IMPLEMENTATION OF PUBLIC PRIVATE PARTNERSHIPS IN KENYA'S PUBLIC SECTOR

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DECLARATION

I declare that this research project is my original work and has not been presented nor submitted for purposes of a degree or examination in any other university or college.

Signature: …………………………… Date………………………………

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D61/72621/2012

This research project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

I would like to dedicate this project to my family: my father Kenneth Oballa; my mother Evelyn Oballa; and my brothers Alfred and Nicholas, for the great sacrifice they have made to see me through this Master's program, each in their own specific and special way. I am and will forever remain indebted to you. May you be abundantly blessed.

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ABBREVIATIONS AND ACRONYMS

i. **GOK** Government of Kenya

ii. **PPP** Public Private Partnership

iii. **RDT** Resource Dependence Theory

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ABSTRACT

Private Public Partnerships (PPP) are today considered an integral avenue for the pursuit of Kenya's development agenda. They are seen as a vehicle through which the government encourages and involves the private sector through commercial investments in facilities and services; give better value for money and transfer significant risk and management to the private sector. The adoption of this mechanism has widely been herald, however there is need to ascertain and evaluate the performance of these projects in detail. The principal objective of this study is to determine the implementation process adopted by the public sector to ensure success in the achievement of the PPP objectives. The research adopted a descriptive survey with the target population comprising thirty ongoing PPP projects based in Nairobi. The study was a cross sectional survey. The study collected primary data through the use of a questionnaire which contained both open ended and closed ended questions. The study established that indeed the public sector had a defined process of implementation of PPPs. Further, the study identified multi stakeholder expectations, difficulty in defining performance output, inability to measure total cost-benefit of projects, political influence and communication challenges as the major factors that influenced implementation. The study found that political interference was a major challenge in the implementation and this aggravated the challenge of maintaining transparency and control of the implementation process. The study recommends that politics should be detached from the implementation of PPPs as a policy. Further, the study suggests that more rigorous screening be done at every stage of the project to ensure alignment of the PPP to strategy. It further recommends the need to undertake a comparative study on PPP implementation from the perspective of Private Sector companies.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategy implementation is a key requirement for the success of projects and business. A strategy serves as a blue print to any of the implementation process and hence, it can be said that a strategy is a pattern through which an organization plans to integrate its main goals and objectives in its policies. The strategy is fundamental in the distribution of resources and is dependent on the capabilities of the institutions (Mintzberg, 1987). Strategy implementation is defined as a set of decisions and actions that result in the translation of the strategic thought into organizational action where an organization moves from planning its work to working its plan in order to achieve the set objectives(Pearce & Robinson, 1997).While strategy formulation was previously regarded as more important than implementation or control, researchers have shown that implementation is a key requiremement for business success(Holman, 1999). Further, there is growing recognition that the most important problems in the field of strategic management are related to strategic implementation(Flood, Dromgoole, Carrol, and Gorman, 2000) and that the high rate of failure of organisational initiatives is primarily due poor implementation of new strategies(Jooste and Fourie, 2009).

Business owners tend to complain about variations of strategy in the implementation process. This is because generally, strategies are formulated by the business owners, who are principals and implemented by managers, who are agents (Miniace and Falter, 1986). This gives rise to the agency theory in strategic management in which one party (the agent) acts on behalf of another (the principal) in achieving the principal's goals. Guth and MacMillan (1986) found that agents tend to redirect, change strategies or reduce their quality and even sabotage these strategies in the implementation processes. Middle managers are prone to changing strategies within the implementation processes, due to their self-interest (Guth and MacMillan, 1986).

Public Private Partnerships (PPPs) are collaborations between public entities (governmental agencies) and private sector companies. They are collaborations that allow for greater participation by the private sector in the provision of services to the general public. (Witters, Marom, and Steinert, 2012). They are used as an alternative source of funding for the government (Koimett, 2013) and create a cost effective way of creating infrastructure and delivering public service. The Kenyan Government is increasingly partnering with private companies as means of delivering public infrastructure. The private companies implement projects or provide services that would traditionally be provided by public entities.

1.1.1 Strategy Implementation

Pearce and Robinson (2003) view strategy implementation as a set of decisions and actions that result in the translation of the strategic thought into organizational action where an organization moves from planning its work to working its plan in order to achieve the set objectives. It is viewed by Thompson and Strickland (1989), as acting on what has to be done internally to put the chosen (formulated) strategy into place and achieve the targeted results. Hunger and Wheelen (1995), see it as the process by which management translates strategies and policies into action through the development of programs, budgets, and procedures. This process might involve changes within the overall culture, structure, and/or the management system of the organization. Its purpose is to complete the transition from strategic planning to strategic management by incorporating adopted strategies throughout the relevant system (Bryson, 1995).

Strategic implementation is the process that puts plan into action in order to attain set out goals and targets (Lorette, 2014). It is the part of the strategic management process that makes an entity's plan happen; without it, the company's strategic plan is meaningless. It is therefore crucial and critical to a company's success. Lorange (1996) proposes a list of important pillars for successful implementation of a strategy. He lists; the need to explain and translate the strategy to all the people involved in the implementation of the strategy, all through the implementation phases from planning so as to maintain relevance; breaking the strategy down to smaller manageable segments; and identifying the sections that can be planned and managed strategically.

Further, implementation needs to be conducted as evolution of experience; and requirements for every planning and implementation to be in place such as the donors for every phase of the implementation. In addition all the people must appreciate the need for implementation of the strategy and identify with the key benefits of the success of the implementation of the strategy.

1.1.2 Public-Private Partnerships

Public Private Partnerships (PPPs) are collaborations between public entities (governmental agencies) and private sector companies. PPPs are defined as contractual agreements between a public agency or public-sector authority and a private-sector entity that allow for greater private participation in the delivery of public services, or in developing an environment that improves the quality of life for the general public (Witters, Marom, and Steinert, 2012).

Rosenau (2000) describes PPPs as division of labour between government and the private sector. The private sector, in such partnerships, implements projects or provides services that would traditionally be provided by public entities. These partnerships provide an alternative method of procurement for large public infrastructure projects especially for governments that are short of funding (Austria, 2013). Further, these partnerships are important for addressing complex social issues such as poverty, crime, and economic development which cannot be managed by a single entity and therefore require collaborations across multiple organizations (Selsky and Parker, 2005).

Public-private partnerships can be described as strategies in themselves, of achieving governmental goals and responsibilities. Hodge and Greve (2013) describe these partnerships as “a globally popular strategy for governments to deliver public infrastructure”. These partnerships are usually long term engagements which governments and public entities participate in order to meet their citizens’ needs. They are used as an alternative source of funding for the government (Koimett, 2013).

These partnerships offer benefits such as optimisation of risk to the taxpayer by: divesting the risks associated with the design, construction, maintenance and operation of the infrastructure: using specific financial structures to leverage performance and innovation from the private sector. Apart from this, such partnerships also offer benefits such as better costs and delay controls for the public sector.

This cooperation between the parties is based on the assumption that each of the partners has the ability to implement its own tasks that were entrusted more efficiently than the other party. The parties complement each other by performing the tasks that they can perform best. These partnerships therefore create a cost effective way of creating infrastructure and delivering public service.

The need for PPPs has arisen from insufficient funding for government projects (Rostiyanti and Tamin, 2010). These partnerships have become popular for governments as a means of creating infrastructure and providing services for its citizenry. Governments increasingly depend on the private sector for implementation of projects as the public sector can no longer afford large investments (Bult-Spiering and Geert, 2006).

Globally, between 1985 and 2008, over 2,700 projects valued over $1.1 trillion have been planned and funded through public private partnerships (Siemiatycki, 2013). Countries such as Canada, India, Britain, Australia, South Africa and Kenya among others have used such partnerships to plan, finance, deliver and operate large public infrastructure projects. In the USA for example, PPPs were used in the 1950s and 1960s to stimulate private investment in public projects. They were further reinforced by both the Carter and Reagan administrations in the 1980s (Bult-Spiering and Geert, 2006).

Despite their popularity, these partnerships may frequently fail to achieve their intended goals due to the difference in the goals and approaches of the different partners (Selsky and Parker, 2005). Each of the parties within the PPPs has their own orientation: the public sector is oriented toward public interest, social responsibility and environmental awareness while the private sector is thought to be creative and dynamic (Rosenau, 2000). The government or public entities are therefore tasked with ensuring that the goals set forward in the strategies are met. They need to assess the implementation and achievement of goals by their partnerships with the private sector.

The government retains ownership and regulatory control of projects that are undertaken through such partnerships and defines the extent of the private sector's participation in the partnership. It is also accountable to the citizenry for the provision of services within the project and allocates risk to the parties that can handle it best (Austria, 2013). Accountability within public-private partnerships may be less straightforward due to the length of time needed for the impact to be felt (Buse and Walt, 2000).

1.1.3 The Public Sector in Kenya

The Kenyan Government has joined the list of countries that partner with the private sector for various projects. It has increasingly shown commitment to the use of PPPs in attaining its infrastructure needs and goals as laid out in the Kenya Vision 2030 development program, which aims at transforming Kenya into an "average income country" through the realisation of key projects that require important funding that cannot be fully supported by the government (Martor, 2013). Such partnerships have arisen due to the need to solve complex social issues such as poverty, crime, economic development and public health which cannot be solved by a single entity (Koschmann, Kuhn, and Pfarrer, 2012). They form a unique social organization which engage in mutual problem solving, information sharing and resource allocation (Provan and Kenis, 2009).

Kenya has planned for infrastructure projects worth $62 billion in different sectors between 2012 and 2020 yet the government has only $25billion available for such projects. Partnership with private companies is a viable way of raising the remaining funds of $37M.Kenya's Africa Infrastructure Diagnostic Report (AICD) report estimates that, to address the country's infrastructure deficit, will require sustained expenditure of approximately $4 billion per year over the next decade.

The Kenyan Government has been looking at alternatives aimed at raising additional funds and adopting lower-cost technology while prioritizing infrastructure investments. The Government of Kenya (GOK) has made infrastructure development through Public Private Partnerships (PPPs) a priority as a mechanism that can help it address the major infrastructure gaps in the country (Public Private Partnership (PPP) Programme Report, May, 2014).

Kenya is keen on PPPs for a variety of reasons such as: increased demand for quality and affordable services from citizens; expansion of the economy and stimulation of job creation; to utilize the efficiency of the private sector in running public services; to drive the creation of the local long term funding market; to reduce the government's sovereign borrowings and associated risks; provide a new source of investment capital for required infrastructure projects and to reduce the funding gap for infrastructure projects of $ 37 billion(Koimett, 2013).

The GOK is confident that through the PPP modality, the private sector can offer a dynamic and efficient way to deliver and manage public infrastructure. These efforts are geared towards achieving Vision 2030, Kenya's long-term development strategy; so that future generations can gain from the benefits of modern services improved living standards and reduced poverty. It has established the Public Private Partnership Unit (PPPU) as a specialized unit within the National Treasury, to promote and oversee the implementation of the GOK PPP Program. The PPP Unit, as the resource centre for best practice and guardian of the integrity of the PPP process, plays a large role in identifying problems, making recommendations to the PPP Committee regarding potential solutions, and ensuring that projects meet such quality criteria as affordability, value for money, and appropriate transfer of risk.

1.2 Research Problem

Strategy implementation a very important part of the strategic management process, albeit often overlooked. While strategy formulation was previously regarded as more important than implementation or control, researchers have shown that implementation is a key requiremement for business success(Holman, 1999).Further, there is growing recognition that the most important problems in the field of strategic management are related to strategic implementation(Flood, Dromgoole, Carrol, and Gorman, 2000) and that the high rate of failure of organisational initiatives is primarily due poor implementation of new strategies (Jooste and Fourie, 2009).

The term ‘Public Private Partnerships’ describes a relationship in which public and private resources are blended to achieve a set of goals judged to be mutually beneficial to both the private entity and the public (Witters, Marom, and Steinert, 2012).A partnership between a public entity and private company is a strategy used to attain certain public sector needs and goals.

Such partnerships have tremendous potential and as such are mandated by donors and funders, expected by local communities and assumed by policy makers to be the best way of working on social problems (Koschmann, Kuhn, and Pfarrer, 2012). Yet despite their popularity, these partnerships prove to be complicated and problematic.

They are often perceived to produce limited results; involve members with contrasting goals and approaches; are prone to gridlock and fragmentation; frequently do not achieve their intended goals and sometimes appear to exacerbate the problems they are trying to solve(Bryson, Crosby, and Stone, 2006).

The Kenyan Government has embarked on PPPs as a method of raising funds and providing quality and affordable services to its citizens. Such partnerships are particularly instrumental in the country's efforts toward achieving Kenya Vision 2030. The Kenya Vision 2030 is the country's long–term development blueprint which aims to create a globally competitive and prosperous country providing a high quality of life for all its citizens. It aspires to transform Kenya into a newly industrializing, middle-income country by 2030. One of the foundations for transformation listed under the Kenya Vision 2030 is development, improvement and modernization of infrastructure – roads, energy, airports and ports.

Once completed, the Kenyan Government intends to retain total strategic control of the projects under PPPs and will secure the new infrastructure which becomes government assets at the end of contract life. It needs to ensure that it attracts quality investors from the private sector to participate in these PPPs. Project and performance risks will be allocated to the party best able to manage or mitigate (Koimett, 2013). It is therefore imperative that the Government ensure the projects are implemented according to laid out and agreed upon strategy so that they adopt high quality projects at the end of the contracts.

Despite the fact that numerous studies acknowledge that strategies frequently fail not because of inadequate strategy formulation, but because of insufficient implementation, strategy implemenation has received less research attention than strategy formulation (Eppler, Guohui, and Li, 2008). Different studies (Kibathi, 2009; Aosa, 1992 and Awino, 2001) have been done in Kenya that have included the element of strategy implementation. None have, however shown the focused on the implementation of PPPs in th Kenya's Public Sector. Further, PPPs are a relatively new concept in Kenya, with the very recent enactment of the PPP law in 2012 and the establishment of the PPP Unit in December, 2013. This study aims at finding out how the public sector ensures that they adopt high quality projects at the end of the contracts throughout the implementation process.

Public Private Partnerships have become an integral part of the Kenyan Government, not only in the achievement of Kenya Vision 2030, but also in the general provision of services to its citizenry. It is a fairly new concept in Kenya since it was adopted quite recently as a mode of service provision, through the adoption of the 'Public Private Partnerships Act, 2012'.How do the Public Sector entities implement Public Private Partnerships in Kenya?

1.3 Research Objective

The research objective is to determine how Public Sector implements their partnerships with the Private Sector in Kenya.

1.4 Value of the Study

This study will interrogate, provide information and guide on the strategies that the respective governmental agencies should adopt towards the successful implementation of PPPs. It would highlight the governmental agencies' current strategy implementation practices and how successful these practices are. It is more imperative with the devolution process that is ongoing. With the transfer of power and authority to county governments, there are likely to be more PPPs as the devolved county governments embark on their own development projects.

The study is valuable in the formulation of policy for the implementation of Public Private Partnerships by the Public Sector. This is especially important in the devolved system of government as more partnerships are likely to arise from the County Governments. The policy formulated will act as a guide for such partnerships that may arise.

The research will contribute to the body of research available on Public Private Partnerships. It will be valuable as a reference paper for future researchers who would be interested in doing research papers on PPPs in Kenya.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter gives an overview of what past researchers and writers have found on strategy implementation and Public-Private Partnerships. It contains an overview of the importance of strategy implementation and the implementation of Public-Private Partnerships in other countries.

2.2 Theoretical Foundations of the study

The study is based on two theories: the agency theory and resource dependence theory. The agency theory highlights the relationship between the government and private companies, who are acting as agents for the government. The resource dependence theory results from the fact that no particular entity can own or control all the resources they require for sustainability. It is on this basis that public private partnerships exist.

2.2.1 The Agency Theory

The agency theory is a management approach whereby an individual or entity (the agent) acts on behalf of another entity (the principal) in advancing the principal's goals and agenda (Laffont and Mattiford, 2002). The agent therefore advances both the principals' interests and his own interests in the organization. A balance of these interests should be merged in order to arrive at the corporate objectives of the organization through the agent because he/she is in charge of the vast resources of the organization. Laffont and Mattiford (2002) contend that this agency theory is so crucial in Strategic Management since the actions chosen by the agent affects several other parties. The agent's role in strategic formulation and the overall strategic management process cannot therefore be underestimated. The agency theory holds the view that there should be proper synergy between the management and its stakeholders in order to work towards a common goal (Otungu et al. 2011).

The Agency theory has however been criticised by various authors. Laffont and Mattifford (2002) criticise the theory because it only describes the relationship between a principal and its agent and allows for deception and misappropriation of funds by the agents.This constitutes a perfect example of the moral hazard problems that are an endemic feature of principal-agent complexities. He substantiates this saying these were some of the moral obligations that were violated at Enron Company in the US which led to the loss of billions by the owners. The agents were busy working for their own interests leaving other stakeholders as outsiders. This critique is echoed by Guth and MacMillan (1986) who through research provided strong evidence showing that middle managers are prone to changing strategies within the implementation processes, due to their self-interest. Laffont concludes that in a standard business corporation it is very difficult for shareholders to exercise effective control of management interests between managers and owners.

2.2.2 The Resource Dependence Theory

The resource dependence theory suggests that no firm or entity can secure the resources and capabilities required to survive without interacting with firms and individuals beyond their boundaries (Pfeffer and Salancik, 1978). The RDT provides an insight on inter-organizational relationships and how their formation help reduce uncertainty (Hillman, Withers, and Collins, 2009). Hillman *et al* (2009), however add that such relationships only absorb some of the uncertainties faced by organizations in the business environment.

The RDT suggests that the resources possessed by an entity are the primary determinants of its success (Tokudo, 2005). According to Barney (1991), the concept of resources includes all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness(Barney, 1991). Tokudo argues that a firm may have similar resources to another but perform differently due to the difference in capabilities between the firms. He defines capabilities as the capacity of a firm to convert the resources owned to finished products.

2.2Strategy Implementation

Shah (1996) describes strategy implementation as a vital component of the strategic management process. He defines implementation as the act of putting logically developed strategies into action: the summation of activities in which people use various resources to accomplish the objectives of the strategy.It is the process that turns strategies into action inorder to accomplish strategic goals and objectives.

Strategy implementation is a key requirement for the success of projects and business. While strategy formulation was previously regarded as more important than implementation or control, researchers have shown that implementation is a key requirement for business success(Holman, 1999). Further, there is growing recognition that the most important problems in the field of strategic management are related to strategic implementation(Flood, Dromgoole, Carrol, and Gorman, 2000) and that the high rate of failure of organisational initiatives is primarily due poor implementation of new strategies(Jooste and Fourie, 2009).

Sheahan (2013) states that strategic implementation is a fundamental step in turning vision into reality and without it, a project would not be able to get off the ground since implementation functions as a project's blue print. It is an action based process that uses a variety of tools to keep the company on track. It serves as the link between strategy and success for all organizations.

Despite the importance of strategic implementation in projects, it has been proven to be one of the most difficult stages of strategic management. According to Grant (1999), many CEOs are of the opinion that developing a strategy is easy, implementing the strategy is the hard part. Hrebiniak (2006) notes that while formulating a consistent strategy is a difficult task for any management team, making the strategy work is even more difficult.

Different researchers have found that the best formulated strategies may not produce the best results if the implementation is not proper. The best formulated strategies may fail to produce superior performance for the firm if they are not successfully implemented(Noble, 1999). Although numerous studies acknowledge that strategies frequently fail not because of inadequate strategy formulation, but because of insufficient implementation, strategy implemenation has received less research attention than strategy formulation (Eppler, Guohui, and Li, 2008). Eppler *et al*. found that according to the White Paper of Strategy Implementation of Chinese corporationsin 2006,strategy implementation is one of the most significant management challenges which all corporations face: 83% of the surveyed companies failed to implement strategy smoothly while only 17% felt that they had a consistent strategy implementation process.Another survey done by the *Economist* found that 57% of firms were unsuccessful at executing strategies over the previous three years, according to a survey of 276 senior operating exectives in 2004(Allio, 2005).

Evans (2010) acknowledges that strategy implementation requires a different skill set from the strategic planning process. The biggest difference, according to Evans (2010), between strategic implementation and planning is a shift in focus to day to day operations necessary to move the organization towards its planned direction. The secret of successful strategy implementation lie in: considering the constraints, inhibitors and accelerators required to succesafully implement the strategic plan;having an effective mix of strategic planning, program and project management; careful construction of organizational goals and metric; communication plan; and a bi-directional planning approach (Evans, 2010).

2.2.1 Challenges to Strategy Implementation

Organizations today face major unpredictable changes that make strategy implementation more difficult and complex than in the past (Harvey,1988). Holman (1999), writing on the importance of strategy implementation points out that 80% of organization directors believe that they have good strategies but only 14% believe that they implement them well. Research by Mintzberg and Quinn (1991); David (1997); and Wang (2000) among others, also indicate that a considerable proportion (over 65%) of organizational strategies fail to get implemented effectively.

Researchers have revealed a number of problems in strategy implementation. These include weak management roles, lack of communication, lacking commitment to strategy, and unawareness or misunderstanding of the strategy. Other problems are unaligned systems, structures, and resources; poor coordination and sharing of responsibilities, inadequate capabilities, competing activities, and uncontrollable factors in the external environment.

Strategy implementation is hindered by a lack of specificity in the planning stage. A good strategy is one that specifies the implementation process. Halvorson (2014) states that creating goals that organzations should accomplish is not just a matter of defining what needs doing: it also needs the to spell out the specifics of getting it done. The implies that an organization should not assume that everyone involved will know how to move from concept to the delivery. She suggests that the goal should be broken down into smaller specific sub-goals and specific actions - the who, when and where - of attaining the sub goals.

2.3 Implementation of Public-Private Partnerships

PPPs are increasingly playing a crucial role in bridging the gap between demand and investment in infrastructure. These partnerships tap into the private resources of financing and expertise to deliver large infrastructure improvements (Airoldi *et al*, 2013). When managed effectively, PPPs not only provide much needed new sources of capital, but also bring significant discipline to project selection, construction, and operation.

Airoldi *et al* (2013) contend that successfully forming and managing PPPs, is no small feat. For one thing, governments, accustomed to focusing on delivering services, need to change their mindset and begin viewing these partnerships as a product that they must develop, market, and sell to potential private-sector partners. At the same time, both the public and private sectors must overcome the challenges created by an inherent conflict between their respective objectives: the public sector wants to minimize total or overall economic costs and ensure the delivery of high-quality service, while the private sector aims to maximize returns.

In order to attract private sector in infrastructure provision, the government has to establish its political will in a policy framework. There are many aspects required in policy framework including legal and institutional frameworks. The availability of adequate policy framework will ensure the PPP success. The clear policy framework will make all parties involved in the infrastructure provision understand the process of it. (Rostiyanti and Tamin, 2010)

O'Connell and Steinberg (2011) have identified four common challenges in the implementation of PPPs and have suggested responses to the challenges. These challenges are: timely decision making and decisions consistent with PPP risk allocation strategies; maintaining transparency through the PPP procurement process; maintaining control while getting the most from PPP project delivery; and making the right risk allocation decisions that provide the most cost effective project solutions. They provide best practice solutions which they perceive would greatly increase the likelihood that a PPP project would be successfully delivered.

According to Harris and Vellutinii (2012), successful implementation of PPP contracts start at the development stage of the project. Governments want to develop “good” PPP projects that are cost-benefit justified, provide better value for money than traditional procurement methods and are fiscally responsible. These criteria cannot be assessed until the project is fully designed and cannot be confirmed until bids are received. This places governments in a bind as they do not want to incur costs of developing a project unless it meets the criteria, but cannot tell if the criteria are met until the project has been developed.

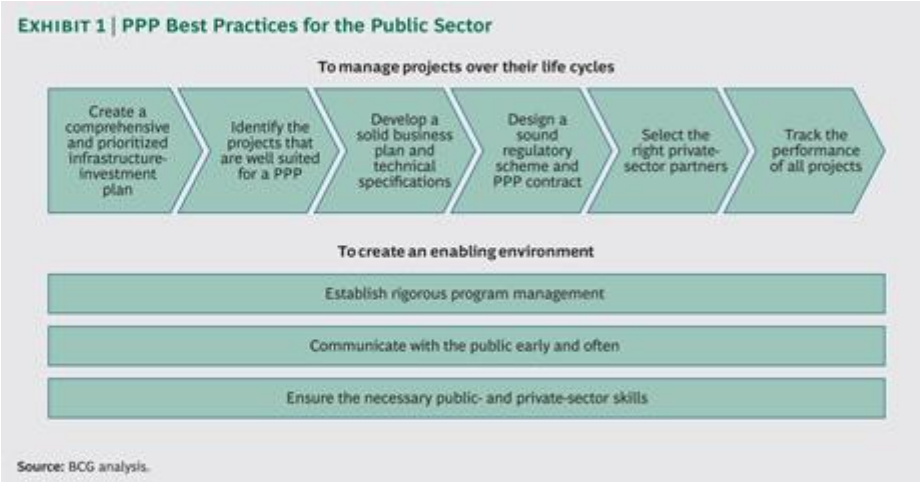
Successful PPP programs tackle this problem through an iterative approach, of progressively more rigorous screening at successive stages of project development. The idea is that projects must seem likely to be suitable for development as a PPP before any public money is spent on them. Then, the processes of preparation is broken into successively more intensive and expensive phases, with a check before each phase that it seems likely that the project will continue to meet the criteria required for all successful PPPs(Harris and Vellutini, 2012).

Farquharson, Torres, Yescombe, and Encinas (2011) suggest that with the use of a strong framework, governments can ensure that PPPs are successful.They state that the foundation of a successful PPP lies in the time and effort spent in establishing the policy, legal and regulatory frameworks. Further, a clear PPP process map, including quality assurance and approval processes should be established. The government should also capitalize on the experience of those who have managed the PPP process before(Farquharson, Torres, Yescombeand Encinas, 2011).

The best practices for the public sector apply to every stage in the formation and implementation of a PPP, from selecting and designing the project, to developing a regulatory structure and a transaction process, to supervising the concessionaire (the private company entitled to temporarily own and operate the asset) throughout the project's life cycle. In addition, public-sector leaders must take concrete steps to cultivate an environment in which PPP projects can flourish, such as securing the right project-management expertise within the government and employing policies that support a vibrant industry of engineering and construction companies as well as other private-sector partners, such as financiers(Airoldi, Chua, Gerbert, Justus, and Rilo, 2013).

Airoldi et al (2013) have provided a framework for best practices for the public sector for the public sector throughout project lifecycles as presented in figure 3.10. They include: creating a comprehensive and prioritized infrastructure-investment plan; identifying projects that are well-suited for a PPP; developing a sound business plan and technical specifications; design a sound regulatory scheme and PPP contract; selecting the right private-sector partners; track the performance of all projects; establish rigorous program management; communicate with the public early and often; ensure the necessary public- and private-sector skills. They conclude that fully realizing the potential of a PPP requires discipline and focus every step of the way and suggest that employing the best practices will help public-sector leaders avoid many of the worst potential traps in PPP implementation.

Figure 3.10: Best Practices throughout a Project's Life Cycle



Source: BCG Perspectives, 2014

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section provided the blue print for conducting the research. It covers the research methodology, states the population of study, data collection methods and data analysis.

3.2Research Design

The research is a cross sectional survey study. The strength of cross sectional survey includes its ability to produce quick, inexpensive, efficient and accurate means of accessing information about the population (Cooper and Schindler, 2006).The purpose of the study, scope, type of data to be collected, the data analysis types and the duration of the research favours this design over other research designs.

The study is a descriptive study and aims at determining the implementation of Public Private Partnerships across the public sector agencies.Cooper and Schindler (2006) state that the goal of survey is to derive a comparable data across subsets of chosen sample so that the similarities and differences can be determined. This research design is the most suitable as it takes a onetime snap shot of what is happening across the different governmental agencies (Trochim, 2006). The research does not aim at creating relationships between variables or manipulating the variables (Cherry, 2013).

3.3 Population of the Study

Polit and Hungler (1999) refer to the population as an aggregate or totality of all the objects, subjects or members that conform to a set of specifications. The population for the study was the ongoing Public Private Partnerships in Kenya.

As at May, 2014, there were 58 approved PPP projects ongoing in Kenya. This is as per the PPP progress report published on May, 23rd 2014 by the PPP Unit (Appendix 2).

3.4 Sample Design

It is not possible to include informants of the total population since they are very many and it would be very costly and time consuming (Gupta and Gupta, 2004). The research was conducted using the Convenience Sampling Method.

The research was limited to projects based in Nairobi. The sample size of the research was 23 projects out of the 58 ongoing projects.

3.5 Data Collection

Data collected was both primary and secondary. The primary data was gathered through the questionnaires designed and administered to the heads of the various projects. The questionnaires were administered through the drop and pick mode.The questionnaire had both open ended and guided questions. This method of data collection was favoured as it allowed the researcher to collect more data over a short period of time.

The secondary data was obtained from the reports on previous projects that were found on the PPP Unit website. The data collected helped the researcher in generating information that facilitated the understanding of the topic under the study.

3.6 Data Analysis

The data collected was largely quantitative and hence quantitative analysis techniques were used in data analysis. The data was codified into numerical form and represented in frequency distribution tables. Analysis was done using simple statistics methods such as measures of central tendency; variance and standard deviation; and percentages. Key to the research was to determine the approaches used by Public agencies implement PPPs.

The data was then visually presented in form of tables. These are important for better understanding of the data at a glance. The goal in creating tables was to present data in a clear and accurate format which was easily interpreted (Wainer, 1992).

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter covers data analysis and presentation of the findings. It covers the response rate and the discussion from the study findings. Tables have been used for easier interpretation and explanation.

4.2 Response Rate

The study utilized primary data from a questionnaire derived to answer the research objectives. Data was expected from30public private partnerships out of which 26 questionnaires were received. The response rate was 87%.

The respondents were asked to give a description of the type of projects undertaken. The majority of respondents described their projects as Design/Build/Finance projects whereby the private companies were involved in the design, building and financing of the projects. Concession contracts were also popular among those polled.

4.3 Implementation of PPPs in Kenya

The study sought to find out the implementation process used by public agencies in the implementation of PPPs to ensure success of the projects. The findings are explained herein.

4.3.1 Selection of Projects

The researcher sought to determine criteria used in selection of projects to be implemented under PPP agreements or not. The results are shown in Table 4.1 indicating that there were some criteria used in selecting projects for PPPs and that these criteria were ranked differently. The researcher concluded that not all projects were implemented via PPP agreements and only those that met particular set criteria were considered for PPPs and that this is part of strategic implementation of PPPs. This process of identification has been identified as one the best proven practices of implementation of an infrastructure project. Once an infrastructure project has been selected, the key question is whether it should be a public-sector-only venture or if the private sector should play a role. These results indicate that assessment of these projects is done in systematic and objective manner ensuring that only projects that are best suited for PPP are implemented via PPP agreements.

Table 4.1 Project Selection Criteria

Selection Criteria	Not important	Of little Importance	Neutral	Important	Extremely Important
Project Risk	0	0	6%	26%	68%
Funds available	0	0	0	28%	72%
Project Social Benefit	0	0	47%	31%	22%
Project Cost	0	0	0	14%	86%
Expertise available for the Project	0	0	0	3%	97%

Source: Research Data (2014)

The respondents were asked to rate criteria used in selecting companies to partner with. The results are as shown in Table 4.2 indicating that the partners were not arbitrarily chosen to participate in PPPs. Rather, the public agency had criteria which was used in the selection of companies to partner with, some of which were ranked more highly than others. The researcher determined this to be part of the strategic implementation process of projects and is an indication of the rigour and discipline employed by the government. It is an indication that private companies have to meet a certain standard in order to be considered for PPPs.

Table 4.2 Partner Selection Criteria Ranking

Selection Criteria	Not Important	Of Little Importance	Neutral	Important	Extremely Important
Company history	0	29%	32%	3%	35%
Organization Culture	32%	42%	6%	19%	0
Resources available to the company	0	0	4%	16%	80%
Company Leadership	3%	6%	48%	10%	32%
Previous participation in PPPs	0	0	0	10%	90%

Source: Research Data (2014)

4.3.2 Performance Management of PPPs

The researcher also sought to find out the independence of the private partners in decision making that affected their respective projects. 21% of the respondents stated that the partners never make independent decisions while another 21% responded that they rarely allow the private partner to make decisions independently. 38% of the respondents allowed independent decision making occasionally, 14% allowed it frequently while 7% always allowed it.

The researcher sought to find out whether the respondents had defined performance requirements set out before the start of the project. 100% of the respondents had set performance requirements. The researcher also sought to find out the opinions of the respondents on the effectiveness of these requirements. 47% of the respondents rated them as excellent, 40% of them rate the requirements as good, 10% as moderately effective and good, 10% as moderately effective and 3% considered them fairly effective. None of the respondents considered the requirements poor. It was concluded from this that the agencies were conscious of performance and outcome of these projects as they set out PPP implementation procedures.

The researcher sought to find out how often the agency reviewed their strategy in light of new occurrences that may affect the implementation of the laid out strategy. The majority of the respondents being 55% stated that strategy was reviewed regularly while 29% occasionally reviewed strategy. 10% of the respondents reviewed the strategy sometimes while 6% rarely reviewed the strategy.

The respondents were asked the extent to which they considered that their organization has a sound and transparent performance evaluation system based on scientific/technological and industrial relevance. From the findings it is clear that most of the respondents 58% agree that their organization has a sound and transparent performance evaluation system based on scientific/technological and industrial relevance, 23% other respondents were neutral while 19% disagreed and strongly agreed that their organization has a sound and transparent performance evaluation system based on scientific/technological and industrial relevance.

The researcher sought to find out the extent to which they used financial measures to assess their financial viability. The answers from the respondents indicate that public-private partnerships in Kenya use financial measures to assess their financial viability to different extents. The majority of the respondents indicated that they used them to a very large extent, large extent, and moderate extent and sometimes to a low extent. None of the respondents indicated that they did not use financial measures.The researcher also sought to establish the extent to which the organizations used non-financial measures to measure performance. The findings indicate that majority 40% of the respondents used non-financial measures to a large extent while 7% respondents each stated that they used non-financial measures to a very large extent or none at all. 20% of the respondents used non-financial measures to a moderate extent while 27% used them to a low extent. This indicates that the agencies have measures which are used to measure target performance against actual performance, as part of their implementation process.

The researcher sought to find out who was responsible for the measuring and evaluation of performance information. The findings indicate that most of the respondents stated that the PPP Secretariat-Central Government Representative was responsible for the measuring and evaluation of performance information, 26% respondent stated that Contracting Government Agency were the ones responsible for the measuring and evaluation of performance information and another 26% stated that the private partner involved in the partnership was responsible for the measuring and evaluation of performance information.

The researcher was interested in finding out who was responsible for the technical regulation of project requirements. From the findings it is clear that Contracting

Government Agency was responsible for the technical regulation of project requirements as indicated by majority of the respondents 45% in number while 29% stated that the private partner was responsible and 26% had the PPP Secretariat as the responsible party for technical regulation.

The researcher wanted to discover out what approach was used for developing effective, efficient output and outcome measures in this process of public-private partnership. The respondents stated that the strategy used include focused on the outcome hence being an outcome-oriented management strategy. Focusing on outcomes will direct management attention toward performance and will help in the allocation of resources and assuring effective services at a reasonable cost are significantly facilitated by the availability of meaningful and accurate performance information. The respondents also stated that the goal development process begins to focus the organizations' actions toward clearly defined purposes, within the scope of the stated mission and utilizing the external/internal assessment, goals specifying where the organization desires to be in the future.

The study sought to find out whether public-private partnerships in Kenya carried out customer/stakeholder satisfaction survey. The findings indicate that 67% of the respondents agreed that they carried out customer/stakeholder satisfaction survey this is as opposed to 33% of the respondents who stated that they did not carry out customer/stakeholder satisfaction survey at various levels of the implementation process. The researcher also wanted to know how frequently the respondents thought the survey was carried out. The study findings indicate that 13% of the respondents did the survey very frequently while 65% of the respondents stated that they carried out customer/stakeholder satisfaction survey frequently and23% of the respondents stated that these surveys were done moderately.

The researcher wanted to find out whether there were any enforceable penalties for failure to meet contractual obligations. From the findings all the respondents indicated that there were enforceable penalties for failure to meet contractual obligations. The researcher wanted to find out how effective the penalties were. It was found out that most of the respondents 39% stated that the penalties enforceable were effective, 39% of the respondents stated that the penalties were very effective while 23% of the respondents stated that the penalties were moderately effective for failure to meet contractual obligations.

4.3.3 Challenges faced by PPPs

The researcher wanted to find out the main challenges faced in the implementation of the projects. A majority of the respondents stated timely decision making as the main challenge faced in implementation. Maintaining control and transparency throughout the implementation was considered a challenge by 54% of the respondents. 36% of the respondents specified political influence as a major challenge in the implementation process and 45% stated that multi-stakeholder expectations posed a challenge. .

Another challenge that featured prominently was the inability to accurately measure the cost-benefit of the PPPs. 42% of the respondents included it as a challenge faced in the implementation. 35% of the respondents stated that difficulty in defining performance output was a challenge they faced while the project lifespan featured as a challenge for 32% of the respondents. Communication between the parties also posed a challenge for 29% of the respondents.

4.3 Discussion of Findings

From the findings, the researcher was convinced that public agencies have clearly defined approaches with which they implement their partnerships with private companies. The researcher found that at every step of the project implementation, there were defined criteria or steps which were geared toward ensuring success of PPPs.

Prior to the commencement of a project, there were criteria that were used to select and approve projects that would be implemented under a PPP agreement. This forms a part of the strategic implementation process. Further, the public agencies also have defined criteria used to select their partners from the private sector. This is an indication of a well thought out structure of strategy from the start of the PPP process.

As the project progresses, the researcher found out that there are set performance requirements that should be met and set performance evaluation system that a majority of the respondents considered effective. These methods include both financial and non-financial measures. There are also set parties that are responsible for technical regulation of the projects and that are assigned to the measurement of performance. The public agencies are also concerned with the end product of the PPPs and the extent to which they have achieved the goals as seen from the fact that they perform customer satisfaction survey. In addition to this, there exist enforceable penalties in case of failure of the private partner to meet contractual obligations. The researcher considered this an approach to strategy implementation.

The findings of this study support the observations of Harris and Vellutinii (2012) and Alrodi et al (2013) who suggested that implementation of PPPs should start at the development stage of the project and continued throughout the project's lifecycle. It also in line with the suggestion by Farquharson et al (2011) that policy, legal and regulatory frameworks are the foundation to the success of PPPs.

The study also concurred with O'Connell and Steinberg (2011) who identified timely decision making and maintaining control of the PPP as common challenges to implementation as was identified by the study. Timely decision making is also a major hindrance in the implementation, perhaps due to the multi-stakeholder expectations in the project. There is more than one stakeholder involved in the decision making process, thereby making it a complex process. The agencies face numerous challenges of control and political influence in managing the PPPs.

The findings of the study are in line with agency theory whereby the private companies act as agents of the Kenyan government in advancing its objectives. They also support criticisms by Laffont and Mattifford (2002) who stated that the theory only describes the relationship between agent and principal but does not describe how the relationship can be effectively managed. The principal has the responsibility of formulating management plans and processes of the relationship, as was seen in the study.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings, conclusions drawn from the findings and recommendations made. This chapter summarizes the findings of the study in relation to the study objective which was to establish the strategic implementation process of Private Partnerships in the Public Sector. The conclusion forms the basis on which recommendations are made. The chapter also highlights the limitations of the study and presents suggestions for further research.

5.2 Summary of Findings

It was evident from the study that the public agencies have clear defined approaches with which they implement their partnerships with private companies. The researcher found that at every step of the project implementation, there were defined criteria or steps which were geared toward ensuring success of PPPs. The findings suggest that prior to the commencement of a project to the project completion, the government and its agencies have a plan for the implementation to ensure that the set targets are met.

The findings indicate that majority of the partnerships had clearly defined performance requirements with all the relevant parties knowing what performance requirements were expected from them before the commencement of the projects. From the findings most of the respondents felt that the effectiveness and transparency of their performance monitoring was very good, some other respondents felt that the effectiveness and transparency of their performance was good, moderate as well as fair.

This is in line with Alrodi *et al* (2013) who postulated that The best practices for the public sector apply to every stage in the formation and implementation of a PPP, from selecting and designing the project, to developing a regulatory structure and a transaction process, to supervising the concessionaire (the private company entitled to temporarily own and operate the asset) throughout the project's life cycle. They have provided a framework for best practices for the public sector for the public sector throughout project lifecycles. They include: creating a comprehensive and prioritized infrastructure-investment plan; identifying projects that are well-suited for a PPP; developing a sound business plan and technical specifications; design a sound regulatory scheme and PPP contract; selecting the right private-sector partners; track the performance of all projects; establish rigorous program management; communicate with the public early and often; ensure the necessary public- and private-sector skills(Airoldi, Chua, Gerbert, Justus, and Rilo, 2013).

5.3 Conclusion

The objective of the research was to determine the strategic implementation process of Public Private Partnerships by the Public Sector. From the findings, the researcher can conclude that the Kenyan Government has set a clear framework for the implementation of Public Private Partnerships. They public sector has incorporated some of the best practices, according to Alrodi *et al*(2013) into their strategy implementation process.

They have a comprehensive and prioritized infrastructure investment plan; have systems for selection of projects well suited for PPPs; they have set technical specifications for the implementation of the projects; there exists a PPP regulatory scheme; there are criteria for selecting the right private partners; and performance of the projects are regularly tracked.

Based on the feedback from respondents, political influence is a great challenge in the implementation of PPPs. This further complicates the challenge of maintaining transparency throughout the implementation process; maintaining control of the whole process and multi-stakeholder expectations which leads to slow decision making with regards to PPP matters.

5.4 Recommendations

Based on the feedback, the researcher would recommend that the implementation process be completely detached from politics of the country. Decisions regarding PPPs should be purely based on the objectives of the PPP and should not be affected by politics. Further, the PPP secretariat should be given a greater mandate in managing ongoing PPPs.

The researcher would also recommend that the public agencies adopt an iterative approach in the implementation of PPPs as suggested by Harris and Vellutini (2012). This involves progressively more rigorous screening at successive stages of project development. The idea is that projects must seem likely to be suitable for development as a PPP before any public money is spent on them. Then, the processes of preparation is broken into successively more intensive and expensive phases, with a check before each phase that it seems likely that the project will continue to meet the criteria required for all successful PPPs

5.5 Limitations of the Study

Due to constraints of time, the study was limited to PPPs based in Nairobi and its environs and neglected responses from other PPPs based in other parts of the country, which could have enriched the study. This introduced a bias and findings may not necessarily represent all the PPPs in the country.

Secondly, the projects studied were still ongoing as there are very few completed projects. It would therefore be difficult to state with certainty that the implementation of PPPs by the public sector is effective and produces the desired results.

5.6 Suggestions for Further Research

The researcher recommends that more studies be done on the implementation of PPPs within the other parts of the country to enable generalization of results. This would enable the review of current strategies for a clearer picture of the state of PPPs in the country.

Secondly, the researcher recommends that a similar study be done from the perspective of the private companies participating in PPPs. This would bring a different view on the implementation of PPPs, which would be better for formulation of future policy, as PPPs are multi-stakeholder initiatives.

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APPENDICES

Appendix 1: Questionnaire

Instructions

This questionnaire is designed to collect data that will help in better understanding in the Implementation process in Public Private Partnerships in Kenya.

The data provided by this questionnaire will be treated in strict confidence.

1. Name of organization/project name

………………………………………………………………………………….

2. In what type of Public-Private Partnerships does the agency/ministry participate?

   Design/Build/Finance □

   Design/Build/Operate/Maintain □

   Design/Build/Finance/Operate/Maintain □

   Concession Contracts □

2. What level of importance is assigned to the following criteria when selecting a private company to partner with?

Factors	**Not important**	**Of Little Importance**	**Neutral**	**Important**	**Extremely Important**
Company history					
Organization Culture					
Resources available to the company					
Leadership in the company					
Previous participation in PPPs					

Other criteria (Please specify)

____
____
____
____
____

3. What criteria are used when selecting a project for PPP?

Factors	**Not important**	**Of Little Importance**	**Neutral**	**Important**	**Extremely Important**
Project Risk					
Amount of funds available					
Project Social Benefit					
Project Cost					
Expertise available for the project					

4. At what stage of the project is the Private Partner selected?

□Initiation phase

□Definition phase

□Design phase

□Development phase

□Implementation phase

5. How frequently does the private partner make decisions regarding the project?

□Never □Rarely □Occasionally

□Frequently □Always

6. Do you have defined performance requirements established before project commencement?

□Yes □No

If yes above, how would you rate them?

□Very Good □Good □Moderate

□Fair □Poor

7. How often does the agency/ministry review performance in relation to strategy in the PPP?

□Never

□Rarely

□Occasionally

□Sometimes

□Frequently

8. Do you consider that the organization has a sound and transparent performance evaluation system based on scientific/technological and industrial relevance?

□Strongly Agree

□Agree

□Neutral

□Disagree

□Strongly Disagree

9. In your view, what are the main obstacles to measuring performance?

□Difficulty in defining Performance Output

□Multi Stakeholder expectations

□ Project Lifespan

□ Inability to measure total cost/benefits of projects

□ Political Influence

□ Communication

□ Any other

…………………………………………………………………………………………

…………………………………………………………………………………………

10. How frequently do you review of the initial plan?

□Very frequently □ Frequently □ Moderate

□Less frequent □Least frequent

11. To what extent are you using financial measures to assess your performance?

□Very large extent □Large extent □Moderately used

□Low extent □Not used at all

12. To what extent are you using non-financial measures in your organization?

□Very large extent □Large extent □Moderately used

□Low extent □Not used at all

13. Who is responsible for the measuring and evaluation of performance information?

□Contracting Government Agency

□Private Partner

□PPP Secretariat – Central Government Representative

□Any other

____
____
____
____

14. Who is responsible for the technical regulation of project requirements?

□Contracting Government Agency

□Private Partner

□PPP Secretariat – Central Government Representative

□Any other

____
____
____
____

15. What is the strategy for developing effective, efficient output and outcome measure in the collaborative process?

…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………
……………………………………………………………………………

16. Do you carry out customer/stakeholder satisfaction survey?

Yes ( ) No ( )

If so, how frequently are stakeholder satisfaction surveys carried out?

□Very frequently □ Frequently □ Moderately frequent

□Less frequent □Never

17. Are there any enforceable penalties for failure to meet contractual obligations?

□ Yes □ No

If so, how effective do you consider the penalties are?

□Extremely effective □ Effective

□Moderately effective □ Not effective at all

18. What are the main challenges faced in the implementation of projects?

□Timely decision making and decisions

□Maintaining transparency through the PPP procurement process;

□Maintaining control while getting the most from PPP project delivery;

□Making the right risk allocation decisions that provide the most cost effective project solutions

Other (please specify)
…………………………………………………………………………………………
…………………………………………………………………………………………
………………………………………………………………………………………….

Appendix 2: List of Ongoing Projects under PPPs as at May, 2014

Project Name	Contracting Authority
1. 2nd Nyali Bridge	Kenya Urban Roads Authority (KURA)
2. Operation & Maintenance of Nairobi Southern Bypass	Kenya National Highways Authority (KeNHA)
3. Operation & Maintenance of Nairobi – Thika Road	Kenya National Highways Authority (KeNHA)
4. Dualling of Nairobi – Nakuru Road	Kenya National Highways Authority
5. Dualling of Mombasa – Nairobi Highway	Kenya National Highways Authority
6. Operation & Maintenance of JKIA Terminal 2 (Greenfield)	Kenya Airports Authority (KAA)
7. Development and Management of Inflight Catering Kitchen at JKIA	Kenya Airports Authority (KAA)
8. PPP Structure for Food Courts at JKIA	Kenya Airports Authority (KAA)
9. Government Flying School	Kenya Civil Aviation Authority (KCAA)
10. Mombasa 2ndContainer Terminal Phase 2&3	Kenya Ports Authority (KPA)
11. Conversion of Berth 11 - 14 into Container terminals	Kenya Ports Authority (KPA)
12. Kisumu Sea Port	Kenya Ports Authority (KPA)
13. Lamu Port Development Project	Kenya Ports Authority (KPA)
14. Multi Storey Terminal at Likoni	Kenya Ferry Services Limited (KFSL)
15. Integrated Marine Transport System	Kenya Ferry Services Limited (KFSL)

	(IMTS)	
16.	Nairobi Commuter Rail Services	Kenya Railways Corporation (KRC)
17.	Multi-level Car park Facility in Mombasa	Mombasa County
18.	Implementation of 400MW Menengai Phase I Geothermal Dev. Project	Geothermal Development Co. (GDC)
19.	Implementation of 800MW Menengai Phase 2 Geothermal Dev. Project	Geothermal Development Co. (GDC)
20.	Implementation of 800MW Bogoria-Silali Phase 1 GDC	Geothermal Development Co. (GDC)
21.	800MW Liquefied Natural Gas Power Plant at Dongo Kundu	Ministry of Energy and Petroleum
22.	560MW Geothermal Project Pipeline at the Olkaria Field	Kenya Electricity Generating Company (KenGen)
23.	980MW Coal Plant in Lamu	Ministry of Energy and Petroleum
24.	300MW Geothermal Plant at Suswa	Geothermal Development Company (GDC)
25.	Off Shore Jetty	National Oil Corporation of Kenya
26.	Nairobi Solid Waste Management	Nairobi County Government
27.	Mombasa Solid Waste Management	Mombasa County Government
28.	Nakuru Solid Waste Management	Nakuru County Government
29.	Nairobi Bulk Water Supply	Athi Water Services Board (AWSB)

30. Mwache Multipurpose Dam	Coast Development Authority
31. Turkwel Downstream Irrigation	Kerio Valley Development Authority (KVDA)
32. Arror Multipurpose Dam	Kerio Valley Development Authority
33. Munyu Multipurpose and Greater Kibwezi irrigation	Tana & Athi Water Rivers Development Authority
34. Tana Delta Irrigation	Tana & Athi Water Rivers Development Authority
35. Tana Delta irrigation sugar Project	Tana & Athi Water Rivers Development Authority
36. Nandi Forest Multipurpose Dam	Lake Basin Development Authority
37. Magwagwa Multipurpose dam	Lake Basin Development Authority
38. Kenyatta University Students Hostels	Kenyatta University
39. Moi University Students Hostels	Moi University
40. Embu University College Student Accommodation Hostels	Embu University College
41. Maseno University Student Accommodation Hostels	Maseno University
42. Egerton University Student Accommodation Hostels	Egerton University
43. SEKU Student Accommodation Hostels	SEKU
44. Kenya School of Government - Embu	Kenya School of Government - Embu
45. Jomo Kenyatta University of Agriculture and Technology (JKUAT) Projects	JKUAT

46. Civil Servants Housing Project	Ministry of Land, Housing and Urban Development
47. Mombasa International Convention Centre (MICC)	Kenya Tourist Development Corporation (KTDC)
48. Development of Marina in Shimoni	Kenya Tourist Development Corporation (KTDC)
49. First Class Hotel at Bomas of Kenya	Kenya Tourist Development Corporation (KTDC)
50. National Data Centre	Ministry of ICT
51. National Land Information Management and National Spatial Data Base	Kenya ICT Authority
52. Equipment Lease and Infrastructure Improvement	Ministry of Health
53. 300-Bed Hospital at KNH - Private Wing	Kenyatta National Hospital (KNH)
54. ICT Services at Kenyatta National Hospital (KNH)	Ministry of Health
55. Oxygen Plant	Ministry of Health
56. National Police Housing	Ministry of Interior and Coordination of National Government
57. Prison Housing	Ministry of Interior and Coordination of National Government
58. Special Economic Zone (SEZ)	Ministry of Industrialization and Enterprise Development

(*Source: Public Private Partnership (PPP) Programme Report, May 2014*)

Appendix 3: Introduction Letter

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

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P.O. Box 30197
Nairobi, Kenya

DATE 09/09/2014

TO WHOM IT MAY CONCERN

The bearer of this letter JOCELYN ATIENO OBALLA

Registration No. D61/72621/2012

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS

09 SEP 2014