPP projects in the transport, energy, water, tourism and business infrastructure sectors (Ssebabi, 2014:3). Ethiopia has PPP projects in various sectors, including education, health, energy, road, and railway and ports sectors (United Nations Development Programme, 2015:11-15). PPPs are still in the nascent stages in Burundi, Rwanda, the Seychelles and Djibouti.

4. Legal and Institutional Framework of PPPs in Africa

4.1 Legal Framework

As in other parts of the continent, PPP laws and institutions have become increasingly common in Sub-Saharan Africa (SSA), but are still underdeveloped in many cases (Mfunwa, Taylor & Kreiter, 2015). Some African governments are supportive of PPPs with PPP-specific laws or frameworks. Some countries have emerging frameworks, while others have PPP-specific legal and regulatory frameworks and PPP laws currently undergoing policy discussions (within government Ministries) or in the parliamentary process, with some having no clear roadmap towards a functional PPP framework (The Economist, 2015:12-13). The challenge in these countries, however, is ensuring strong rules and regulations, as well as effective implementation (The Economist, 2015:5, African Development Bank Group, 2017:5). According to Chaponda (2013:1), a PPP programme can only be successful if the legislative framework provides a clear, fair, predictable and stable legal environment. The figure below illustrates selected African countries that have a legal framework.

![Figure 3. Public-private partnership framework in Africa](source: African Development Bank Report, 2017)

A study of 15 countries on the African continent by The Economist (2015:9) indicates that 10 of the 15 countries now have PPP-specific legal frameworks. These include South Africa, Kenya, Morocco, Egypt, Côte d’Ivoire, Tanzania, Tunisia, Cameroon, Nigeria and Zambia. Similarly, other countries that followed suit, adding to those with PPP-specific laws and policies, include Zambia in 2009, Egypt and Tanzania in 2010, Côte d’Ivoire in 2012, Kenya in 2014 and Morocco in 2015. Of the remaining countries, three have PPP laws under policy development or moving through the parliamentary or presidential approval process, which include Rwanda since 2009, Ghana in 2013, and Uganda in 2012. There is no clear roadmap towards a PPP framework in the DRC and Angola.

Countries in Africa have different arrangements regarding the location of PPPs under their authority. Some countries establish a PPP unit as a focal point for PPPs (World Bank, 2012:77). In the SADC sub-region, for instance, Botswana, Malawi, Mauritius, Tanzania and South Africa have established PPP units although multiple countries have passed laws mandating their creation (Mfunwa, Taylor & Kreiter, 2015). According to The Economist (2015:14), a study of 15 countries (see Figure 3) indicated that 12 of them had central PPP units, which brought
coordination and efficiency gains. Their location varied from the Ministries of Finance/Treasury (South Africa, Uganda, Ghana, Tanzania and Zambia) and the Presidency (Côte d’Ivoire), through to Development Boards (Rwanda). In Nigeria, government agencies lead PPP processes. Angola and the DRC had prototype PPP units, but their decision-making or management powers were unclear.

5. Public-Private Partnerships in the East African Region: The Experience in Rwanda and Burundi

5.1 Public-Private Partnerships in Rwanda

In the past two decades, PPPs have been popular in Rwanda (Nuwagaba, 2013). These PPPs are in the water, transport, energy and health care services industries. The view in this country is that PPPs can function well in the limits of politics and where openness prevails when negotiating contracts. It is further argued that while PPPs can improve service delivery, rationalising PPP models for service delivery is important. A study undertaken in Rwanda found that Build Own Operate and Transfer (BOOT) was one of the most preferred PPP models, which is believed to provide the best option regarding the adoption of PPPs in public service provision. Prevost (2010:1-5) argues that PPPs have been common in the water sector at local government level.

In the water sector, local government entities, for instance in the Northern Province (Byumba), have engaged PPPs where the contracting authorities have contracted out the operation and maintenance of their water supply schemes to local private operators. The PPP model in the water sector is considered as a source of revenue for local government administration. It is also argued that PPPs in Rwanda enable government to tap into financial resources and technical expertise in the private sector. Creating an enabling environment, policy and legal and regulatory framework continues to be one of the most sought enablers of PPPs. Despite passing a PPP Act in 2016, limits of capacity and adequate information about opportunities for PPP investment in Rwanda exist (World Bank, 2017). In 2017, the government of Rwanda invested in 39 PPP projects (World Bank, 2017).

While this has worked at generating commitment, it has not always been the case in other countries. From the experience of water PPPs, the government of Rwanda adopted PPPs in various sectors, namely energy, agricultural, transport and health care. Key constraints have been an inflexible approach to pricing, for example, in the agricultural sector (tea) where PPPs have been involved, a cap of prices has deterred cost recovery (Huggins, 2014). The government of Rwanda should have a possibility to review the contract with the private sector where the consumers are not benefiting according to their expectations.

5.2 Public-Private Partnerships in Burundi

Burundi has occasionally been rated as one of the world’s top five poorest countries. Although various interventions can be adopted to alleviate poverty, the World Bank believes that PPPs can eliminate extreme poverty and boost shared prosperity by enhancing the quality of the delivery of basic infrastructure services in the country. Based on this assertion and the need to deliver improved services amid shrinking donor financial flows, the government of Burundi has endorsed PPPs recently. However, despite the relatively late arrival of the endorsement, the practice of adopting PPPs to improve service delivery in Burundi has, in practice, been in existence for several decades. Consequently, the uptake of PPPs has been common in the agriculture, health care and education environments (Niyizonkiza & Yamamoto, 2013:322). These sectors are associated with low economic returns and have not attracted private parties, but philanthropy PPP models instead. Under these models, social and solidarity economic organisations have partnered with government to close gaps in sectors deemed to provide low returns.

However, over the past decade, several projects have been implemented in the electricity sector, for instance the Lake Kivu project where Burundi, Rwanda and the DRC are implementing a Hydropower PPP project (Niyizonkiza & Yamamoto, 2013:322). According to the Republic of Burundi (2014:2-4), despite the civil strife that reduced Burundi’s competitiveness, the economy is recovering and things are returning to normal. This situation presents opportunities for PPPs in the areas of energy, information communication technology, manufacturing, hotels and tourism, maritime transport and port management services, education, health care and transport as development partners, such as the EU, continue to slap renewed seizure of funding for budgetary support. While literature on the value of PPP investment in Burundi is scanty, a review of the government’s agenda suggests that PPPs are one of the policy instruments that the leadership of Burundi is looking up to retrieve the economy from a slump (Republic of Burundi, 2014:2-4).

5.3 Public-Private Partnerships in Uganda

PPPs continue to draw considerable attention in Uganda with many stakeholders increasingly endeavouring to establish improved ways of innovatively engaging the private sector to address, among other things, the increasing public demand for value-added service delivery (Roehrich, Michael & Gerard, 2014:110, Farquharson & Yescombe,
2011:10). The Public-Private Partnerships Act, which was passed in 2015, provides methods for the engagement of private partners in PPPs. Uganda has had a considerable number of PPPs in the areas of agriculture and energy. Additional PPPs are being proposed in the roads sector. As far as PPPs in the agriculture sector are concerned, in 2001, the government of Uganda implemented a farmer-owned, private-driven extension system under the National Agriculture Advisory Services Programme (Republic of Uganda, 2000:45). With this arrangement, a PPP covenant involved contracting private service providers under performance service contracts to deliver public extension services commercially (MAAIF, 2000:45).

Regarding PPPs in the energy sector, the engagement of private partners in the electricity sector can be traced back to 1999 (Republic of Uganda, 1999). Two key players are notable in the implementation of PPPs in the electricity sector of Uganda. Umeme, a South African firm engaged to distribute electricity to Ugandans, is known for their 20-year concession with government signed on behalf of government by Uganda Electricity Transmission Company Limited. Second is Bujagali’s investor, Bujagali Energy Limited, which is known for having entered a 30-year BOOT with UEGCL as a special purpose vehicle company for the construction and maintenance of the Bujagali Power Dam (Ndandiko, 2006:3).

With regard to PPPs being proposed in the roads sector, Uganda has adopted the use of some PPPs to finance proposed road sector projects, such as the Kampala-Jinja Highway and contract-operate-maintain for the Kampala-Entebbe Express Highway (Tony, 2013:8,10). Together with the existing Kampala Northern Bypass, the expressway would form a ring road around Kampala City. The project, with an estimated capital cost of US $1 billion, will seek a concessionaire to design, build, and finance and operate the road as a tolled facility (Dentons, 2014:1-2). The Kampala-Entebbe Express Highway was meant to be the first PPP arrangement in the road sector, which would serve as a gateway between the Entebbe International Airport and the Capital Kampala, but it was later financed through the normal procurement process of a loan from the Exim Bank of China (World Bank, 2016:3).

5.4 Public-Private Partnerships in Kenya

Since 1996, Kenya has attracted private investments into the country’s economic infrastructure sectors, including telecommunications, energy, water and sewage and road. However, these investments occurred without a specific PPP policy (Fortune of Africa, 2018:3). In December 2011, a PPP policy was adopted to provide a basis for the enactment of a PPP Act (Kenya PPP Programme, 2018:1). The government worked on providing the right environment for the implementation of PPPs by creating a legal framework that promoted and encouraged PPPs (Njoroge, 2018:1). In 2017, the World Bank Group released a report after assessing 82 countries in the management of PPPs based on the prevailing policy. For the 20 SSA countries reviewed in the World Bank Report, an average of the scores given for each area that was assessed, revealed that Kenya was among the top 10 in the SSA countries, with its East African neighbour, Tanzania, scoring the highest in the effective implementation of PPP projects (Olotch, 2017:1). Figure 4 below reflects the infrastructure investment in Kenya from 2012 to 2020. Some of the projects are already under implementation. As shown in the figure below, there is a gap in the funding of different projects, which is estimated to be millions of American dollars.
As illustrated in Figure 4, PPP projects apply to all sectors of public infrastructure in Kenya, including, but not limited to power generation, water and sanitation, irrigation, transport, solid waste management, health, education, housing, sports facilities, business process outsourcing, tourism, land reclamation, technology, abattoirs, mining and retail markets. In 2017, there were 67 live PPP projects at various stages, which have been prioritised in terms of the likelihood of success through a multi criteria analysis (Triple OKLaw Advocates, 2017:2). Seventy PPP projects are in the pipeline, of which 66 were approved under the solicited process and four approved as privately initiated investment proposals. Among all Eastern countries, Kenya has well-developed PPPs in the roads sector. The government of Kenya has adopted an ambitious plan to develop and rehabilitate 10 000 km of the roads network in the next five years (Republic of Kenya, 2018:2). Kenya has a successful track record in the building of infrastructure projects using PPPs. Table 1 below represents some of the faster PPP projects under implementation by the government of Kenya.

| Project Title                                      | Sector          |
|---------------------------------------------------|-----------------|
| Nyali Bridge, Mombasa                             | Transport/Road  |
| Nairobi-Thika Road (O&M)                           | Transport/Road  |
| Two sections of Mombasa-Nairobi-Malaba Road (Mombasa-Mariakani, Naivasha-Mau Summit) | Transport/Road  |
| Nairobi Commuter Rail                             | Transport       |
| Kisumu Sea Port                                   | Transport/Airport|
| Nairobi Jomo Kenyatta Airport Expansion           | Transport/Airport|
| 2nd Container Terminal Mombasa                    | Transport/Ports |
| Liquefied Natural Gas Plant, Mombasa              | Power           |
| 560 MW Geothermal IPPs, Olkeria                   | Power           |
| 400 Geothermal IPPs, Menegai                      | Power           |
| Shared Government Service Platform (Land Automation)| ICT            |
| Kenyatta University Student Accommodation         | Education       |
| Housing for Security Forces                       | Accommodation   |
| Karen Medical Centre                              | Health          |
| Mombasa Conventional Centre                       | Tourism         |

Source: Kenya Ministry of Finance, 2016

These include the Port of Mombasa Grain Terminal, which was built in 1998; the Malindi Water Utility, which was built in 1999 on a five-year management contract; the Jomo Kenyatta International Airport Cargo Terminal, which was built in 1998; the Kenya-Uganda Railway Concession, which was built in 2006, among other projects. Some of the ongoing, planned PPP projects which the government intends to undertake include the establishment of a Kenya Flying School, the construction of a second terminal at the Jomo Kenyatta International Airport, the establishment of a 980 MW coal plant, a two-phase Geothermal Development Project to generate a total of 1 200 MW and the establishment of a four-tier National Data Centre, among many other projects (Njoroge, 2018:4). The planned new highway connecting South Sudan, Lamu, Somali and Ethiopia to the Lamu Port in Kenya will be designed and constructed at a cost ranging from US$15 billion to US$20 billion through a plan of BOOT (Infra PPP, 2018:2). Currently, Kenya’s five first mover road PPPs (Nairobi-Nakuru-Mau Summit, Nairobi-Thika, Southern Bypass, Nairobi-Mombasa and 2nd Nyali Bridge) have all been identified as candidates for tolling (Nairobi-Nakuru-Mau Summit Toll Road, Republic of Kenya, 2018).

5.5 Public-Private Partnerships in Tanzania

Aimed at attracting private capital, the country has instituted a step-by-step PPP framework consisting of a PPP policy, which was issued in 2009 and a PPP Act, which was enacted in 2010. The government of Tanzania further refined the scheme by issuing PPP Regulations in 2011 (Axis Consulting, 2013:6-7). In terms of actual project experience, Tanzania has had a long record of ‘informal’ experience with PPPs since independence, particularly by...
faith-based organisations in the education, health and water sectors. From the late 1990s, new forms of PPPs were established, which primarily consisted of management contracts and lease agreements in energy and infrastructure projects (United Republic of Tanzania, 2009:1). It is worth noting that several PPP projects have been carried out in Tanzania prior to drafting a PPP policy, the Act or the guidelines, for example, the Kilimanjaro International Airport PPP Project whereby the airport and its estate were concessioned for 25 years to the Kilimanjaro Airports Development Company in 1998. Others include the TICTS container terminal concession in the Port of Dar es Salaam in 2000 and the central railway corridor concession in 2007 where concession for the operation of passenger and freight services was granted to RITES. This concession was, however, terminated due to underperformance and BiWater Gauff Ltd’s 10-year contract for water supply in Dar es Salaam with City Water (GTZ, 2010:11).

However, there are successful stories for private sector participation in the education, health and telecoms, solid waste management, health service delivery, energy, water and transport sectors (Ngowi, 2018:5). Current PPP projects include the Chalinze Super Highway in Dar es Salaam, the Arusha to Moshi Toll road, the Mbegani Port project in Bagamoyo, the Mwambani Port project in Tanga, the Kisarawe Cargo Freight Station and the expansion of the Mtwara Port, the improvement of the Kilwa Port and the expansion of Kasanga and Kigoma. PPPs are also carried out in other ports, such as the construction of the Mwambani Port and the construction of the Mbegani Port and the Kisarawe Container Freight Station. PPPs are also being carried out in the railway sector, such as the rehabilitation of the Dar-Isaka Railway to standard gauge (800 km), the upgrading of the Tanga-Arusha Rail (438 km), the construction of the Arusha-Musoma Rail (600 km) and the construction of the Mtwara-Mchuchuma/Liganga Railway (946 km) (Mboya, 2012:5-6). In 1995, the government of Tanzania’s State-owned electricity company, Tanesco, signed a power-purchasing agreement with Independent Power Tanzania Limited, a joint venture between a Malaysian company and a local investor, for the purchasing of 100 MW of power from diesel generators for 20 years (Kasanda, 2018:2-3). Not all of the projects were successful in Tanzania, such as the Tanesco project, because senior government officials were involved in corruption during the negotiation of the project. General observation shows that the East African region in terms of PPP implementation provides a better report from the World Bank. Other countries in Africa should follow the good example that the East African region has set.

6. Lessons Learnt

This study derives a number of lessons from PPP implementation experiences across the African continent. These lessons are of significance to government officials and private practitioners. A critical understanding of the dynamics of PPP implementation is fundamental to government officials. To achieve this, government has trained its personnel in various departments dealing with PPPs on these dynamics. Similarly, government must recruit professionals in the PPP field to capacitate its Ministries and departments, preparing them for the eventuality of dealing with PPP projects. The exigency of such is derived from the fact that the engagement of PPP consultants can be very costly for government. The existence of strong institutions, both public and private, is a necessity for any country intending to implement PPPs. Strong public institutions provide a solid basis for a country’s participation in a PPP contract. The institutions can be financial, legal or technical. Private-local financial institutions should facilitate the acquisition of funding to implement PPP projects, otherwise a country must identify these externally.

Given the illustrations from cases documented in this study, it is evident that infrastructure projects are increasing on the African continent. Projects have been implemented through PPPs. Information sharing by countries at sub regional and regional levels is imperative as countries that have successfully completed PPP projects can provide a learning experience for those that have not in terms of what it takes to enter into a PPP contract from start to completion. Political will facilitates the implementation of PPPs, leading to economic development. A contemporary example is the case of Burundi, which is a comparatively latecomer in PPP implementation, but has a number of projects being completed through PPP contracts. It is incumbent upon African countries to have a strong political will and commitment to the process in order to develop and provide infrastructure and services to their general population. This study observes that socio-economic development through PPPs in the SSA is inevitable. Given the failure of previous reforms, such as privatisation, African countries can only count on PPP implementation for socio-economic development. What is of significance, however, is that in sectors where conventional PPP models fail to yield economic returns, governments should consider other PPP models, such as the PPP philanthropy models. A case in point is the adoption of the same in Burundi to sectors, such as agriculture, health care, education and environment.
7. Conclusion
This paper presented an analysis of PPPs in the East African region. Most of the countries discussed in this paper reflect good standing in terms of PPP legislation according to the African Development Bank Report, 2017. This paper demonstrates that the application of PPPs is always characterised by three factors, namely a country, a sector and the implementation of the project. Other PPP experts in the field refer to it as layers. Any successful PPP project should take these elements into consideration. The involvement of the private sector in Africa today is considered favourably for the development of infrastructure in the country. The analysis of this paper shows that the implementation of PPPs in the East African region provides a strong integration in the development of infrastructure.

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