Public Private Partnership Strategy for Housing Provision in Abuja, Nigeria.

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Abstract: Public private partnership was introduced in Nigeria to resolve the current housing deficit and increase affordable housing provision and accessibility in Nigeria. Therefore, this study aims to evaluate the measurement model of PPP problem and the success factors of public private partnership for affordable housing provision in Abuja. Data were obtained by interviewing with public private partnership experts to identify the problems partnership and critical success factors of PPP, and then questionnaires were conducted on challenges of public private partnership for housing project in Nigeria. A total of 256 responses were obtained and analysed using intelligent partial least square analysis to determine the critical success factors for housing project provision in Abuja. The study discover that; project economic viability, adequate legal framework, effective procurement process, strong private sector, sound financial package, and judicial government control are the factors that will resolve the problem of public private partnership for affordable housing provision in Abuja. Therefore, it suggests that the government should vigorously provide policies to backing the success of public private partnership in the provision of housing in Abuja and provide funds of subsidy to promote the development of public private partnership headed for the provision of affordable housing. Therefore, it is recommended to establish a useful framework for affordable housing project using public private partnership to provide affordable housing successfully.

Keywords: Public private partnership, strategies for housing provision, Abuja, Nigeria

1 INTRODUCTION

Every year, Nigeria government build fewer housing than is needed, addition to the current 23 million shortage that has grown-up for years. This shortage has grew since the years of a supply shortage. The Nigeria government has a projected population of 183 million, with a growth rate of 50% (Bloch et al., 2015) and a housing deficit of approximately 23 million. As a result, 60 per cent to 70 per cent of the nation's 80 million metropolitan occupants living in a slums and comfortable settlements, risking life. [34], stated that Nigeria needs to produce at minimum of 700,000 housing units annually to bridge the gap of housing supply, the countries produce about 100,000 housing units yearly. Consequently,[48]) predicts that by 2050, the population urban areas will increase to approximately 2.5 billion, with developing countries such as sub-Saharan Africa and Asia growing by 90% because of the world's poorest regions. As a result, the tasks of housing supply in Nigeria have turn out to be more complex, especially within the low-income people with the largest population in the city[21; 4]. Since independence in 1960, the Nigerian government has worked hard to solve the housing supply challenge, but the government failed to Challenges in providing sufficient and subsidize housing in Nigeria[11; 38]. Due failure of the government to address the existing challenges of shortage and subsidize housing provision in country and the African, the United Nations advice the African country to withdraw from housing provision and hand over to private developers[47]. Therefore, Nigeria introduces the public private partnership to ease the current demand for housing and also provide and affordable housing for all income group[2]). PPP was originated in the UK from several types among the government of British and commercial banks. Years back, using the enlargement of landmines[30]. Van den confirmed this[24] believes that PPP has existed in the United Kingdom for years. The unite state was first to use the word ‘PPP’ in 1960s to represent metropolitan development. A scheme including the private investors[7]. Ever since 1960s, the public private partnership concept has extent all in several procedures around the globe. It is increasingly becoming two choices Procurement options in the public sector and a good investment opportunities in the private sector Investors[7]. PPP form for implementing infrastructure and housing projects includes build transfer operate (BTO), build operate transfer (BOT), build own operate (BOO), design build financial operations (DBFO), design-build-operate-maintenance (DBOM) Others[53]. Several authors (including Emerole 2002) support the option of growing the supply of subsidize housing in Nigeria within PPP, while others scholars like[52; 26; 36] investigate the experience of public private partnership in Nigerian housing. Beside,[37] explored the success factors of public private partnership for housing provision, while[36] identify stakeholder perception of housing PPP, and[25; 44] The role of partners in housing PPP in Nigerian housing. The agreement among these authors in existing research is that the experience of PPP in Nigerian housing segment is more directed at high-income people than low-income people. Therefore, they concluded that, to date, PPP had not made any important contribution to addressing the ongoing housing problem in urban area in the country. And further majors are needed to resolve this situation[3]. Despite gaining insights from Nigeria’s existing research on housing PPP, why operators of PPP housing provision are paying more and more attention to housing for high-income people rather than low-income people; PPP for the low-income people in Nigeria the opportunity is not clear. This is because almost no attempt has been made to clarify these issues correctly in the existing literature[2]. It is in this background that this paper aims to evaluate the measurement model of PPP problem and the success factors of PPP for subsidize housing provision in Abuja, this will get to the root of the challenges and proper alternative solution to this problem using the success factors. As the global South seeks to increase the sustainable answers to the growing urban housing challenges, the writers of this paper rely on public private partnership of housing for all the income people provides ample opportunities, and stakeholders in the housing sector need to explore Nigeria has achieved the desired results. However, to achieve this study obtained his data through interviewing with public private partnership experts to identify the problems partnership and critical success factors of public private partnership, and then questionnaires were conducted on challenges of public private partnership for subsidize housing in Nigeria. A total of 256 answers were found and analyzed using intelligent partial least square analysis to determine the success factors for subsidize housing provision in Abuja.

2 GLOBAL REVIEW ON COMPARATIVE OF PUBLIC PRIVATE PARTNERSHIP

PPP has received extensive attention from public infrastructure, housing development and financing over the past years due to its essential advantages and is currently used in more than 40 nations[54; 41]. The impact of PPP is of great importance for the delivery of public housing
developments on a global measure. For example, between 2005 and 2010, a total of 1,046 PPP transactions reached a value of three hundred and thirty billion dollars ($330 billion), the 2007 PPP market peaked when the 241 projects had a total capital value of seventy nine billion dollars ($79 billion), and these development projects financing has been completed. In 2010, 122 PPP transactions reached financing transactions with the total of value fifty one billion six hundred million dollars (US$51.6 billion)[41]. In the United Kingdom, the National and regional governments use PPP primarily, Norway, the United States, Australia, Ireland, Norway, Canada, Spain, France, Japan, Singapore, Finland, Malaysia, South Africa and Nigeria. It is necessary to briefly explain the main support countries of PPP in the following areas, which are the main supporters of PPP, as stated below:

**United Kingdom**: are the world's major users of PPP[17; 54]. This is testify by[50], which is a leader in PPP because it has carried out initial activities in helping to promote private finance of public project and has been continuing its operations.[9] Stated that on 13 March, 2014, there are seven hundred and twenty eight (728) PFI projects in the UK, of about 671 are in operation with the accumulated capital value of fifty six billion six hundred dollars (£56.6 billion). The PFI's approach is perfected, and must importantly, the UK's service suppliers. Therefore, the United Kingdom PFI model was used in most countries within the Western world[16].

**The United States**: United States narrowly accepted PPP[40] before 2007. Subsequently 2007, the nation has experienced a great number of PPP development[41]. Among the project of PPP, notable is the new station at JFK, the fast commute at Denver, the light rail project, and the Chicago Skyline Toll Bridge.[40]) reported that within 1985-2010, there were three hundred and sixty three (363) PPP projects. It was recorded with the accumulated value of fifty five billion nine hundred million dollars ($55.9 billion).

**The Australia**: The country has implemented PPP for many sports and social infrastructure housing projects at the national and local levels, include toll roads, sports facilities, prisons, hospitals, schools and utilities. The PPP markets is one of the best in the World with the most mature market[41][19] Asserts that as of the end of 2005, 127 PPP projects have been recorded with an accumulated value of thirty five billion six hundred million dollars (A$35.6 billion).

**The Canada**: Public-private partnerships has become more progressively institutionalized as an alternative to providing large-scale projects in Canada. From 1990-2012, 195 one hundred and ninety five (PPP) projects were constructed or are being planned and delivered. These PPP development projects include Brampton Hospital in Ontario, 407 Toronto's Highway, and the, connecting Prince Edward Island, Royal Ottawa Hospital and the Commonwealth Bridge in New Brunswick to connect Frederick in New Brunswick Dunton and Moncton's toll roads and the development of Nova Scotia schools. British Columbia, Ontario, Alberta and Quebec delivered the biggest number of PPP at the nationwide level.[40] reported that more than one hundred (1000 PPP development project was recorded with the accumulated value of almost thirty one billion ($31 billion).

**The India**: a significant development was made in providing housing, infrastructure and facilities project since year 2000 using PPP. More than three hundred (300) project was delivered nationwide. The primary mission of the central government's is the road linkage, with approximately 86 per cent of nationwide roads using PPP project delivery[41].

**The South Africa**: in terms of PPP, south African is on top using PPP for infrastructural development and housing, e.g some of the PPP project were perform at the nationwide level since 1994 with about 50 project and more three hundred (300) were implemented at the metropolitan level[20]. The South African National Reserves is the organization that is in charge for all PPP contacts, and the organization that established a PPP guide and standardized PPP regulations to lead all the PPP projects.

3 **THE NIGERIA PPPs**

The amount of PPP-driven housing projects and infrastructure development has improved over a period of time. For instance, from 1990-2009, more than fifty one (51) projects have been implemented through the use of PPP (Vetiva, 2011). In the year 2013-2014, approximately sixty six (66) PPP projects were under preparation[28]. In real terms, the annual investment increased from twenty two million dollars ($22 million) from 1997 to three billion one hundred million dollars ($3.1 billion), from 1990-2009 accumulating to twenty three billion six hundred million dollars ($23.6 billion). On the ground of the real value, the telecommunications industry has the maximum investment accumulating to eighteen billion four hundred million dollars ($18.4 billion), accounting for 78 per cent of accumulated investment over the similar period[51]. The Federal Government of Nigeria (FGN) has passed the Infrastructural Concession Regulatory Commission Act in 2005 at first with a dream to construct a self-governing body to carry about and advance PPP industries, the ICRC was officially recognized in 2008 November (red) International Committee of the Red Cross, 2012. Since then, FGN has approved a comprehensive PPP nationwide policy in the year 2009[53; 28]. This policy discourses the roles and the duties of the iCRC and other vital sectors, the sector, and the agents involved in PPP (MDA). The strategies also outline a vibrant process through which upstream reviews of proposed PPP transactions to regulate their business viability[53]. Afterward developing a nationwide policy for PPP, the ICRC get on enrolling complete PPP guidelines to increase the scope of the strategy and address omitted information such as institutional measures between MDA and the PPP procurement processes[53]. The iCRC is liable for development and publication of guiding principle, measures, and measures for PPP strategies and serves as the nationwide expertise center for PPP. The CRC oversees the efficiency of FGN strategies and measures and provides self-governing advice to FGN. Federal Executive Committee on project development through PPP direction[28]. The ICRC works carefully with state managements that have developing their PPP rules to safeguard reliability, greatest practices, and coordinate the approached to the private sector provider market. Therefore, the CRC preserves a database of PPP projects and maintains the safekeeping of all PPP arrangements in accord with the law[28]. After Nigeria created a favorable environment for PPP, many projects were implemented through PPP, such as airports, seaports, roads, railways, electricity and energy, affordable housing and offices, integrated market development, university hotel development.

4 **THE INSTITUTIONAL FRAMEWORK OF PPP IN THE NIGERIA CONTEXT**

A Sound institutional framework helpful to public private partnership safeguards the government commitment, predictability, transparency and consistency, which are the main determinants of private investors' participation in PPP[53]. Figure 1 shows PPPs institutional framework for Nigeria. This institutional framework shows how particular roles and duties are assigned to bodies and how these bodies work in harmony with the government of the country in the PPP procedure. To make sure system checks and balances and to supervise the policy making process, most federal government bodies engaging in the PPP practice from beginning to end. Figure 1 is shown below:
The PPP plan itself is difficult and involves a different contributors with different wellbeing[24; 45], and in conjunction with the institutional framework operated by the federal government organizations in Nigeria, there are certain conflicts of interest between the parties. Political class, delays in reaching agreements, administrative bottlenecks, etc.[13] confirmed this and found that in the course of the built of the Lekki Epe highway ring road franchise in Lagos state of Nigeria, the Government Lagos State acknowledged the top government support agreement for more than the necessary time, which led to the Lekki-Epe highway. Franchise rights. In addition, it is acknowledged that the implementation of the PPP development projects in Nigeria is surrounded by disagreement, delays, litigation and revoked concession agreements[33; 41]. The reason for this is that government agencies (ie government agencies, departments and agencies) have insufficient experience in managing PPP in Nigeria, while the private sector is primarily indigenous franchisees[3; 28]. The[49] stated that insufficient capacity of public and private partners could cause partnership engagements in developing nations. Therefore, the stronger the ability of public and private sectors developers in PPP, the greater the likelihood of successful development and maintenance of effective PPP[49]. In this context, this research will necessarily develop a capacity to enhancing the framework for public and private sector organizations involved in Nigeria's PPP infrastructure and housing projects.

5 THE BASIS FOR ADOPTING PPPS PROJECT IN NIGERIA

PPP is efficiently used to provide projects that would else be unavailable for public funding. In addition to other drivers of PPP in the world, the Nigerian government's other reasons for using PPP are as follows:

Corruption in the public procurement: Corruption in increases the general cost of the project public contracts, challenges contributor support, and has a significant influence on accomplishing the social goals[12; 45]. An analysis was conducted in 2000 and shows that prior to 1999, Nigeria has a standard annual loss of two hundred and seventy million dollars ($270 million) through several managements of granting and executing public contract procedures[52]. These operations include: “exaggerating contract costs, using contract systems to transfer public funds to private pockets, awarding contracts for non-existent projects, using inexperienced contractors, invoicing invoice impact, awarding contracts to friends, relationships and family members, and giving contracts without adequate program and budget requirements”[52]. On this note[12] confirm that infrastructure and housing project can be attained by eliminating assets (human, money and the time) that are wasted on public appropriation due to deficiency of financial integrity.

The Budgetary limitation: infrastructure and housing construction face enormous challenges, and the country needs ten billion dollars ($10 billion) a year to meet the requirements in the next decade[42]. Sadly, the government of Nigerian budget can’t simply fund a project. As example, National Implementation Plan (NIP) first price was two hundred and twelve billion dollars ($212 billion), this exceeded the government’s budget capacity clearly[9]

Inadequacy in the traditional procurement: according to[31] traditional government-funded supply of project leads to inefficiencies and limits the development of housing to government funding. The public project provided through traditional procurement faces some problems. These comprise ongoing budget overruns, poor workmanship, project delays, contractors requesting additional payments, and operational performance shortcomings[22; 43].

Deficiency of skills and knowledge in the public segment: The deficiency of skill and knowledge in public sector to develop project alone, which is the cause of failure; the project that is abandoned or degraded in most parts of the nation[9]. Deficiency capacity in the public sector management and technical expertise is continually hampering countries' ability to meet their needs[23]. With the lack of expertise, increased demand for public services make it problem for governments to respond. As a result, the government Nigerian have no choice than to employ the service of private developers to provide the need of public services and projects development[23]. Consistent with worldwide movements, the federal and the state governments of Nigerian have to take decision to use PPP as a significance to meet their housing and infrastructure needs.

6 METHODOLOGY

This paper uses an in sequence mix approach. The reason of the sequential mix approach involves first exploring the phenomenon through qualitative data collection procedures, which are explored through expert opinions and build quantitative data to simplify the existing relations in qualitative statistics. This paper conducted a focus group meetings with PPP professionals and recognized in the literature the applicable of the success factors for the implementing public-private partnerships in Nigeria to provide subsidize housing. The qualified background of the collection interviews respondents has identified their knowledge of PPP project. A pioneering study was conducted to survey the efficiency of the study tool using the Cronbach Alpha and Kaiser-Meyer-Olkin numerical approaches. The instrument established to be dependable and active in the preparation of the questionnaire. [3], sated that questionnaire items must be from the literature review, confirmed and tested over by focus group meetings before existence used for complete data gathering. Questionnaire has been circulated to stakeholders of public and private sectors who participate in the research area to provide PPP. An accumulated number of three hundred and fifty five (350) questionnaires was randomly given to the FCT's propose audience (stakeholders of public and private organization officials) to contribute in PPP housing and the real estate developers, and the questionnaire returned was two hundred and fifty four (254) questionnaires. Factor analysis was performed using PPSS software, and the data in the questionnaire were analyzed using intelligent PLS analysis data.

Figure 1: The PPPs institutional framework in Nigeria (Source: manual for ICRC PPP in Nigeria, 2012, p.22)
7 Data Analysis and Discussion

1. Outcomes and discussion
   a. Demographic of the respondent

   ![Figure 2](image)
   **Figure 2** Age class and the types of PPP project engage.

   ![Figure 3](image)
   **Figure 3** Occupation and Work experience

Most of the participants worked on public-private partnership projects for several years. As shown in Figure 2(a), examiners had the essential experience to conduct this study as 78.9% of examiners had at least 1-20 years of work experience, while respondents over 20 years of age had 25.8% experience, only 10.9% of PPP projects have no experience. Figure 2(b) shows the categories of public-private partnerships in Nigeria, in which public-private partnerships participating in infrastructure construction have the highest participation rates of 72.3% and 13.3%, respectively, while those engaged in the public-private partnerships are not involved in any projects. Project, but the understanding of PPP is 14.5%. Figure 3(a) shows the part of different professionals in public-private partnership for housing projects in Nigeria. Financial institutions accounted for 13% of respondents, and real estate developers accounted for 54%, of which 32% came from the field of research being investigated. This shows how the data were used as reliable to this study. Figure 2(b) shows the familiarity of respondents in the Nigerian PPP project. The responses revealed that 78.9% of respondents remained closely related to PPP projects, while 9.8% were employed for more than 20 years, while 10.9% were working for PPP and lacked experience. It is value noting that about 88.7% of the respondents are fully familiar with the PPP housing projects in Nigeria.

Figure 4 shows that the expert and public-private partnership reached a 73.5% agreement, which is a key success factor in providing affordable housing. According to experts, thirty-nine key success factors are important for Nigeria to provide affordable housing. However, these 39 key success factors have been used in pilot studies and have found their reliability and efficiency. After discover the validity, reliability, and the appropriateness of the study tools, the study also conduct an extensive questionnaires in subsequent sections.

![Figure 4](image)
**Figure 4** the Measurement model and Structural Model of the PPP Problem and CSFs of PPP
Table 1 consists of the important success factors of PPP model and PPP model. There are five sub-factors for the PPP issue. This is; skills and acquisition issues, institutional issues, financial issues, legal frameworks and political issues. However, the CSFs model consists of six structures, an adequate legal framework (ALF), and an effective procurement process (EPP), a sound financial package (SFP), project economic viability (PEV), judicial government control (JGC) and strong Private sector composition (SPS). However, the comprehensive reliability and average variance extraction of the public private partnership problem includes skill and acquisition problems, with composite reliability value (0.880) and average variance extraction value (0.514), which also indicates that convergence validity has been accepted because of average variance extraction value <0.5. The comprehensive reliability value of the institutional problem has composite reliability value of (0.821) and average variance extraction value (0.605). The overall reliability value of financial problems is (0.793) and the average variance extraction value is (0.56). Legal framework has a CR value of (0.83) and average variance extraction value (0.55), and composite reliability, average variance extraction value for political issues is (0.785) and average variance extraction value (0.548), so the results show that composite reliability and average variance extraction value are significant due to this value. It is a little higher than the minimum value, so this value has been established. In addition, the comprehensive reliability value of the CSF model consisting of an adequate legal framework is (0.881), average variance extraction value is (0.514), the CR value of the effective procurement process (0.881), and average variance extraction value is (0.514), but composite reliability and The average variance extraction value of a reasonable financial plan (SFP) is (0.901) and (0.581), respectively, but the composite reliability of the project economic feasibility (PEV) is (0.874) and average variance extraction value (0.634) respectively, and the Judicial Government Control (JGC) constructs has CR value of (0.874) and the average variance extraction value is (0.573). However, the strong private sector (SPS) construct has a composite reliability value of (0.878) and an average variance extraction value of (0.592). The PPP model is important and its value is within acceptable limits. Therefore, in Nigeria, the public private partnership problem has a positive relationship with the public private partnership success factors. This suggests that CSF of public private partnership are the alternative to resolve the current situation of shortage and subsidize housing provision in Nigeria, as shown in Table 1 above.

8 CONCLUSION
The reason for adopting PPP for housing project is to provide suitable and a susisde housing for all income people. The study found that PPP in the in Abuja is facing serious problem of providing a susisde housing. These problem include the access to land and access to land, application of poor housing policies, sufficient housing financing, difficulty in obtaining mortgages and land ownership, and large-scale rural urban movement and budget recovery. Like the earlier public housing development strategy, this method can’t be the home for high-income people in Abuja, Nigeria. However, the study area has not yet provided affordable housing. The notion that a national policy on Nigeria's PPP has not yet reached consensus is concern. The PPP for susisde housing in Abuja, Nigeria is uncertain. Therefore, it indicates that PPP application for susisde housing are seen as authority controls and are a major element of susisde housing. It is therefore suggested that a worthy policy framework for implementing other PPP alternatives in achieving susisde housing in Nigeria must be consistent with the factors of susisde housing constituencies. At first, it will eliminate all the uncertainties of local government departments and grass-roots organizations in purchasing susisde housing, and then meet the needs.
of different socio-economic groups in Nigeria's housing subsector. Land allocation and government rights documents increase the cost of housing provided by PPP at a premium. To end this, the government of Nigeria should consider providing free land for subsidize housing to safeguard the competences and benefits of business sector associates. We can similarly follow the pattern of Malaysia in providing subsidize housing for all income people so that cheap indigenous resources can be utilized as a substitute of luxurious foreign materials to build subsidize housing. Likewise, support options and government-assisted housing choices must be included in the PPP housing project to provide subsidize housing for all income people at a minimum price.

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10 REFERENCE


