

**INFLUENCES OF IMPLEMENTATION OF PUBLIC - PRIVATE PARTNERSHIP
PROJECTS IN KENYA: A CASE OF THE LAMU PORT SOUTHERN SUDAN
ETHIOPIA TRANSPORT CORRIDOR IN LAMU COUNTY, KENYA.**

BY

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DECLARATION

This Research Project report is my very original work and has not been submitted to any other university for the award of a degree.

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This Research Project report has been submitted for examination with my approval as the university supervisor.

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DEDICATION

To those who have been supporting me unconditionally, without whom, this Research Project report would be incomplete; my wife Calister Rogito, my daughter Hope Ivyne Mokeira and friends.

My heartiest thanks.

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LIST OF ABBREVIATION AND ACRONYMS

| | |
|----------------|--|
| ADB | African Development Bank |
| GOK | Government of Kenya. |
| HIA | Hyderabad International Airport |
| IEA | Institute of Economic Affairs. |
| KeNHA | Kenya National Highways Authority. |
| KPA | Kenya Ports Authority |
| KPMG | Klynveld, Peat, Marwick, and Goerdeler |
| LAPPSET | Lamu Port Southern Sudan-Ethiopia Transport. |
| MOT | Ministry of Transport |
| NLC | National Lands Commission |
| PAP | Project Affected People |
| PPP | Public Private Partnerships. |
| RBV | Resource-Based Theory or View |
| RCT | Rational Choice Theory |
| UN | United Nations. |

ABSTRACT

The main objective of this study was to establish the influences of the implementation of PPPs in Kenya. In specific the researcher was to find out the extent to which political interests, financial commitment & disbursements and land compensation rows had influenced the implementation of LAPSSET. The researcher adopted a census type and purposeful sampling whereby all responsible individuals involved in the implementation of the LAPSSET was a respondent. The respondents were drawn from the members from the LAPSSET Corridor Development Authority, project officers from the KPA, from the NLC, project supervisors from the MOT, field officers from LAPSSET Corridor Development Authority, project officers from the ministry of Lands & urban planning, project manager from the county Government of Lamu, executive member in charge of planning from the office of the governor of Lamu county, For PAP, the researcher used a sample from the 75 families of 249 as gazette by NLC ,which represented 30% the PAPs giving a total of 103 respondents. The study collected data using guided interview and a questionnaire which contained both open ended and closed ended questions which were administered in the interview with the target population for consistence and because the target population was relatively small. For validity of the research instruments Pilot testing was done the Mombasa County. The researcher conducted a pilot study for validity and for reliability split half was used to determine the reliability of the instruments. Content analysis was used to analyze the data collected. The findings include 86.77% of the respondents observed that political disagreements had influenced the implementation of the LAPSSET project. Also listed was the lack of a democratic transition from the municipal county council of Lamu to County government of Lamu at 86% and county by-laws at 90% with permit approval rated at 84.3%. 79.38 % of the respondents cited financial commitment and disbursement to have had an influence of the implementation of LAPSSET project. 82.9% of the respondent agreed that the project interest rate were fluctuating and therefore not fixed. 80% of the respondents cited treasury's bureaucracy influenced procurement. Financial commitment from the member states was also cited at 74%; causing late deliveries at 92.9% and procurement disputes took 67.14%. 83.14% of the respondents cited land compensation rows to have influenced the implementation of LAPSSET. As 80% of land was community land without clear ownership. 80% of the respondents observe that the lease holders had an influence on the implementation of the project as the renewal of lease difficulties was cited at 77.15% and lack of clear records on land ownership, whether communal or leasehold was also cited and land payment for the annexed acres for the project was 95.71%. Recommendations include: Civic education to be done by the state agencies on the importance of PPPs in the service provision, the impact of delayed implementation of the project. The re-organization of the archives of the agencies that deal with lands and natural resources to restore confidence of the public and the legal documents being issued. Make the renewal of leases that are issued genuinely online .This will not only make the whole process relatively cheaper but also reduce the physical verification of the authenticity of the document that invites corruption. Make mandatory requirement for sum of money deposits with the implementation bodies to avoid a situation where the project miscellaneous requirements are met to ensure that the project implementation can continue as minor procurements are met without any strain. In conclusion, it became apparent that for successful project implementation of PPPs, political interest must be neutralized for the interest of the delivery from the PPPs, financial commitments and disbursements must be streamlined to ensure timely procurements and land must be identified and cleared in time to avoid any controversies. The study was carried out in Lamu County, Kenya.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Public-private partnership (PPP) has been practiced for quite some time around the world and there are numerous infrastructure, construction, and building projects which are employing the concepts. Akinyemi, Ojiako, Maguire, Steel & Anyaegbunam (2009) in their studies, they observed that the adoption of PPP by governments around the world is a recent phenomenon and it is important that good practice is transferred between countries considering their adoption. Unfortunately, not all of these PPP projects are equally successful and some of these projects have been exposed to formidable obstacles. The need to identify potential obstacles for PPP projects is therefore becoming an important issue for both research and practice. Despite the amount of interest vested in PPP, it is normally the advantages of PPP that are touched on rather than the potential obstacles.

1.1.1 Public- Private Partnerships

Akintoye et al (2003) define PPPs as a long-term contractual arrangement between a public sector agency and a private sector firm, whereby resources and risk are shared for the purpose of developing a public facility. In addition to the sharing of resources, each party shares in the potential risks and rewards that are likely to be experienced in the implementation of the projects and/or facility (Bellier & Zhou, 2003).

There is no uniform internationally agreed method of PPP implementation. Rajkumar and Kum (2013), notes that each country adapts the process of implementation that is appropriate for its own culture, economy, political climate and legal system. The prime motivation for governments considering PPPs is the possibility of bringing in new sources of financing for funding public infrastructure and service needs (the GoK's budget speech, 2008).

PPPs have taken place mainly in economic (physical) infrastructure, such as power, transport, telecommunications, and water and sanitation. In order for more PPPs to emerge in Africa, countries need to improve the business environment (ADB, 2014). At present serious constraints exist in many countries. Example, lack of technical skills to manage PPP programs and projects, unfavorable investor perception of country risk. In Africa, it is its limited role in global trade and investment, small market size, limited infrastructure and limited financial markets adds to the constraint that PPPs go through in the delivery of public services have become a phenomenon which is spreading across the globe UN (2008) and now

attracting such interest because overall, the PPPs avoid the often negative effects of either exclusive public ownership and delivery of services, on the one hand, or outright privatization, on the other. Also because PPPs combine the best of both worlds: the private sector with its resources, management skills and technology; and the public sector with its regulatory actions and protection of the public interest. This balanced approach is especially welcome in the delivery of public services, in line with the Kenya's vision 2030, which touch on every human being's basic needs.

Though PPP exerts various benefits to both public and private sectors, it also has some limitations such as political and social risks; unfavorable monetary and commercial conditions; high Transaction costs and lengthy lead time. Among these, political risk is the most significant limitation in PPP practices. Often public sector opposition and governmental limitations on imposed on private parties. This might be because the politicians are not aware of life cost of the project and hence they cannot observe the advantage of PPP process. Further, central government has also lack of knowledge on PPP implementations (Liu & Wilkinson, 2011). Among private companies also, there is misapprehending regarding PPP as form of privatization (Grimsey & Lewis, 2004) and (Owles, 2008). This constructs impenetrability in persuading the different stakeholders on PPP policy. Though, traditional stakeholders are deemed to be inclined to support PPP, however, socialist stakeholders learn to view PPP as a removal of public assets into private hands (Liu & Wilkinson 2011).

A PPP can provide improved service quality, risk sharing with the private sector, and cost savings (Bloomfield, 2006). PPPs are a variation of Privatization in which elements of a service previously run solely by the public sector are provided through a partnership between the government and one or more private sector companies (IEA Kenya 2006). However, PPPs, do present a severe organizational and institutional challenge for the public sector for PPPs are complex in nature, requiring different types of skills and new enabling institutions and they lead to changes in the status of public sector jobs. To work well they require well-functioning institutions, transparent, efficient procedures and accountable and competent public and private sectors. However, governments have used PPP procurement successfully to deliver many large and complex projects, achieving good value for money and superior whole of life outcomes (KPMG, 2010). Many PPPs have been successful around the world and these are lots of good reasons, therefore, why governments around the world favour PPPs and plenty of evidence that they work well (UN, 2008).

In Malaysia, nowadays, PPPs have been widely used in large scale infrastructure projects (I.A.Rahman, Memon, Sheda & Zulkifli, 2014). PPP is considered as derivative of privatization concept in Malaysian context. However, the Kuala Lumpur LRT project failed during the operation phase. Key reason of the failure was the financial crisis of 1997 where inflation rate increased from 8% to over 40%. This financial crisis resulted to the less profit rate, and the concessionaires were not able to repay the loan to the banks which they had taken for LRT construction works.

Mexican toll Road Program (1989-1994) was delayed by 30 months due to among other reason being; resistance from the community groups, environmentalists (Minus & Holizonte, 2008). This caused the government to institute a PPP to attract investment in the road construction and maintenance under a new Highway concession scheme.

In Italy, the application of PPP is a very recent phenomenon. In fact, even though in 1994 and 1998 the Merloni law set the framework for using private sector contractors, only later a special PPP taskforce, UTFP, was created and its powers were reinforced in 2001. Carbonara, Costantino, Pellegrino and Sciancalepore (2013) in their symposium paper - Public Private Partnerships in Transport: Trends & Theory- Research Roadmap-argues that the financial aspects, the main critical issue for Italian PPP projects. They argue that funding of PPP projects in Italy is generally granted by banks and rarely provided by capital market, by selling bonds or shares to investors (Etro, 2007). Using such a kind of funding gives disadvantages in comparison with other countries: the interest rate is about 10 - 11%, while in UK, for instance, the required spread on the risk-free rate is about 0.75 - 1% (Iossa & Russo, 2008). So even if the PPP was negotiated, the financing influences the implementation as the shopping is done to find the best alternative in the market.

Italian banks tend to ask for traditional guarantees for the financing Bentivogli (2008) and this situation has been exacerbated by the recent financial crisis: nowadays, banks require greater spreads, reduced leverage and more guarantees in order to grant a loan. In addition to this, the mean duration of the loan was reduced (UTFP, 2010).

Mwaengo, (2012) conducted a study on the Public-Private partnership strategic implementation initiatives at the Municipal Council of Mombasa. The study revealed that Mombasa Municipal Council has chosen Public private partnerships as a strategy of service

delivery of four of its key mandates and revealed that although the PPP strategy had improved service delivery, the implementation faced many challenges.

The Nyali and Mtwapa bridges in Coastal Counties of Mombasa and Kilifi respectively in Kenya are just some examples of successful PPP projects in Kenya. Possibly, the above successful PPP projects, in Kenya, were not as complex as the Lamu Port Southern Sudan Ethiopia Transport Corridor herein referred to as LAPSSET, which is more clearly defined, with distinct life-cycle phases and components.

1.1.2 LAPSSET Implementation

The Project implementation was expected to start in earnest in the course of 2012. Kenya had already signed an agreement with the Government of South Sudan to build an oil pipeline to the Port of Lamu owned by South Sudan along the Corridor; The first phase was to involve construction of three (3) berths at Manda Bay other activities that are ongoing or expected to commence, include the clearing and construction of roads leading to the Port of Lamu (by KeNHA); Constructing the Port headquarters building (by Ministry of Public Works); Provision of electric power supply to the site (by Kenya Power); Providing water supply to the site (by Ministry of Water & Irrigation); Fencing the Lamu Port site (by Ministry of Public Works); Beaconing the entire Lamu Port Land (by Ministry of Lands). This work to date has not commenced much to expect that it was to be achieved in time. For instance, the oil pipeline was to include a crude oil pipeline from Southern Sudan (Juba) to Lamu of 1,260km and a product Sine from Lamu to Ethiopia of 980km both of which are expected to be completed by 2016 and we are in 2015, a year is certainly not enough to complete the component alone! This agrees with the LAPSSET Progress Report published in the Vision 2030 pillar project website (12/03/2015) as shown in table 1.1.

Table 1.1: LAPSSET Project Progress Report.

| S/No | Project | Content | Status |
|------|---|--|-------------------------------|
| 1 | Lamu – Southern Sudan /Ethiopia road | The Design for the LAPSSET highway components provide for a heavy transportation route from Lamu to South Sudan through Garissa, Isiolo, Kisima and Nginyang to meet the existing Kenya - Sudan road at Lokichar | On Schedule/Ahead of Schedule |
| 2 | Standard Gauge Railway Line | Additional 30 percent gauge rail constructed. To develop a railway line from Lamu to Nakodok totaling to 1,500 KM. Lamu to Isiolo 530KM, Isiolo to Moyale 450KM, Isiolo to Nakodok 420KM | Not Started/Behind Schedule |
| 3. | Oil Refinery | To develop Oil Refinery at Lamu with a capacity of 120,000Bpd by 2015 to refine oil products for Kenya and Ethiopia. | Not Started/Behind Schedule |
| 4 | Oil pipeline | To develop an Oil Pipeline that is 2,240KM from Lamu to Isiolo, Isiolo to Southern Sudan, and Isiolo to Ethiopia. Crude Oil 1,260KM and Product Oil 980KM. | Not Started/Behind Schedule |
| 5 | Lamu port | To kick off the grand project is the construction of the initial three berths of the planned thirty two berths at the modern port of Lamu. The port will be three times the size of current Mombasa port at the more sheltered Manda Bay that is also large and deep enough to accommodate post-“Panamax” vessels. The three berths are designed to handle 30,000 Dead Weight Tonnage (DWT) and 100,000 DWT for general and bulk and container cargo respectively. | Not Stated/Behind Schedule |
| 6 | Airport | To develop International Airports in Isiolo, Lamu and Lokichoggio. Isiolo International Airport. | Commenced |
| 7 | Resort cities | To develop Resort Cities in Lamu, Isiolo and Lake Turkana. | Not Stated/Behind Schedule |

Source: Kenya Vision 2030.

<http://www.vision2030.go.ke> visited on 12/03/2015.

1.2 Statement of the problem.

Adopting the Private Public Partnerships (PPP) is considered a key strategy in transforming Kenya into a middle class income country by 2030. However, many PPP have remained unimplemented relatively longer and the benefits are delayed. LAPSSET was conceptualized in 1975 but never took off but later it was revived and identified as one of the flagship projects in the Vision 2030. Despite the positive feasibility reports indicating its potential of contributing a whopping 3% to the Country's GDP, the project is yet to be implemented. Out of the seven components of the main project, only two are on time while the rest are behind schedule. This is a mere 28.5% complete 71.5 % delayed and vision 2030 development blue print is midway.

The Project implementation was expected to start in earnest in the course of 2012. To date, the implementation time line still delayed. For instance, the oil pipeline was to include a crude oil pipeline from Southern Sudan (Juba) to Lamu of 1,260km and a product Sine from Lamu to Ethiopia of 980km both of which are expected to be completed by 2016 and we are in 2015, a year is certainly not enough to complete the component alone!

With the ambition of actualizing this main part of the vision 2030 development blue print, the researcher finds it necessary to investigate the causes of the delays in implementation of some PPP which have been signed but implementation is delayed in part or all of the components of the project even after the Government of Kenya (GoK) Creating a Private Partnership Act in 2013(Kenya Law Reporting, 2013) and the PPP unit in the national treasury. The researcher further intended to establish if the implementation of large PPPs like LAPSSET has anything to do with political interests, financial commitments & disbursements and land compensation rows.

1.3 Purpose of the Study

The purpose of the study is to examine the influences of implementation of the Lamu port Southern Sudan-Ethiopia Transport (LAPSSET).

1.4 Objectives of the Study

The study was guided by the following objectives-;

1. To assess how political interests have influenced the implementation of Public-Private Partnerships Projects.

2. To examine the extent to which financial commitments and disbursements have influenced the implementation of Public-Private Partnerships Projects.
3. To determine the extent to which the land compensation rows have influenced the implementation of Public-Private Partnerships Projects.

1.5 Research Questions.

The study tried to answer the following research questions-;

1. To what extent do political interests influence the implementation of Public-Private Partnerships Projects.?
2. To what extent are financial commitments and disbursements from the partners influence the implementation of Public-Private Partnerships Projects?
3. To what extent does the land compensation row influence the implementation of Public-Private Partnerships Projects?

1.6 Research Hypothesis

The study tested the following Research Hypothesis

H₀: There is no significant relationship between political interests and implementation of public –private partnerships projects.

H₁: There is a significant relationship between political interests and implementation of public –private partnerships projects.

H₀: There is no significant relationship between financial commitment and disbursements from the partners and the influence of the implementation of Public-Private Partnerships Projects.

H₁: There is a significant relationship between financial commitment and disbursements from the partners and the influence of the implementation of Public-Private Partnerships Projects.

H₀: There is no significant relationship between the land compensation rows and implementation of Public-Private Partnerships Projects.

H₁: There is significant relationship between the land compensation rows and implementation of Public-Private Partnerships Projects

1.7 Significance of the Study.

With increased momentum of delivering Vision 2030 flagship projects, there is renewed interest in using the PPP model by various sectors within Government. The success of these projects depended on the certainty about the framework by which the projects are to be prepared, procured and implemented. It is hoped that the findings of this study would be found useful by the ministry of finance and national treasury. This is because by understanding the influence of implementation of the public-private partnership projects, it is better placed to put reasonable measures to mitigate them and ensure that the projects are implemented in time to achieve the objectives of the public private partnership projects. Moreover, it is hoped that the findings of this study will add knowledge to the existing literature on the subject. Similarly, it is also hoped that the study would provide an impetus upon which other related studies could be anchored. Finally, it is hoped that this document would act as a source of reference to all stake holders in the public-private partnerships playing field.

1.8 Basic Assumptions of the Study.

For the purpose of this study, the following assumptions were made;

1. That there are influences of the implementation of PPPs, which the researcher may not be able to study in depth because of the delimited scope of the research and
2. That the respondents, who took part in the study, gave truthful and accurate information to the researcher and that they participated willingly and gave responses that were genuine and free from biasness.
3. That the instruments which the researcher used for the study were appropriately to measure the perceived levels of the influences of implementation of the PPPs particularly the LAPSSET.

1.9 Limitations of the Study.

The study would have been conducted in all delayed public-private partnership projects in Kenya to improve its external validity. However, this was not possible due to the vastness of the country. For this reason, the findings of the study cannot be used for generalization in all

projects in Kenya as some of the influences are skewed towards political affiliation. Instead, the findings can only be relevant to the LAPSSET project.

Moreover, there were constraints in availability of relevant literature and materials. The researcher hence used internet search and library materials severally in order to search for relevant literature in this field and consult with supervisor a lot to improve the quality of the outcome. The study was conducted on the LAPSSET which is an arrangement of the three countries who are positioned to benefit from the project greatly once implemented. LAPSSET is considered because of its uniqueness in cutting across three different countries with different and unique cultures which are coined together to provide a unique development project under PPP.

1.10 Delimitation of the study.

The study was carried out on Lamu corridor in Lamu County, Kenya. LAPSSET has been considered due to the complexity of its nature. The project involves three countries of Kenya, South Sudan and Ethiopia. Thus, the researcher only concentrated on the Kenyan side of the project. LAPSSET's inclusion in the Vision 2030 as a flagship pillar project yet its implementation is yet to be done makes it significance enough to be of concern. The project was concentrated in Lamu County, examining a one of the main components of The LAPSSET-the port-which helped in the study of the influences of implementation of the whole LAPSSET project. And for this reason, the recently created LAPSSET Development Authority, the ministry of lands, ministry of transport and office of the governor of Lamu County were used in the study.

1.11 Definitions of Significant Terms Used in the Study.

Public-Private Partnership (PPP) - is defined as being an agreement between a public entity and a Private party under which —

- a) The private party undertakes to perform a public function or provide a service on behalf of the public entity;
- b) The private party receives a benefit for performing the function, either by way of
 - i. Compensation from a public fund
 - ii. Charges or fees collected by a private party from users or customers of a service provided to them; or
 - ii. Combination of such compensation and such charges or fees.

c) The private party is generally liable for risks arising from the performance depending on the terms of the agreement. Egbewole (2011) explains that PPP refers to a form of co-operation between public authorities and the private sector to finance, construct, renovate, manage, operate or maintain an infrastructure or service.

Land compensation rows – For this study, this has defined to be inability on agreements in relation to the on the definition of the land owner for the purpose of compensation.

Financial commitment –This is declaration from the financing firm or country or group of People or firms to extend finances to cover the expenses during the implementation of the PPP. For this study, it is used to refer to the late deliveries, late repayment and limited information on tendering processes.

Financial disbursements- For this study, it relates to the channeling methods in relation to the respective vote heads.

Political interests –For this study, political interests has been used to relates to different Opinion on the political arena that are meant to achieve a given goal to appease a certain political divide. The opinion range on redistribution mechanism, democratic transitions, security and economic progress.

1.12 Organization of the Study.

The study was organized into five chapters. Chapter one comprised of background to the study, statement of the problem, and purpose of the study and objectives of the study and research questions. It also included basic assumptions of the study, limitations, delimitation and definition of significant terms and organization of the study. Chapter two deals with literature review related to the study thematically as per the study objectives, the theoretical frame work, conceptual framework as well as summary of literature review. Chapter three present the research methodology. It describes the research design, sampling techniques and sample size, research instruments validity and instrument reliability, data collection procedures, data analysis techniques and used in the study. Chapter four contains data analysis, presentation and interpretations. The findings are also discussed. Chapter five has the summary of the findings, discussions, conclusions and recommendations for action based on the study findings.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews and discusses relevant literature on what past researchers had done that was relevant to this-influences of implementation of PPP projects in Kenya, a case of LAPSSET in Lamu County. This was intended to enable the researcher to develop new knowledge from the gaps identified in the literature that was reviewed for effective, successful and timely implementation of projects. The independent variables of the study were discussed as well as their influence on the influences of the implementation of the PPP projects in Kenya. A conceptual frame work was used to demonstrate the relationship between the dependent variable and independent variables.

2.3. Review of Related Literature and the Influences in the Implementation of PPPs.

These are the works of other scholars on the variables that the researcher had identified as part of his variables too. This gave an insight on what they found about the variables. It helped the researcher to connect the variables with other existing work.

2.4 Political Interest and Influence in Implementation of PPPs.

Rajkumar, Kumar and Krishnamoorthy (2013), argued that Political disagreements occur when there is a change in law, delay of project approval & permit. Changes in law occur when the local governments are inconsistent in the application of new regulations and laws. Delay of project approval & permits is the scenario when there is a delay or refusal of project approval by local government or county government due to vested political interests. Political stability and effective regulatory frameworks for PPPs have become the essential comparative advantage defining the ability of a country to attract international investors and operators in infrastructure services. Security concerns and divided political interests and uncertainty have increased the general perception of risk and discouraged investors.

Political will is the foundation on which institutional effectiveness can be built. The support of a political champion for a PPP program, as advocated by the World Bank, can be instrumental in guiding a country from the decision to develop infrastructure, to overcoming resistance to changing the status quo. This champion must have clear and unequivocal backing to introduce changes, including the institutional and legal reforms needed for a

successful program. Without that support, the champion is unlikely to succeed and the entire PPP program may enter a state of paralysis.

In Southern Morocco's Souss valley, a PPP project of reallocating water through a 90 km pipeline from a mountain region to plantations in the valley had been implemented to enhance water supply and save dying citrus plantations. On the basis of this study done by Annabelle (2012), she was able to observe that water conflict are as much a struggle over political influence over the resources itself and consequently, that the related problem of water grabbing was not only driven by economic interest but also determined by a political agenda and regime's stability and economic control.

Several researchers have pointed to the links between socio-political relations and water management, a PPP, Power-plays in irrigation policies, Theesfeld (2008) as also agreed by Kaptijn (2011), as well as more general research on the links between decision-making processes in the water sector and underlying larger social processes (Mollinga, 2008). The political ecology approaches to the environment and natural resources management in general Forsyt (2003) & Mukherji (2006) and, more specifically, to the role of social power in water allocation have been most useful in providing a better understanding of the links between social and political struggles over the control of water resources (Swyngedouw, 1997). As Mollinga (2008) rightly puts it, water control should be conceived as a politically contested area.

Political interests risk has been considered as the most significant limitation in PPP practices. Often public sector opposition and governmental limitations on imposed on private parties. This might be because the politicians are not aware of life cost of the project and hence they cannot observe the advantage of PPP process. Further, central government has also lack of knowledge on PPP implementations (Liu and Wilkinson 2011). Among private companies also, there is misapprehending regarding PPP as form of privatization (Grimsey & Lewis, 2004) and (Owles, 2008). This constructs impenetrability in persuading the different stakeholders on PPP policy. Though, traditional stakeholders are deemed to be inclined to support PPP, however, socialist stakeholders learn to view PPP as a removal of public assets into private hands (Liu & Wilkinson 2011).

2.5 Financial Commitments and Disbursements and Influences in Implementation of PPPs.

One of the controversial part of the PPP arrangement was the use of private debt to finance the PPPs and if this actually provided cost savings to the government. One critic of the financing arrangement stated. You'll often find public quotes saying that the PPP or PFI enables the private sector to step in and provide infrastructure that the taxpayer cannot afford...

“Whether it's deliberate or not, I don't know, but it's a delusion. What you are doing is delaying paying for something - it's like public borrowing of other kinds, where the state issues gilt-edged securities but repays them out of future taxation" (Stephen, 2008)

In the UK, It has been argued that the cost of private borrowing was greater than the cost of issuing public debt. Some, critical of the PPP arrangement, have argued that rather than borrowing capital at between 4-5%, which was the going rate for government debt, the PPP companies borrowed from their shareholders and their banks at a rate of 20%. A public accounts committee report says this added £450 million to the cost of the PPP contracts, in addition to the £450 million cost of deciding the contracts, with legal bills (Professional Engineer, 2008).

The PPP projects had high debt to equity ratios, with approximately 88.3% debt to 11.7% equity. Therefore, most of the funding contributed by the PPPs was in the form of private debt with a relatively small amount of equity risk borne by the PPP consortium members. The small amount of equity risk provided less of an incentive for the PPPs to perform. In addition, the government guaranteed 95% of the private debt in the case of bankruptcy by the PPPs (Vining & Boardman, 2008).

For example, the five Metronet participants split the equity requirement of £350 million between them. This amounted to approximately £250 million after taxes on bankruptcy. This was not a huge write-off for these large corporations. Furthermore, these firms were major suppliers to the project. Metronet received £3 billion in service charges from 2003 to 2007, or approximately 60% of all capital expenditures. A large percentage of this was passed on to Bombardier or to Trans4m, a stand-alone corporation owned by the other four equity partners

(Vining & Boardman, 2008). Trans4m was the group of consortium partners that performed the infrastructure renewal work.

The ways in which the consortiums financing were structured, and the high interest rates for private finance may have increased project costs. Perhaps the high interest rates the consortiums accepted from the financiers indicate the risk and uncertainty surrounding the PPP. Potentially, financing the project through the government using a traditional method like a bond issue could have reduced borrowing costs. In addition the guarantee of the private debt by the Department of Transport tended to significantly reduce the consortiums financing risk. Yet, the contract was structured in such a way that the Department of Transport had little authority to intervene in the PPP activities.

As for LAPPSET, Capital investment was shared by the three countries on a pro-rata basis according to the freight volume share (Kenya 21%, Ethiopia 33% and Sudan 46%) and private investors. For this to happen, the three countries were to embark on the -immediate development of a working framework on sharing of the costs. This is itself an uphill task given different political-economic climate in the three countries.

2.6 Land Compensation Rows and Influences in Implementation of PPPs.

In India, the construction of Hyderabad International Airport (HIA) in Andhra Pradesh faced the problem of Land acquisition for the project was severely opposed by the public as it resulted in depriving a set of people the quality of life and their livelihood. During the process of land acquisition total information about the area of land required was kept hidden from the civic. It also faced a variety of risks such as revenue and regulatory risks. The revenue risk was due to demand suspicions and pricing (Balaraman & Malhotra, 2008). The regulatory risks were due to uncertainty in licensing, tariff fixation and revenue sharing. The other problems faced by HIAL is that several private Airlines were not fascinated in moving to the new airport from the old airport, but ultimately the officials from the Department of Civil Aviation have proclaimed that the old airport would be closed totally for Civil Aviation operations. In addition there was a delay in the construction of elevated express way which connects to the new airport and resistance from the public for increasing the user charges (Bradley, 2008) and (Lalith, 2009).

In Kenya, there had been an increased controversy on the accurate and correctness of the list of names containing the Project Affected People (PAP) who were to be compensated. For instance: Lamu County government prepared a list with 62 names, Lands ministry 58;

Provincial administration had over 100 names of would-be beneficiaries. The notice of public inquiry by National Lands Commission (NLC) was issued for the 249 PAPs in December 2014; this was a clear indication of how much the land that was to house the whole project had become of value.

The Boni community –the hunters and gatherers- who have lived in Mukowe-Bothai-Kiunga road in the villages of Kililana & Mashundwani since 1960 have not been given any legal standing over the place even though it is a constitutional provision and the LAPSSET is set to take 70% of the land that they have customarily held for year. In the recent years, the entire region has been a prime target for irregular, illegal, and extra-legal acquisition of land by speculators targeting the proposed Lamu Port project area. If the ‘land rush’ witnessed in the last three to four years in Lamu County is anything to go by, one would expect the rush for land to intensify once the port construction commences, and immigrants from the rest of the country will increase rapidly(Nunow, 2012)..

It is the government objectives of the ‘development’ to include improving livelihoods of over 15 million people in marginalized regions of the country especially where Lamu corridor will be implemented. However, there are many issues among them, land tenure and ownership, that needed to be sorted out before embarking on such an ambitious infrastructural plan facilitating foreign capital penetration (Nunow, 2012).

2.7 Theoretical frame work.

The three theories discussed in this chapter are the Relational contract theory, Rational Choice Theory and the Resource Based View; they all look at different areas that influence implementation and the rationale for the contracts in PPP.

2.7.1 Rational Choice Theory.

As popularized by a 1992 Nobel memorial prize Laureate in Economic Science, Gary Becker. An economic principle that assumes that individuals always make prudent and logical decisions that provide them with the greatest benefit or satisfaction and that are in their highest self-interest. It is an attempt to explain all (conforming and deviant) social phenomenon in terms of how self-interested individuals make choices under the influence of their preferences. It treats social exchange as similar to economic exchange where all parties try to maximize their advantage or gain, and to minimize their disadvantage or loss. RCT's basic premises are that (1) human beings base their behavior on rational calculations, (2) they

act with rationality when making choices, (3) their choices are aimed at optimization of their pleasure or profit.

Both sociologists and political scientists have tried to build theories around the idea that all action is fundamentally 'rational' in character and that people calculate the likely costs and benefits of any action before deciding what to do. It denies the existence of any kinds of action other than the purely rational and calculative. All social action, it is argued, can be seen as rationally motivated, as instrumental action, however much it may appear to be irrational or non-rational.

It can be seen that rational choice theory is a prime reason to enter PPPs. That is, the public and private sector partners seek to optimize infrastructure and service delivery amidst the constraints related to providing public services. By joining forces, the public and private sector partners can minimize risks and maximize resources towards high quality public service provision. Theoretically this explains countries' preference for PPPs.

2.7.2 Relational Contract Theory

Relational contract theory was originally developed in the United States by the legal scholars Ian Roderick Macneil and Stewart Macaulay. According to Macneil (2001), it offered a response to the so-called "Death of Contract" school's nihilistic argument that contract was not a fit subject for study as a whole; each different type of contract (e.g., sales, employment, negotiable instruments) could be studied individually, but not "contracts-in-gross". Macneil (2001) explains that this is only one of a number of possible relational theories of contracts, and accordingly renamed his own version "essential contract theory. He emphasized the role of norms in determining the manner in which commercial exchanges operate in practice and introduced the concept that individual transactions lie on spectrum ranging from 'discrete' through to 'relational'

It is characterized by a view of contracts as relations rather than as discrete transactions which, Macneil (2001) argued traditional "classical" or "neo-classical contract" theory treats contracts as being). Thus, even a simple transaction can properly be understood as involving a wider social and economic context and therefore the PPPs have to be studied individually to understand their uniqueness as is the case here for this researcher.

2.7.3 Resource-Based Theory or View (RBV)

This theory was developed by Birge Wenefeldt in 1984. It has to do with analyzing and identifying a firm's strategic advantages based on examining its distinct combination of assets, skills, capabilities and intangibles as an organization. The RBV's underlying premise is that firms differ in fundamental ways because each firm possesses a "unique" bundle of resources - tangible and intangible assets- and organizational capabilities to make use of those assets. Each firm develops competencies from these resources, and when developed especially well, these become the source of the firm's competitive advantage (Pearce & Robinson, 2007).

In the context of this theory, the resources that a firm has will play a big role in the strategic implementation process. This is because no matter how good the strategies are, without the necessary resources to enable the implementation, they remain in the planning phase and hence delay the implementation of the PPP. In the case of this study, both the government and the private sector have resources that all determine the implementation of these partnerships but at different levels that are not harmonized to be a reason for delay in implementation of projects.

2.8 Conceptual Frame Work

A conceptual framework is a hypothesized model identifying the concepts under study and their relationships (Mugenda & Mugenda, 2003). A conceptual framework presents, in a diagrammatic form, the way the researcher has conceptualized the relationship between the independent and the dependent and other variables as illustrated in the diagram herein below.

Independent variables

Moderating variable

Dependent variable

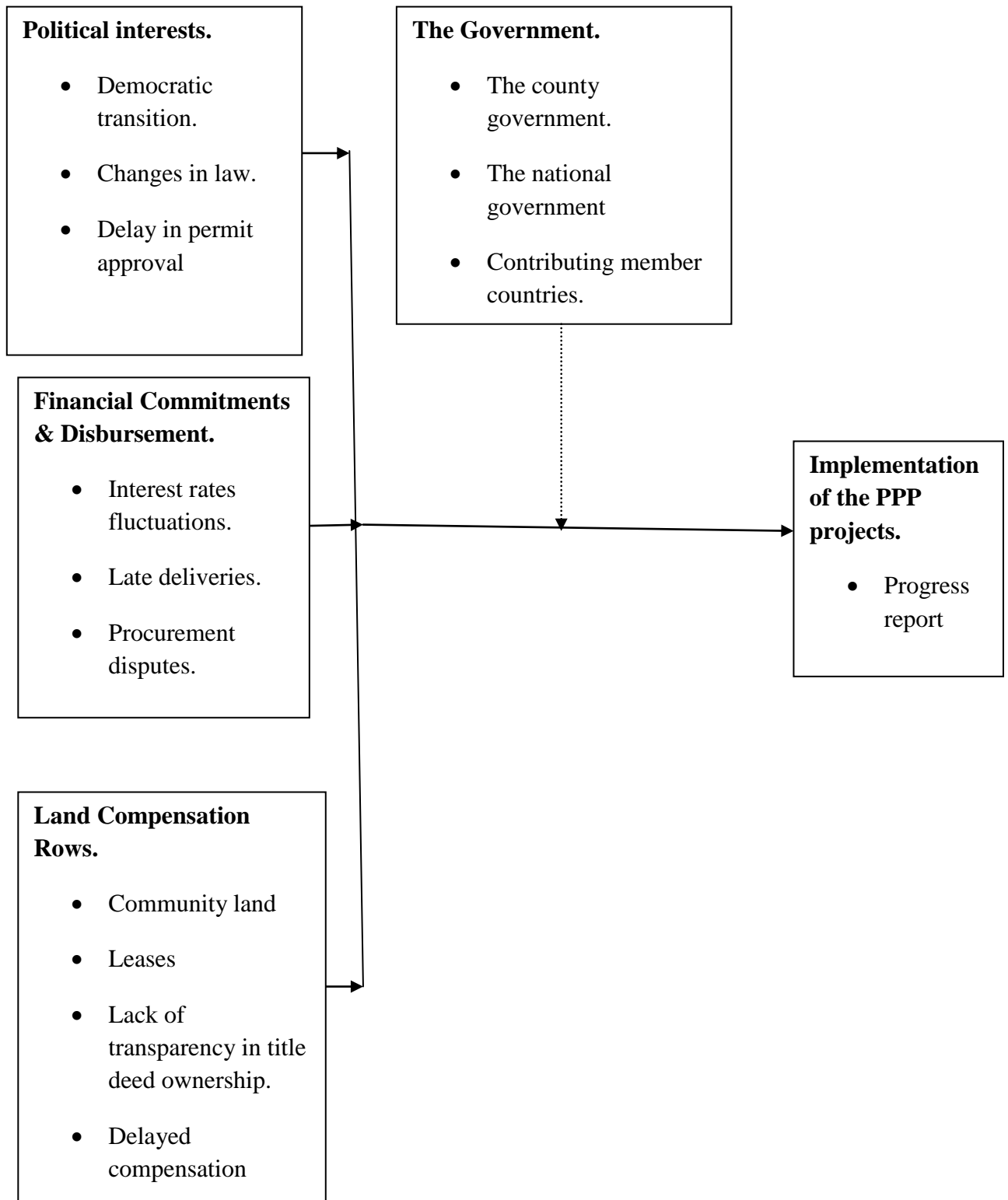


Figure 1: *Conceptual Framework showing relationship between variables*

2.9 Explanation of Relationships of Variables in Conceptual Framework.

The conceptual framework will help to illustrate the causal relationships between the independent variable and the dependent variable. From the conceptual framework, the researcher will be able to develop the objectives of the study that are clearly broken down. Figure 2 shows the relationship between the independent variables which are political interests, financial commitments & disbursements and land compensation rows. Their relationship with the effect they have on the dependent variable which is implementation of the PPP

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a discussion of the research methodology that was used in the study. It outlines the overall methodology which was used to carry out this research. It involves a blueprint for the collection, measurement and analysis of data. In this chapter, the researcher identified the procedures and techniques that were used in the collection, processing and analysis of data. Specifically, the following subsections were included; research design, study population, sampling design and sample size, data collection methods and procedures; and finally data analysis.

3.2 Research Design

Research design refers to how the researcher put a research study together to answer a set of questions. Research design works as a systematic plan outlining the study, the researchers' methods of compilation, details on how the study arrived at its conclusions and the limitations of the research. Both quantitative and qualitative analysis research designs were incorporated. The descriptive survey was used for this study with the intent of creating a deep understanding of the delayed implementation of Public-Private Partnerships (PPP) in Kenya. Orodho (2003) defined a descriptive survey research design as a research design where the variables are not manipulated for events to occur. This method enabled the researcher to probe and obtain in depth information which will be useful in the future engagements in the PPP.

3.3 Target Population.

Population refers to all the elements that meet the criteria that are considered basic for them (Burns & Grove, 2003). Mugenda and Mugenda (2003) defined target population as the entire population group that a researcher is interested in. Or the group about which the researcher wishes to draw conclusion. Respondents were drawn from the members from the LAPSSET Corridor Development Authority secretariat, project officers from the KPA, office directors from the NLC, project supervisors from the MOT, project field officers from LAPSSET Corridor Development Authority, project officers from the ministry of Lands & urban planning, project manager from the county Government of Lamu, executive member in charge of planning from the office of the governor of Lamu county and Project Affected

People from Lamu County, For this study the researcher's target population is the offices and areas shown below in table 3.1

Table 3.1: Target Population Distribution

| S/No | Contact office | Contact person | No. |
|--------------|---|--|------------|
| 1 | Governor's Office | Governor. | 1 |
| | | County executive in charge of transport. | 1 |
| | | County executive in charge of finance. | 1 |
| 2 | Ministry of Transport | County representative of the cabinet secretary. | 1 |
| | | County project officer | 1 |
| 3 | Ministry of Finance & National treasury | County representative of the cabinet secretary | 1 |
| | | Project officer | 2 |
| 4 | LAPSET Corridor Development Authority | Project manager | 2 |
| | | Field officer in charge | 4 |
| 5 | Ministry of Lands, Housing & Urban Planning | County representative of the cabinet Secretary | 1 |
| | | County Lands registrar | 1 |
| 6 | National Lands Commission. | Office of the director Land administration | 2 |
| | | Office of the director Natural resources | 2 |
| | | Office of the director Land management | 2 |
| | | Office of the director land information management system. | 2 |
| 7 | Kenya Ports Authority | Project Manager | 4 |
| 8 | Project Affected People | Kililana Area, | 249 |
| | | Kililana /Mashundwani Access Kililana /Mashundwani Access | |
| TOTAL | | | 277 |

3.4 Sample size and Sampling Procedure

Under this section, the researcher outlines the method used to determine the sample size from the target population and from which data was collected to be used in the presentation. Further this section describes the sampling techniques to be used in the selecting individuals

to be included as the subjects of study samples. The researcher adopted a census type and purposeful sampling whereby all responsible persons involved in the implementation of the LAPSSET were the respondents. Census was appropriate for this study because the target population was small and therefore easier to cover in addition to it not having any statistical sampling error associated with it. A random sampling was also used to the two hundred and forty nine families who were identified as PAP.

3.4.1 Sample Size.

A sample in research study is a group on which information is gathered (Frankel 2000). This definition is also relates to (Kothari, 2004) defines the sample as the selected group of respondent representing the population. The aim of sampling is to be able to draw a conclusion on the entire population (Cooper 2006). The sample should therefore be representative of the population. For PAP, the researcher used a sample from the 75 families of 249 as gazette by NLC. This represented 30% as advocated by Mugenda and Mugenda (2003) and respondents as per the offices shown above were used as samples. This brought a total of one hundred and three respondents.

3.4.2 Sampling Procedures.

This study applied purposive sampling technique to a PAP sample from the 75 families of 249 as gazette by NLC, where the researcher approached each target-that was a representative of the population- with a specific purpose that has a direct impact on the components of the LAPSSET. Census type and purposeful sampling of Respondents was applied to six members from the LAPSSET Corridor Development Authority, four project officers from the KPA, eight from the NLC, two Project supervisors from the MOT, two Field officers from LAPSSET Corridor Development Authority, two Project officers from the ministry of Lands & urban planning, one Project manager from the county Government of Lamu, one executive member in charge of planning from the office of the governor of Lamu county.

3.5 Research Instruments.

These are the tools used for the collection of data from the respondents on the topics under study (Creswell, 2003). The researcher used interview under guided questionnaires to collect the data for analysis. According to Mugenda and Mugenda (2003), a questionnaire is a list of standard questions prepared to fit a certain inquiry. Questionnaires were administered to all the respondents as sample from the target population. The questionnaires contained both

closed and open ended questions so as to engage the respondents to give in-depth information where necessary. This instrument is considered to be relative time friendly and cost effective for the purpose of this study.

3.5.1 Questionnaire

Questionnaire was the main research instrument used in this study. They were administered to the one hundred and three respondents by the researcher with the help of two assistants. Respondents were six members from the LAPSSET Corridor Development Authority, four project officers from the KPA, eight from the NLC, two Project supervisors from the MOT, four Field officers from LAPSSET Corridor Development Authority, two Project officers from the ministry of Lands & urban planning, one Project manager from the county Government of Lamu, one executive member in charge of planning from the office of the governor of Lamu county, For PAP, the researcher used a sample from the seventy five families of two hundred and forty nine as gazette by NLC. The questionnaires were divided into three parts designed to align with the objectives of the study. There was a mixture of questions for guided response. There were structured and closed & open ended questions in order to communicate easily with the respondents as well as to save time during questionnaire administration. This mixture was favored because they made analysis easier and understandable.

3.5.2 Interview Schedule

Interviews allow a researcher to collect data from respondents with low literacy levels; collect information that cannot be directly observed, obtain historical information and gain control over the line of questioning. Some respondents were interviewed to enrich the data collected which was not obtained using the other instruments. Some of the PAPs who were unable to read and write were interviewed using the questionnaire as a guide.

3.5.3 Validity & Reliability of the Instruments

Mugenda and Mugenda (2003), argues that an instrument is valid when it measures what it purports to measure. Sommer (2007) alludes that validity of a research instrument is asking the right questions framed in the least ambiguous way. According to Arun (1986) experts should determine validity of research instruments. The researcher finds it necessary to test the content validity of the research instruments to ascertain whether all the areas that are critical for this study were included in the research instruments. This was done through the pilot

study which was done through the guidance of the supervisor to the Mombasa County. Pilot testing involved pre-testing of instruments to determine their validity and reliability. Orodho (2004) argues that pilot testing is a smaller version of a larger study that is conducted to prepare for the study or to field test the survey to provide a rationale for the design. The researcher piloted Respondents to 2 project officers from the KPA, 2 from the NLC, 2 Project supervisors from the MOT, 2 Field officers from office of the county executive in charge of Transport, 2 county Project officers from the ministry of Lands & urban planning, 1 Project manager from the county Government of Lamu, 1 executive member in charge of planning from the office of the governor of Mombasa county. Robson (2002) argues that prior to using the research instrument, the content validity of the instruments should be determined by the researcher discussing the items in the instrument with the supervisor and colleagues. After the pilot testing, the researcher shared the results with the supervisor who inputted professional advice before actualization of the research work.

Reliability is the extent to which results are consistent over time and an accurate representation of the total population under study. That is, if the results of the study can be reproduced under a similar methodology, then the research instrument is considered to be reliable. Leedy (2000) describes reliability as the consistency with which the measuring instruments performs, such that apart from delivering accurate results, the measuring instruments must deliver similar results after repeated trials. Mulusa, (1990) alludes that an instrument is reliable consistent when it produces the expected results. Split half was used to determine the reliability of the instruments. Cohen and Swerdlik, (2001), argued that Split-Half reliability test is fast and cheap as it does not require having two test administrations. This test was useful in this study because it was time saving and cost effective. The questions in the questionnaire were divided into two halves using odd and even numbers of the questions. This was done by assigning odd numbered items to one half of the test and even numbered items to the other.

3.6 Data Collection Procedures.

After the professional and technical guidance on the preparation of project proposal by the supervisor, the researcher presented the proposal to the panelist appointed by the University of Nairobi for examination and approval.

The researcher sought relevant authorization documents and proceeded to the field for data collection putting into consideration ethical principles and the bill of rights in the

constitution. The data obtained were summarized, analyzed and inferences were drawn from the findings and a report prepared with the help of the supervisor before a final presentation to the defense panel at the university.

3.7 Data Presentation and Analysis Techniques.

Content analysis was used to analyze the data collected. Nachmias and Nachmias, (1996) defines content analysis as a technique for making inferences by systematically and objectively identifying specified characteristics of messages and using the same approach to understand trends. According to Mugenda and Mugenda (1999), content analysis involves observations and detailed description of objects, items or things that comprise the study. Content analysis was useful in obtaining new ideas in even what was thought to be unknown. The data collected for this study was qualitative data, as an interview was conducted with the help of an interview guide. The interview guide does not limit the respondents on answers and has a potential for generating more information with more details. The data was first sorted out around key central questions and used in pattern matching and explanation building. This was done to establish whether it would fit or fail the research questions. Data was summarized and presented in cross-tabulation, percentages and frequency tables. This research relied on both quantitative analysis techniques where all the data collected was coded and arranged according to the research theme. SPSS version of 20, as a statistical tool was used to describe the relationship between the independent and dependent variables.

3.8 Ethical issues.

Munyoki, (2014), argues that Ethics in research should be viewed as integral part of the research planning and implementation, not viewed as an afterthought or a burden with This in mind, the research work was guided by strict adherence to research ethics which do not allow the researcher to engage in deception or invasion of privacy. Among standard ethics include.

1. The respondents' right not to respond to the questions was clarified from the onset and consent sought from the word go.
2. The anonymity of the respondents was assured and confidentiality guaranteed as an integral part of the research.
3. Seeking relevant authorization in the university, the state and the county before conducting any research.
4. The researcher maintained humility and conduct the research with utmost honesty avoiding distortions and misleading data manipulation.

3.9 Operational of the Variables.

Table 3.2: Operation of Variables

| Objective | Variables | Indicators | Scale | Proposed tool of analysis |
|--|---------------------------------------|---|----------|---------------------------|
| To assess how political interests influences the implementation of LAPSSET. | Independent | Democratic transition. | Nominal | SPSS |
| | Political Interests | Changes in law. | Ordinal | |
| | | Delay in permit approval | Interval | |
| | | | | |
| To examine the extent to which financial commitments and disbursements have influenced the implementation of LAPSSET. | Independent | Interest rates fluctuations. | Interval | SPSS |
| | Financial commitment & Disbursements. | Late deliveries. | Interval | |
| | | Non transparent tendering process. | ratio | |
| | | | | |
| To determine the extent to which the land compensation rows have influenced the implementation of LAPSSET. | Independent | Community land | Interval | SPSS |
| | Land compensation Rows. | Leases | Ratio | |
| | | Lack of transparency in title deed ownership. | nominal | |
| | | Delayed compensation | | |

CHAPTER FOUR

DATA ANALYSIS, PRESENTATIONS AND INTERPRETATIONS

4.1 Introduction

This chapter presents results of the data collection. This was guided by the objectives to present empirical evidence to agree or controvert. The objectives were to assess how political interest has influenced the implementation of LAPSSET, to examine the extent to which financial commitments and disbursements have influenced the implementation of LAPSSET and finally to determine the extent to which the land compensation rows have influenced the implementation of LAPSSET in Lamu County. Content analysis has been used to analyze the data collected. The data collected for this study was qualitative data, as an interview was conducted with the help of an interview guide. The data was first sorted out around key central questions and used in pattern matching and explanation building. This was done to establish whether it would have fitted or failed the research questions. Data has been summarized and presented in cross-tabulation, percentages and frequency tables. This research relied on both quantitative analysis techniques where all the data collected was coded and arranged according to the research objective. SPSS version of 20, as a statistical tool was used to describe the relationship between the independent and dependent variables.

4.2 Questionnaire Return Rate

The researcher issued one hundred and three questionnaires. This was followed by telephone calls to the respondents in the seven offices mentioned above to request them to fill the questionnaires. Various reminders were done in this way to ensure the questionnaires were filled and returned. All the questionnaires were returned. Questionnaire Return rate= $(103/103) \times 100 = 100\%$. The questionnaire return rate as per the calculation is 100%. This return rate is considered sufficient for the purposes of data analysis. Ayudhya (2011) suggested any rate of success of over 50% can be considerably reported. While the overall value of above 60% and 70% can be mentioned as good and excellent respectively.

4.3 Data Presentation and analysis as per the objectives

The data that was collected from the sample population was analyzed for each of the objectives using SPSS and hypothesis testing for each objective was done as follows:

4.3.1 To assess how political interest has influenced the implementation of PPPs

The first objective of the study was to assess how political interest has influenced the implementation of Public-Private Partnerships Projects. To achieve this, respondent were asked to answer questionnaires structured for the same and also analysis from the interview based on the indicators of democratic transition, county by-laws and permit approval. The data on this objective was analyzed based on the alternative hypothesis: $H_1=$ There is a relationship between political interest and the influences on the implementation of Public-Private Partnership projects. The result was summarized as follows.

4.3.1.1 Political interest and Democratic Transition.

In order to determine the influence that political interest has had on the implementation of LAPSSET, the study asked the respondents to indicate if they agreed that the project implementation was greatly interfered with by the political class's interests vested in the transition from the municipal council government to county government and the results were analyzed as follows.

Table 4.1: Political interest and Democratic Transition.

| | frequency | Valid percent | Cumulative percent |
|--------------|------------------|----------------------|---------------------------|
| Yes | 89 | 86 | 86 |
| No | 14 | 14 | 100 |
| Total | 103 | 100 | |

From the table 4.1, 89 of the respondents were in agreement at 86% while 14 respondents opted for a contrary opinion at 14% that political interest has no influence on the transition from the municipal county government of Lamu to County government of Lamu. From the table, the large no of people who were in agreement show the expectations that people had on the LAPSSET which were stalled immediately the changes came in.

4.3.1.2 Political interest and County by- laws.

In order to determine the influence that political interest has had on the implementation of LAPSSET, the study asked the respondents to indicate if they agreed that the new county by-laws influenced the project implementation and the results were analyzed as follows.

Table 4.2: Political interest and County by- laws.

| | Frequency | Valid percentage | Cumulative percent |
|--------------|------------|------------------|--------------------|
| Yes | 93 | 90 | 90 |
| No | 10 | 10 | 100 |
| Total | 103 | 100 | |

From table 4.2,93 respondents were in agreement at 90% while 10 had a contrary opinion at 10%.The large number of the respondents in agreement reflects the impact felt by the people who were affected by the LAPSSET both directly and indirectly.

4.3.1.3 Political interest and delay in permit approval.

In order to determine the influence that political interest has had on the implementation of LAPSSET, the study asked the respondents to indicate if they agreed that the delay in permit approval influenced the project implementation of the project and the results were analyzed as follows.

Table 4.3: Political interest and delay in permit approval

| | Frequency | Valid Percentage | Cumulative Percentage |
|------------|------------|------------------|-----------------------|
| Yes | 87 | 84.3 | 84.3 |
| No | 16 | 15.7 | 100 |
| | 103 | 100 | |

Table 4.3,87 respondents were in agreement at 84.3% while 16 respondents had a contrary opinion over the delay in permit approval for the project at 15.7%. It again show how politics has an underhand in the affairs of LAPSSET which meant that political marshalling and alignments interfered with the way the project permits were being handled.

Research hypothesis testing

The research hypothesis for the study was:

H₀: There is no significant relationship between political interests and implementation of public –private partnerships projects.

H₁: There is a significant relationship between political interests and implementation of public –private partnerships projects.

The data was analyzed using the Chi-Square to determine if the level of political interests has any significant influence on the implementation of public –private partnerships projects. The results of the chi-square was summarized in Tables 4.4, 4.5 and 4.6

Table 4.4: Chi-square values to establish whether political interest influences the implementation of PPPs

| | Observed N | Expected N | residual |
|--------------------------|-------------------|-------------------|-----------------|
| No idea | 2 | 20.6 | -18.6 |
| Disagree | 10 | 20.6 | -10.6 |
| Strongly disagree | 15 | 20.6 | -5.6 |
| Strongly agree | 46 | 20.6 | 25.4 |
| agree | 30 | 20.6 | 9.4 |
| Total | 103 | | |

Table 4.5: Chi-square values of null or alternative hypothesis

| | Observed N | Expected N | residual |
|--------------|-------------------|-------------------|-----------------|
| Yes | 91 | 51.5 | 39.5 |
| No | 12 | 51.5 | -39.5 |
| Total | 103 | | |

Table 4.6: Testing of Research Hypothesis

| | Strongly agree | No idea |
|-------------------|-----------------------|----------------|
| Chi-square | 7.8965 | 2.2200 |

From the results of table 4.6 the calculated values of the chi square (7.8965), which is less than chi- square (9.49) at 95% confidence level. Therefore, accept the alternative hypothesis: there is a relationship political interest and implementation of Public-Private Partnership Projects.

4.4 The extent to which financial commitments and disbursements have influenced the implementation of PPPs

The Second objective of the study was to determine the extent to which financial commitments and disbursements have influenced the implementation of Public-Private Partnership Projects. In order to establish the influence; the researcher obtained responses on interest rates fluctuations, late deliveries and procurement disputes. The data on this objective was analyzed based on the alternative hypothesis: $H_1 =$ There is relationship between the financial commitments and disbursements and implementation of PPPs. The result was summarized in the tables 4.7, 4.8, 4.9, 4.10, 4.11 and 4.12 as follows:

4.4.1 Financial Commitment and Disbursements & Interest Rate Fluctuations.

In order to determine the extent to which financial commitments and disbursements had influenced the implementation of LAPSSSET, the study asked the respondents to indicate if they agreed that the interest rate fluctuations influenced the project implementation and the results were analyzed as follows.

Table 4.7 Financial Commitment and Disbursements and Interest Rate Fluctuations

| | Frequency | Valid Percentage | Cumulative Percentage |
|------------|------------------|-------------------------|------------------------------|
| Yes | 17 | 17.1 | 17.1 |
| No | 86 | 82.9 | 100 |
| | 103 | 100 | |

As per the finding of the table 4.7, 86 of the respondents were in agreement at 82.9% while 17 respondents opted for a contrary opinion at 17.1%. As the result of the interest rate fluctuations the purchase of consumables necessary for the project implementation was hindered. This was also noted from the interview conducted by the researcher.

Table 4.8: Financial Commitment and Disbursements and bureaucracy in the treasury release.

| | <i>Frequency</i> | <i>Valid Percentage</i> | <i>Cumulative Percentage</i> |
|------------|------------------|-------------------------|------------------------------|
| <i>Yes</i> | 21 | 20 | 20 |
| <i>No</i> | 82 | 80 | 100 |
| | 103 | 100 | |

According to table 4.8, 56 of the respondents were in agreement at 80% while 14 respondents opted for a contrary opinion at 20% that the treasury was so bureaucratic and that caused a lot of delays in implementing the project. This was also noted from the interview. As a result of the bureaucracy, financial commitments interfered with procurement of implementation essentials. The bureaucracy worsened by the changes in the interest rates since the commitment was made and the actual payment into the treasury as shown in the table 4.8 above.

Table 4.9: Financial commitments and conclusions and project implementation

| | <i>Frequency</i> | <i>Valid Percentage</i> | <i>Cumulative Percentage</i> |
|--------------------------|------------------|-------------------------|------------------------------|
| No idea | 7 | 7.0 | 7 |
| Disagree | 8 | 7.7 | 14.7 |
| Strongly disagree | 3 | 4.3 | 19.0 |
| Strongly agree | 77 | 74.3 | 93.3 |
| agree | 8 | 7.7 | 100 |
| Total | 103 | 100 | |

According to table 4.9, 77 of the respondents were in strongly agreement at 74.3% while 8 respondents at 7.7% agreed, 8 respondents disagreed at 4.3 % and 3 respondents at 4.3% opted to strongly disagree. The percentage of those who strongly disagreed was of the opinion that even the little that was available was not properly utilized because of the bureaucracies from treasury and there could be other issues that may have delayed financial commitments. This was also noted from the interview.

4.4.2 Financial Commitment and Disbursements & Late Deliveries.

In order to determine the extent to which financial commitments and disbursements had influenced the implementation of LAPSSSET, the study asked the respondents to indicate if they agreed that the late deliveries influenced the project implementation and the results were analyzed as follows.

Table 4.10: Financial Commitment and Disbursements & late deliveries of project consumable.

| | <i>Frequency</i> | <i>Valid Percentage</i> | <i>Cumulative Percentage</i> |
|-------------------|------------------|-------------------------|------------------------------|
| <i>Always</i> | 07 | 7.1 | 7.1 |
| <i>Not always</i> | 96 | 92.9 | 100 |
| | 103 | 100 | |

According to the table 4.10,96 respondents held that the financial commitments and disbursements were not always the causes of the late deliveries of the project consumables at 92.9% whereas 7 of the respondents observed stated that it was the cause at only 7.1%.However,the respondents who observed that it was may have been correct considering the cost of the project has raised sharply from initial 200B to 350b as per the project progress report posted on the Lamu corridor development Authority websites (www.lapsset.co.ke) and (www.vision2030.go.ke) accessed on 12/03/2015.

4.4.3 Financial Commitment and Disbursements and Procurement Disputes

In order to determine the extent to which financial commitments and disbursements had influenced the implementation of LAPSSSET, the study asked the respondents to indicate if they agreed that the procurement disputes influenced the project implementation and the results were analyzed as follows.

Table 4.11: Financial Commitment and Disbursements and Procurement procedures

| | <i>Frequency</i> | <i>Valid Percentage</i> | <i>Cumulative Percentage</i> |
|--------------------------|------------------|-------------------------|------------------------------|
| No idea | 4 | 3.9 | 3.9 |
| Disagree | 8 | 7.9 | 11.8 |
| Strongly disagree | 13 | 13 | 24.8 |
| Strongly agree | 70 | 67.3 | 92.1 |
| agree | 8 | 7.9 | 100 |
| Total | 103 | 100 | |

Analysis from table 4.11, 70 of the respondents strongly agreed at 67.3% while 8 respondents at 7.9% agreed, 8 respondents disagreed at 7.9% and 13 respondents at 13 % opted to strongly disagree that the financial commitment and disbursement had influenced project implementation on procurement procedures.

Table 4:12: Financial Commitment and Disbursements and Procurement Disputes

| | <i>Frequency</i> | <i>Valid Percentage</i> | <i>Cumulative Percentage</i> |
|------------|------------------|-------------------------|------------------------------|
| Yes | 94 | 91.4 | 91.4 |
| No | 09 | 8.6 | 100 |
| | 103 | 100 | |

According to table 4.12, 94 of the respondents agreed at 91.4% while 9 respondents at 8.6% agreed, were of the contrary opinion about the influences of the financial commitment and disbursements and project implementation disputes. From the large number of procurement disputes that were recorded, it was clear that it has drawn a lot of controversies

Research hypothesis testing

The research hypothesis for the study was:

H₀: There is no significant relationship between financial commitment and disbursements from the partners and the influence of the implementation of Public-Private Partnerships Projects.

H₁: There is a significant relationship between financial commitment and disbursements from the partners and the influence of the implementation of Public-Private Partnerships Projects.

The data was analyzed using the Chi-Square to determine if the level of financial commitments and disbursements and the influences on the implementation of Public-Private Partnership Projects. The outcomes of the chi-square are summarized in Tables 4.13, 4.12 and 4.12

Table 4.13: Chi-square values on the influences of financial commitments and disbursements on implementation of PPPs.

| | Observed N | Expected N | residual |
|--------------------------|------------|------------|----------|
| No idea | 1 | 20.6 | -19.0 |
| Disagree | 9 | 20.6 | -11.0 |
| Strongly disagree | 10 | 21.6 | -11.0 |
| Strongly agree | 49 | 21.6 | 28.0 |
| agree | 41 | 21.6 | 20.0 |
| Total | 103 | | |

Table 4.14: Chi-square values of null or alternative hypothesis

| | Observed N | Expected N | residual |
|--------------|------------|------------|----------|
| Yes | 93 | 51.5 | 41.5 |
| No | 10 | 51.5 | -41.5 |
| Total | 103 | | |

Table 4.15: Testing of Research Hypothesis

| | Strongly agree | No idea |
|-------------------|----------------|---------|
| Chi-square | 8.2758 | 1.7242 |

The results of table 4.15 indicate that the calculated values of the chi square (8.2758) on the strongly agree of the people supporting the fact that the financial commitments and disbursement will influence the implementation of PPPs is larger than the table at 95% confidence level. The computed value of the respondents on no idea was (1.7242). The alternative hypothesis that there is a significant relationship between financial commitment and disbursements from the partners and the influence of the implementation of Public-Private Partnerships Projects is accepted.

4.5 Determine the extent to which the land compensation rows have influenced the implementation of PPPs

One of the study objectives was to determine the extent to which the land compensation rows have influenced the implementation of LAPSSSET. In order to establish the influence; the study obtained data on Community land, Leases, Lack of transparency in title deed ownership, delayed compensation. The data on this objective was analyzed based on the alternative hypothesis: $H_1 =$ There is a significant relationship between the land compensation rows and implementation of Public-Private Partnership Projects. The results were summarized in the tables 4.21 and 4.22 respectively.

4.5.1 The influence of land compensation rows and community land .

In order to determine the extent to which land compensation rows had influenced the implementation of LAPSSET, the study asked the respondents to indicate if their community owned pieces of land had been annexed for the project implementation and the results were analyzed as follows.

Table 4.16: Land compensation rows and community land.

| | <i>Frequency</i> | <i>Valid Percentage</i> | <i>Cumulative Percentage</i> |
|------------|------------------|-------------------------|------------------------------|
| <i>Yes</i> | 82 | 80 | 80 |
| <i>No</i> | 21 | 20 | 100 |
| | 103 | 100 | |

According to table 4.16, 82 of the respondents at 80% agreed that their community owned land was part of the larger LAPSSET project and that they have been notified of the same. It was found that many of the community land owners depended on the same land for livelihood and the LAPSET implementation Authority was not giving a clear alternative of their lively hood.

4.5.2 The influence of land compensation rows and leased land.

In order to determine the extent to which land compensation rows had influenced the implementation of LAPSSET, the study asked the respondents to indicate if their lease owned pieces of land which had been annexed for the project implementation had been released and or renewal of the leases had been done in readiness for the negotiation for the project implementation and the results were analyzed in the tables below as follows.

Table 4.17: Land compensation rows and leaseholders.

| | <i>Frequency</i> | <i>Valid Percentage</i> | <i>Cumulative Percentage</i> |
|--------------------------|------------------|-------------------------|------------------------------|
| No idea | 1 | 1.0 | 1.0 |
| Disagree | 8 | 7.8 | 8.8 |
| Strongly disagree | 12 | 11.7 | 20.5 |
| Strongly agree | 73 | 70.8 | 91.3 |
| agree | 9 | 8.7 | 100 |
| Total | 103 | 100 | |

Studies from the table 4.17, suggests that 73 of the respondents at 70.8% strongly agreed that the lease holders were not willing to give out their lease title towards the implementation of the LAPPSET as they were anticipating higher payment as their land appreciated over time.12 respondents at 11.7% strongly disagreed.9 respondents at 8.7% agreed and 8 respondents at 7.8% disagreed. Pricing suspicion was evident in the large number of the respondent who strongly agreed that the leaseholders were not willing to surrender their leases as they anticipated the changes in prices which might end up disadvantaging them as there was no clear stated price and therefore could end up benefitting from manipulation of the prices.

Table 4.18: Land compensation rows and lease renewal.

| | <i>Frequency</i> | <i>Valid Percentage</i> | <i>Cumulative Percentage</i> |
|---------------------------------|------------------|-------------------------|------------------------------|
| <i>Strongly agree</i> | 80 | 77.7 | 77.7 |
| <i>Agree</i> | 6 | 5.8 | 83.5 |
| <i>Disagree</i> | 12 | 11.7 | 95.2 |
| <i>Strongly disagree</i> | 3 | 2.9 | 98.1 |
| <i>No idea</i> | 2 | 1.9 | 100 |
| | 103 | 100 | |

According to table 4.18,80 of the respondents at 77.7% strongly agreed that renewing their lease documents has not been smooth and thus hindering the implementation of LAPSSET project, 6 of the respondents just agreed that the renewal process has been difficult.12 of the respondents disagreed and three strongly disagreed that the renewal process has been otherwise. This again represents a small portion considering the larger percentage.

4.5.3 The influence of land compensation rows and records of true owners

In order to determine the extent to which land compensation rows had influenced the implementation of LAPSSET, the study asked the respondents to indicate if there was no clear records to the true owners of annexed titles for the project implementation and the results were analyzed in the tables below as follows.

Table 4.19: Land compensation rows and land ownership records.

| | <i>Frequency</i> | <i>Valid Percentage</i> | <i>Cumulative Percentage</i> |
|------------|------------------|-------------------------|------------------------------|
| <i>Yes</i> | 96 | 93.2 | 93.2 |
| <i>No</i> | 7 | 6.8 | 100 |
| | 103 | 100 | |

Table 4.19, indicates that 96 of the respondents at 93.2% agreed that the records at the relevant authorities were a hindrance and 7 respondents at 6.8% had a contrary opinion. This is a reflection on how the confusion has reigned in the agencies that deal with land. The ownership issues have had an influence thus affecting the compensation as the rightful owner is not known.

4.5.4 The influence of land compensation rows and payment for the annexed land

In order to determine the extent to which land compensation rows had influenced the implementation of LAPSSET, the study asked the respondents to indicate if payment for the land annexed for the project implementation has been made and the results were analyzed in the tables below as follows.

Table 4.20: Land compensation rows and payment of land

| | <i>Frequency</i> | <i>Valid Percentage</i> | <i>Cumulative Percentage</i> |
|------------|------------------|-------------------------|------------------------------|
| <i>Yes</i> | 99 | 96.1 | 96.1 |
| <i>No</i> | 4 | 3.9 | 100 |
| | 103 | 100 | |

According to table 4:20, 99 of the respondents at 96.1% agreed that payment has not been made even after the PAP correctly identified and the result compared with all the responsible state and county agencies and 4 respondents at 3.9% held a contrary opinion. This is in agreement with the findings in 4.19 where the larger percentage of the respondents agreed that land ownership records had an influence in the implementation of LAPSSET.

Research hypothesis testing

The research hypothesis for the study was:

H₀: There is no significant relationship between the land compensation rows and implementation of Public-Private Partnerships Projects.

H₁: There is a significant relationship between the land compensation rows and implementation of Public-Private Partnerships Projects.

Table 4.21: Testing of Research Hypothesis

| | Strongly agree | No idea |
|-------------------|----------------|---------|
| Chi-square | 7.8965 | 2.2200 |

Table 2.22: Chi-square values on the influences of financial commitments and disbursements on implementation of PPPs

| | Observed N | Expected N | residual |
|--------------------------|------------|------------|----------|
| No idea | 2 | 20 | -18.0 |
| Disagree | 8 | 20 | -12.0 |
| Strongly disagree | 13 | 21 | -8.0 |
| Strongly agree | 30 | 21 | 9.0 |
| agree | 49 | 21 | 28.0 |
| Total | 103 | | |

Table 4.23: Chi-square values of null or alternative hypothesis

| | Observed N | Expected N | residual |
|--------------|-------------------|-------------------|-----------------|
| Yes | 93 | 51.5 | 41.5 |
| No | 10 | 51.5 | -41.5 |
| Total | 103 | | |

The results of table 4.21 indicate that the calculated values of the chi square (7.8965) on the alternative hypothesis is less than 9.49 at 95% confidence level. Alternative hypothesis which stated that the there is a significant relationship between the land compensation rows and implementation of Public-Private Partnership Projects is accepted.

CHAPTER FIVE
SUMMARY OF THE FINDINGS, DISCUSSIONS, CONCLUSIONS AND
RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the findings as analyzed in chapter four. The discussions are guided by the research objectives and whether the data confirms to the research questions. It is from the research findings that conclusions are made and recommendations for further research suggested.

5.2 Summary of the findings

The researcher sought to investigate the influences of implementation of public private partnership. Influences investigated included. Political interest, financial commitment and disbursement & Land compensation rows. The research was successfully carried out and the findings are summarized as follows.

5.2.1 Influences of Political interest on implementation of Public –Private Partnership

From the findings, 86.77% of the respondents observed that political interest has influenced the implementation of the LAPSSET project. The respondents also listed the transition from municipal council to the county government, county by-laws, and permit approval as a hindrance to the implementation of the project. 86 % of the respondents identified lack of a democratic transition from the municipal county of Lamu to County government of Lamu and greatly influenced by the political interest which influenced the project implementation. 90% cited county by-laws with permit approval taking 84.3 %.

5.2.2 Influences of financial commitment and disbursement on implementation of Public –Private Partnership

79.38 % of the respondents observed that financial commitment and disbursement was a major reason that influenced the implementation of LAPSSET project. 82.9 % of the respondent agreed that the project interest rate were fluctuating and therefore not fixed. 80 % of the respondents agreed that treasury was so bureaucratic and caused delays and sometimes putting red tape on procurement. Financial commitment from the member states was also cited at 74 % and this caused late deliveries at 92.9 % and procurement disputes took 67.14%.

5.2.3 Influences of land compensation rows on implementation of Public –Private Partnership

83.14% of the respondents observed that land compensation rows were a main hindrance to the implementation of LAPSSET. Community land was issues to 80 % and they observed that it was an influence due to definition and ownership wrangles.80% of the respondents observe that the lease holders had an influence on the implementation of the project as the renewal of lease difficulties was cited at 77.15% and lack of clear records on land ownership, whether communal or leasehold was also cited and land payment for the annexed acres for the project was 95.71%.

5.3 Discussions

The research findings indicate that PPP project implementation depends on many factors which the governments and the private sector need to address before embarking on any PPP arrangement. The influences researched in this research paper appear silent yet have big role to play if any PPP project will be implemented and benefits achieved in time. Political interest, financial commitment and disbursements and land compensation rows influences the successful implementation of a PPP.

5.3.1 To assess how political interest has influenced the implementation of Public – Private Partnership Projects.

Any PPP that lacks political goodwill and backing that is needed for successful implementation is likely to stall. The political interest will always play a central key in institutionalization of the project through formation of workable acts and institutions that will oversee the transition, by-laws and various permit approval or create that red tape to make literary difficult to implement the project. When a contractor faces divergent political interests, it becomes difficult to mobilize the ground resources necessary for the implementation like adhering to necessary by-laws and various government and state agencies permits and hence implementation challenges will be faced and this will greatly affect project take off. This research findings agreed with the findings of Stephen (2008) who observed that in delaying paying for something-like is the case for LAPSSET consumables - it's like public borrowing of other kinds, where the state issues gilt-edged securities but repays them out of future taxation. The Professional Engineer (2008) observed that the ways in which the consortiums financing were structured, and the high interest rates for private

finance may have increased project costs and that the PPP financing was charged higher interest than borrowing capital directly from the bank was to be charged interest at between 4-5%, which was the going rate for government debt, the PPP companies borrowed from their shareholders and their banks at a rate of 20% and that this was not fixed because of the risks involved. The influences to the implementation of the PPP from the delayed commitment from the member states was also captured by Vining and Boardman (2008)'s findings that the government guaranteed 95% of the private debt in the case of bankruptcy by the PPPs attracted many firms to participate in the implementation of PPPs. Many of member countries were yet to honor their share of commitments and this had an impact on the implementation of LAPPSET.

5.3.2 To examine the extent to which financial commitments and disbursements have influenced the implementation of Public-Private Partnership Projects.

Insufficient project finances will also present a situation where the contractors cannot pay their staff and so will be faced by the challenge of go slows or work abandonment by the unpaid staff. The PPPs like LAPSSET depended heavily on transfers from the government remittance through the national treasury. Many of projects financed by the treasury had long bureaucracies in releasing the funds. Court battles because of disputed procurements influences the speed with which a given project will be implemented. In this case, LAPSSET was not exceptional. Because of bureaucracies in funds, some consumables were not tendered which is a concern as it was an avenue for corruption. If it is the government's objectives of the 'development' to include improving livelihoods of over 15 million people in marginalized regions of the country especially where Lamu corridor will be implemented. This finding agreed with those of Balaraman and Malhotra (2008) who studied the construction of Hyderabad International Airport (HIA) in Andhra Pradesh, India that demand suspicions and pricing uncertainty delayed the construction work.

5.3.3 To determine the extent to which the land compensation rows have influenced the implementation of Public-Private Partnership Projects.

However, there are many issues among them, land tenure and ownership, that needed to be sorted out before embarking on such an ambitious infrastructural plan facilitating foreign capital penetration as found out by a similar study by Nunow (2012). It therefore means that PPP projects must be well structured at the initiation stage to enhance the success in implementation by sieving all possible influences like the ones used in this research paper to

ensure the projects are implemented. This conclusion is close to a study by Forsyth (2003) and Mukherji (2006) in their study of water supply projects initiated under PPP, they observed that the political ecology approaches to the environment and natural resources management in general and, more specifically, to the role of social power in water allocation have been most useful in providing a better understanding of the links between social and political struggles over the control of water resources (Swyngedouw, 1997). Mollinga (2008) also made a similar conclusion that; water control should be conceived as a politically contested area. This might be because the politicians are not aware of life cost of the project and hence they cannot observe the advantage of PPP process. Further, central government has also lack of knowledge on PPP implementations as observed by Liu and Wilkinson (201) and that is the red tape instituted by bureaucracies in the treasury to release funds to the implementation of PPPs is not an emergency.

5.4 Conclusions

From the findings above, the following conclusions can be drawn from the objectives of the study.

5.4.1 To assess how political interest has influenced the implementation of Public – Private Partnership Projects

It became clear from the research findings that for a successful implementation of PPP projects, civic education should be done by relevant bodies to ensure that political disagreement are reduced by striking minimum accepted standards across the political divide.

5.4.2 To examine the extent to which financial commitments and disbursements have influenced the implementation of Public-Private Partnership Projects

Address the sources and negotiate the financial commitments to ensure that some measures are put in place to parties that fail to honor their financial obligation within a set timeline face stiff penalties

5.4.3 To determine the extent to which the land compensation rows have influenced the implementation of Public-Private Partnership Projects

Land being a thorny issue country wide should be addressed with proper documentation as is likely to interfere with the successful implementation of PPPs. This way effort should be made to avoid all the contributors to this scenario.

5.5 Recommendations

From the research, the following recommendations are made for successful implementation of PPPs.

5.5.1 To assess how political interest has influenced the implementation of Public-Private Partnership Projects.

Civic education to be done by the state agencies on the importance of PPPs in the service provision, the impact of delayed implementation of the project thus neutralizing the political interest towards projects.

5.5.2 To examine the extent to which financial commitments and disbursements have influenced the implementation of Public-Private Partnership Projects.

Make mandatory requirement for sum of money deposits with the implementation bodies to avoid a situation where the project miscellaneous requirements are met to ensure that the project implementation can continue as minor procurements are met without any strain.

5.5.3 To determine the extent to which the land compensation rows have influenced the implementation of Public-Private Partnership Projects.

The reorganization of the archives of the agencies that deal with lands and natural resources to restore confidence of the public and the legal documents being issued by making the renewal of leases that are issued genuinely online .This will not only make the whole process relatively cheaper but also reduce the physical verification of the authenticity of the document that invites corruption.

5.6 Suggested further research

This study suggests a research to develop a standard predictor model for influences on the successful implementation of the PPPs. This model should include interplay of influences on implementation of PPPs, success factors and weighted factor for the unknowns in PPPs project. This will ensure that a success or failure of a PPP project at the implementation can be properly managed with more certainties and anticipated results.

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Appendix I: Letter of Transmittal

Vincent Okeng'o
P.O Box 918-80100
Mombasa
12th May 2015
Dear Sir/Madam

RE: DATA COLLECTION

I am a masters student in at the University of Nairobi –College of Education and External studies, school of continuing studies and department of extra-mural studies of Registration No.L50/70412/2013.

I am undertaking a study on influences of implementation of public - private partnership projects: a case of the Lamu Port Southern Sudan Ethiopia transport corridor (LAPSSET) in Lamu County, Kenya as a partial fulfillment for the requirement for the award of a degree in arts in project planning and management.

You have been purposefully sampled to provide information on influences of implementation of Public - Private Partnership Projects: a case of the Lamu Port Southern Sudan Ethiopia Transport Corridor in Lamu County, Kenya. This is a request for your participation in responding to the attached questionnaire and allowing me to prepare the report.

Information given herein will be treated with utmost confidence.

Yours Sincerely.

Vincent Okeng'o

Appendix II: Questionnaire

Questionnaire Number.....

My name is Vincent Okeng'o, a post graduate student at the School of Continuing and Distance Education in the University of Nairobi. I am carrying out a research on influences of implementation of public private partnerships, a study of the LAPSSET project in Lamu County Kenya. As one of the professionals/players in the implementation of LAPSSET, I request that you take time and give me your honest answers to the questions below. The questions here are purely for study purposes. *Please be aware that this information will be treated as anonymous as possible. Even In case the information hereby collected is published, your identity as my respondent will not be disclosed.* Thank you for agreeing to participate in this research.

Name (optional).....

Section A: Political Interference

Q1. Is the transition from municipal council of Lamu to County government affecting the implementation of LAPSSET?

Yes No

Q2. Are new county by-laws affecting the implementation of LAPSSET?

Yes No

Q3. Permit approval for the project from relevant state agencies have not been smooth.

Agree Strongly agree Disagree Strongly disagree No idea

Section B. Financial Commitments and Disbursements

Q4. Time has gone since the first financial agreement was signed. Is interest rate fixed?

Yes No

Q5. Is Treasury's bureaucracy in releasing of funds affecting the delivery of the project?

Yes No

Q6. The cost of the project has risen because of long and delayed financial conclusions

Agree Strongly agree Disagree Strongly disagree No idea

Q7. Has contribution from member countries been received in full?

Yes No

Q8. Project consumables are tendered for.

Always not always

Q9. Tenderers are not among the prequalified ones in many cases.

Agree Strongly agree Disagree Strongly disagree No idea

Q10. Has there have been any tender disputes since inception of the project?

Yes No

Section C: Land Compensation.

Q11. Is LAPSSET project allocated community land?

Yes No

Q12. Is the project land including leasehold titles?

Yes No

Q13. The lease holders in the county affected by LAPSSET have been holding their plots as they anticipate higher payments.

Agree Strongly agree Disagree Strongly disagree No idea

Q14. Renewing the leases has not been a smooth process.

Agree Strongly agree Disagree Strongly disagree No idea

Q15. Is accurate data available on the community land title deed owners?

Yes No

Q16. Has there been a case of more than one landlord claiming a piece of acre?

Yes No

Q17. Have all the annexed acres been paid for?

Yes No

Appendix III: Questionnaire for PAP.

Questionnaire No.....

Q1. Where can you classify your land?

Community Lease Trust

Q2. Do you have the legal documents for your land?

Yes No

Q3. Has someone else claimed your piece of land?

Yes No

Q4. Have you been paid in full for the acres annexed for the LAPSSET project?

Yes No

Q5. Procurement disputes have delayed the compensation necessary for project implementation.

Agree Strongly agree Disagree Strongly disagree No idea

Q6. Emergency of the county government further delayed the compensation.

Agree Strongly agree Disagree Strongly disagree No idea

Q7. Which list of PAP do you agree with? Tick (✓) one

National Lands Commission

County government (Municipal County Council of Lamu)

Appendix IV: Guided Interview Questions.

Q1. Is the transition from municipal county council to county government affecting the implementation of LAPSSET?

Q2. Can you identify any county by law that had to be complied to before continuing with the implementation of LAPSSET?

Q3. How do you compare ease of permit approval by the county government?

Q5. How is interest rate affecting the financial projections of the project?

Q6. What could be the cause of late deliveries for the project consumables?

Q7. How can you describe the procurement processes for the project materials and activities?

Q8. Has LAPSSET encountered a situation where there are no clear records over a certain piece of land?

Q9. How has community land been compensated?

Q10. Have all leasehold titles been paid for?

Q11. Is lack of record of title affecting compensation and thus influencing the project implementation?

Appendix V: A Map Showing LAPSSET Project Areas

