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Local Government: Practices and Lessons for Delivering Services Through Public Private Partnerships

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Abstract: Governments across the world have given local authorities more freedom and power to meet the needs of their citizens and communities. Establishing local authorities has been in line with the quest for self-governance in matters that affect their local aspirations. Existing studies acknowledged that while decentralisation has increased urbanization and a sense of fulfilment of local community aspirations, it has plunged local administrations in a state of administrative grief caused by resource constraints to meet needs of the rising populations and local communities. To salvage constraints, public private partnerships (PPPs) have been adopted as a rescue option. Little is known on the applicability of PPPs in local governments in developing economies. The aim of the study was to explore practices associated with PPP application in local government setup. Based on an exploratory review of literature, the study provides guidance on the use and context of the application of PPPs in local government. The outcome of the study is important since the administrative grief is enlarging due to COVID-19 effects, yet the bulk of citizens continue to put pressure on local authorities to deliver service amidst financial constraints.

Keywords: COVID-19, Local government, Public private partnerships, Sub-saharan Africa

1. Introduction

Public administration has manifested several reforms of the last decades. In local government, decentralisation has been the most popular reform (Marshall, 2008; Wollmann, 2016). The reform ushered in multi layers of government in developed and developing countries. The devolution of such a nature of governance has been escalated by the increasing interest to implement local economic development (LED), and decentralisation policies which have been quite popular in Sub Saharan Africa (Tobi & Oikhala, 2021; Resnick, 2021b).

A large body of literature suggests that LED and Decentralisation concepts have become popular in the last 50 years. The concept of local economic development (LED) refers to improvement of the material well-being of persons, the distribution of wealth and participation of citizens in their immediate local economy. According to Kindleberger and Herrick (1977), the aim of LED is to enable citizens to make decisions that define their development journey and benefit from their local economy. A range of factors have motivated local governments to engage in local economic development. According to Peterson (1981), the motivation has largely been fiscal and economic problems that arise due to mobility of capital across boundaries of local government from local government to cities or across geographies other than investment of wealth where it was made to benefit the local community (Peterson, 1981).

By implication, it is revealed that the tax benefit that is derived from a prosperous local economy is a primary motivator of the move by local governments to promote LED policies and strategies. In other studies, Blair, Fitchenbaum and Swaney (1984), posit that locally developed places provide current and future jobs for their residents. Another policy has been decentralisation. According to Smoke (1987), decentralisation like privatization has been adopted in Africa due to pressure from the international development community. As a policy, decentralisation seeks to limit the role of central government in the affairs of devolved administrative units. In essence, decentralisation seeks to assign powers and resources to autonomous local governments and enable responsive governance through elected councils and other accountability mechanisms, and adequate capacity of local governments to meet their responsibilities (Smoke,1987:9). To deliver decentralisation, three forms have remained popular: financial, institutional and political decentralisation.

2. Literature Review

2.1 Financial Decentralisation Relates with the Ability to Collect, Use, Manage and Account for Local Revenues

Political decentralisation is credited for having been one of the key notable reforms. With this form of decentralisation, political processes are organized to enable the selection of local leaders at subnational governments that approve and oversee plans that technocrat execute in delivering services to the local people in the administrative units. Institutional decentralisation refers "to the administrative bodies, systems and mechanisms, both local and intergovernmental, which help to manage and support decentralisation. It also includes mechanisms that link formal government bodies to other key local actors - traditional local authorities, non-governmental organisations and private sector partners..." (Smoke, 1987:10). The objective of decentralisation has largely been the need to improve efficiency, equity, governance, improve development and eradicate poverty (Smoke, 1987).

As a key character of decentralisation, local governments are expected to provide infrastructure that is necessary to support it. In addition, LGs provide a menu of services including water, primary and secondary education, bus and other public transportation services, fire management services, garbage collection and treatment, parks, enforcement, social assistance, and probation services. Much public infrastructure is old and needs to be replaced (Boardman & Moore, 2020:61). While in other spaces, the bulk of the infrastructure needs to be extended for the wider population of citizens. The cost of providing new or refurbished infrastructure continues to increase and, at the same time, many voters continue to oppose license fee and tax increases. Central cash transfers to local governments continue to reduce as populations served by local governments increase.

Notwithstanding in some countries like Uganda, the reduction of central transfers and bans on collection of local revenue has caused enormous stress on service delivery. While other LGs are affected, municipalities and cities are hit hard as their population densities and demands for service delivery tend to be higher than in other LGs' contexts (World Bank, 2018). According to Yang & Liu (2020:17), the COVID-19 pandemic is likely to increase the gap between "the real expenditure and demand of local governments, and the relatively limited financing channels will continue to exist and may expand". Accordingly, this is likely to escalate the adoption of hybrid financing mechanisms such PPPs by governments in service delivery. While Public Private Partnerships (PPPs) have been adopted in some countries, PPPs are considered to be a new norm that is attracting iconic status in service delivery (OECD, 2014:18-19). Over the years, governments have set out to improve public service efficiency and effectiveness through use of PPPs (Hood & McGarvey, 2002). Public Private Partnerships (PPPs) in local government are long-term agreements between a local authority and a private partner that are entered into, with the objective of assuring the financing, construction, renovation and operation of a local public infrastructure or service.

PPPs connect the public and private sectors. While Fitzgerald (2004a, 2007b) argues that a balanced discussion on PPPs exists in rarity, some uniformity is emerging. PPPs have been majorly implemented in the developed world, where their origin is traceable (Ball, Heafey & King, 2007). PPPs are financed by a combination of user fees and government transfers, for instance where the stake owns equity in a special purpose vehicle (SPV) or situation where government comes in to provide pay when demand risk sets in. While PPPs have been adopted in the developed world and concentrated in the central government service delivery context, the appreciation of value and adoption of PPPs has spread to the developing world and is no longer a neighbor but part of the family of national policy and service delivery options.

3. Theoretical Lens

The investigation is underpinned by the theory of decentralisation. According to Tiebout (1961) and Mudyarabikwa & Regmi (2014), decentralisation depicts the act of the transfer of power to make choices at a level where the masses to be affected by decisions reside. In fact, it is noted that sustainable decentralisation takes three forms, namely political, administrative and fiscal (Conyers, 1984; Prud'Homme, 1995). In line with the decentralisation theory, governments worldwide have largely transferred the power to make choices of citizens at LGs. Jütting, Kauffmann, McDonnell, Osterrieder, Pinaud & Wegner (2004) argue that decentralisation can improve the efficiency of service delivery. Arguably, this is because of the benefits attached to decentralisation arising from the ability of citizens to make decisions that determine the path to how they are governed and prosper (Tiebout, 1961). While it was assumed that LGs would become fiscally independent due to fiscal decentralisation, this has not happened despite reducing central transfers to local government.

For instance, Martinez-Vazquez (2011) reveals that while governments score highly on political and administrative decentralisation efforts, they score low on fiscal decentralisation which puts local administrative units and subnational government danger in serving citizens at the grassroots. Countries in conflict and post conflict nature have had more trouble with fiscal decentralisation ills (Jibao & Prichard, 2016). This explains why it was predicted by earlier studies; for instance, Rothenberg (1970) predicted that if decentralisation is not implemented in full, then subnational governments are likely to encounter distress. This prediction is confirmed by Shah (2004) who argues that while governments have sought to fully decentralize, they have largely retained fiscal decentralisation (Muluk, 2021) and where attempts have been made to provide for fiscal decentralisation, sabotage from the Executive arm of government has frustrated efforts of decentralisation (Reinikka & Svensson, 2004). This has resulted in service delivery deficiency and in some cases negatively affecting the utility of service provision. While calls for the government to extend fiscal decentralisation have become popular, there has been limited attempt to deliver this form of decentralisation. In this nexus, public private partnerships (PPPs) are being adopted to close the gap in service delivery at local government level. While this has been achieved across the world, most local governments in Sub-Saharan Africa have not adopted PPPs. Some of the reasons for this trend has been the lack of competence to design, attract and execute PPPs. This paper therefore seeks to provide lessons for implementing PPPs at local government level. To achieve this purpose, the paper is guided by the following research questions, namely; How can PPPs be implemented at local government? What are the benefits of PPPs at local government? and What are the challenges faced by PPPs in the local government context? In the proceeding section, the approach and methods used to answer the research questions are provided.

4. Methods and Methodology

This study adopted an exploratory design where case study methodology is adopted. The boundaries of the study are limited case studies that reside with information on the applicability of PPPs in a local government context. This approach adopted in this investigation is justified by Seawright & Gerring (2008) who argue that by limiting boundaries for instance to case studies, in-depth information rather than providing a representation of a bigger population can be more important. Flyvbjerg (2006c) argues that "case study research which is geared primarily to hermeneutic problems may be of generalised importance in so far as it serves to elucidate the nature of agents' knowledgeability, and thereby their reasons for action, across a wide range of action-contexts." This relates to the *principle of transferability in research*, where research findings of a particular qualitative case study might be theoretically and analytically generalised or transferred to other similar cases or contexts outside the study (Rule & John, 2011; Maree, 2012). Thus, the key issues identified from the comparative analyses of selected PPP case studies provide insights into the understanding of what other local governments with similar contexts should consider in the attempt to adopt public private partnerships in their service delivery models. Scholarly materials and documents were reviewed. The team used Google Scholar, EBSCO Host and Science Direct search engines. Abstracts that contained relevant data were reviewed before the full reads of papers that were selected to retrieve information.

5. Results and Discussion

5.1 Application of PPPs in Local Government

This section provides a comparative analysis of purposefully selected PPP projects from different sectors of local governments at global level. One emerging factor from the case studies discussed below indicates that the PPP projects implemented arose from inadequate funds and capacity by local governments and towns to sustainably provide the basic needs for welfare improvement of the populace. Based on the analysis of case studies summarised, it can be deduced that Local Government has potential to raise revenue than existing revenue collections. It is also revealed that one of the assets that can be exploited to raise local revenue and increase opportunities for residents in a local government setting is land. Despite the opportunity that land possesses, this invaluable asset usually remains idle when local governments do not exploit the use of PPPs as one of the fourth industrial revolution (4IR) strategic reforms.

5.1.1 Case Study 1: Redevelopment of Kuantan Market Area in Malaysia through PPP

Kuatan is a town located in the Eastern part of Malaysia. The Kuatan City administration wanted to improve the economic attractiveness of Kuatan, a remote town. The council did not have funds to develop land on which market area was to be. Under PPP, the city authority had land that it sought to develop but faced financial constraints. It is argued that consistent with the city's development path, the city developed a PPP project, code named Kuantan Central Market.

The Malaysian experience indicates that PPPs in land can take the form of lease, develop, own, operate, and transfer (LDOOT). The case study further points to the opportunity of securing PPP investors from the locality where the PPP project is conceptualized and is to be implemented. This is likely to reduce the time lag of sourcing for investors and associated financial closure as businessmen in the local PPP geography are likely to be in possession of funds necessary for the investment. In the case study, the private party was sourced from the same city. The analysis reveals that PPP projects can support local governments securing additional revenue from PPP. In the case study, it is noted that the PPP implemented at Kuantan was able to contribute up to RM2.5 million that represents 2.7% of 92 million total city revenue collected in 2008. This finding supports the views of other existing studies (Forrer et al., 2010; Twinomuhwezi, 2018), that PPPs are pragmatic measures for attracting special technical expertise, funding, and innovations by the government from the potential private sector partners in order to address complex public sector problems.

According to Singaravelloo (2017), Kuatan city experienced problems ranging from low economic attractiveness, absence of attractive shopping centres and the inability of the city to develop the area in order to make it attractive for dwellers. By adopting a Lease, Build, Operate and Transfer PPP for a tenure of 15 years, Kuantan was to attract developments that have attracted secondary developments, taxes and revenue for supporting operations of the city administration from both the PPP investor and tenants of the facilities that were built by the developer. However, it can be noted that while PPPs can be used for redevelopment of markets, user fees may be a sensitive area and require both regulation and stakeholder engagement (see case study 2). It is also revealed that land held in trust of local authorities is one of the assets that can be exploited to raise local revenue and increase opportunities for residents in a local government setting. Despite the opportunity that land possesses, this invaluable asset usually remains idle when local governments do not exploit the use of PPPs as one of the fourth industrial revolution (4IR) strategic reforms.

5.1.2 Case Study 2: Batu Pahat Public Transport PPP in Malaysia

Located in Malaysia, Batu Pahat city is identified as part of the local authorities that have adopted PPPs in service delivery. The authority's objectives were to redevelop existing facilities; provide public transportation; encourage better economic activities around and within the local area; move hawkers in an organised place to avoid obstructing traffic and to improve hygiene of the bus park. While the local government administration wanted to develop the parks, they were limited with funding. Existing studies have further acknowledged funding as one of the most bothersome problems that local governments face in implementing their administrative career of delivering service to their local communities. While federal loans have been adopted in some countries like Malaysia (Singaravelloo, 2017), rising administrative units tend to restrain the volume of loans that can be accessed by local authorities.

Worse still, commercial loans at local government level were discouraged while federal loans were not sufficient to achieve the objectives of developing the parks. A decision was made by the local authority to use a PPP approach to develop and expand the parks. A Lease Develop Operate Transfer was adopted. The nature of risk transferred to the private party was majorly change of user fees and delayed payments by tenants coupled with financing, construction and operational risk. The scope of the project included; design and redevelop a

15 storeyed complex with bus bays, food stalls, taxi stands, public parking spaces and offices. The private investor was given 60 years to recoup investment. On the other hand, the role of the local authority was to provide and lease, approve design and develop policy on the use of the complex by taxi, bus operators and hawkers. Both parties secured benefits. The local authority was able to secure a quick source of finance to redevelop the complex, attracted revenue through a revenue sharing model, improved organisation of stakeholders in the market and expanded services for visitors to the complex. It has been argued that there resulted improvements in traffic flows and better organisation of markets for hawkers. Henderson, Yun, Poon & Biwei (2012) have argued that organising hawkers provides benefits. For instance, it has been argued that hawker centres can act as tourism centres (Henderson et al., 2012). Motala (2008) has also asserted that by organising hawkers it may result in organising their capabilities as they create a greater chance for organised groups to access state and grant support from a wide range of stakeholders.

5.1.3 Case Study 3: Busembatia Water PPP in Busembatia Town Council, Uganda

According to the World Bank (2014), Brouwer (2014) and Rice (2015), a water PPP in Busembatia town council was implemented in Eastern Uganda. The water PPP was implemented in line with priorities of the Government of Uganda that aims at improving access and use of safe water and sanitation facilities. It is argued that since water access has to a great extent decentralised, Busembatia Town Council must provide water to its dwellers. According to the World Bank (2014), the government of Uganda under the Busembatia town council awarded a 5-year performance-based contract to Trandint Limited that provided a bid price of USD$270,000. The concession involved new connections, reducing water losses and quality. The concessionaire was able to increase 24-hour water service access at the same water tariffs, and 430 new concessions the 1st year of concession. It is also revealed that the commercial banks were not financing such models but with the Busembatia PPP, a local bank, DFCU was able to lend USD$100,000 to the concessionaire due to the risk sharing model developed by IFC as the transaction adviser. The trend of private sector involvement both at central and local government level has evolved with the BOTs attracting more private sector spend as green field (lease arrangements) attracting less spend.

5.1.4 Case Study 4: Integrated Solid Waste Management Project (Alandur, Pallavaram and Tambaram Municipalities, Tamil Nadu)

In India there is an increased demand for water services. Through a competitive procurement process, private investors were invited to operate and maintain existing waste management facilities for a tenure of 10 years. In addition, package 2 that involved a Build Operate Transfer (BOT) concession was offered at a tenure of 25 years. The private operators were allowed to charge locals a user fee that incorporated at 3% increase due to inflation. Surplus revenue from the sale of water was to be shared between the private party and local authorities at a ratio of 70:30. Both expenditures rise due to power and rehabilitation of the water system was to be shared by both the private and local authorities. The employee costs arising due to the PPP transition arrangement were to be borne by the private party. The fees provided by parties were discounted by 12%. The bidder with the highest net present value was awarded the concession. The benefits that are expected at the end of the concession are new expanded infrastructure without investment such as reservoirs, developed water distribution network cost savings on both operating and capital expenditure.

6. Implications of PPPs Applicability in Local Government

The case-study analysis demonstrates that the PPPs are applicable to local government context.

6.1 Types and Applicability of PPPs in Local Government

By exploring the working of PPPs, this study identified Lease, Develop, Operate and Transfer, and management concessions (rehabilitate, operate and maintain) as popular PPP types implemented in the local government context. Although these models are popular, this study concludes that the choice of whether PPP is a green field or brown field will usually determine the PPP type. In essence, this study finds that where green field projects are to be implemented, PPPs will usually take the form of Build Operate and Transfer (BOT). On the other hand, if the PPP type are brownfield, the form of partnerships will usually take the form of a management concession to rehabilitate, operate and maintain (ROM) or lease, operate, and maintain (LOM) or lease, design and redevelop, operate, maintain and transfer (LDROMT). The study also points to the fact that where the local government has the land, LDROMT has been implemented and created value for both the local government administration and dwellers. Drawing from existing works, it was also concluded that sectors that have attracted and are likely to continue attracting PPPs in local government are water, waste management, land, environment, accommodation, education, transport and tourism. Notwithstanding, other sectors like energy especially the off-grid solutions are likely to attract PPP investment.

7. Benefits of PPPs In Local Government

The study observes that PPPs at local government level are quite beneficial in-service agenda. The analysis indicates that PPPs can assist Local Governments to install new or refurbish infrastructural assets that can consequently motivate new development in areas that were traditionally remote. By attracting new infrastructural development, PPPs can attract new businesses, access to services that may not have been traditionally available. Reflections on the Kuantan Market development case study show that by developing the market and construction of market complex, competition increased, new investors to rent the complex were attracted and services brought closer to the citizens.

Yang & Quin (2017) asserts that PPPs in China have been adopted to reduce the huge debt stock held by local governments. By engaging PPPs in service delivery at local government level, exposure to debt risk can be reduced and as a consequence it has been argued that Western countries and China have and continue to adopt PPPs as an alternative route in service delivery at local government level (Yang et al., 2017). Martimort & Pouyet (2008), Maskin & Tirole (2008) argue that the adoption of PPPs in service delivery provides a new mechanism for funding critical infrastructure that provides relief for already stressed budgets and limited local revenue funding sources. PPPs can provide benefits in improving service delivery in the local government context. In the case studies from Malaysia, PPPs in markets and transport provided revenue with one PPP contributing to 2.7% of annual revenue collections. PPPs can help local government administration to spur development in areas where development lagged. And in some cases it can promote local economic development as technology delivered by the private party may provide competition and demonstration effects that may motivate local developers to improve their customer offering in avoidance of a potential loss of customers.

In the water sector PPP in Busembatia, Uganda, it is revealed that PPPs in local government administration usually do not provide only direct but also provide powerful indirect benefits. For instance, it was revealed that communities were able to start other income generating projects like poultry that were hardly possible with lack of sustainable water supply sources. Children were able to bathe before going to school thereby improving the hygiene and sanitation of pupils in the area (IFC, 2013). PPP investments at local government can provide employment opportunities. They provide direct jobs to persons employed in managing operations of the concession, while services offered such as parks and markets provide working space for other investments by locals, creating indirect opportunities. By providing employment, PPPs enable local governments to reduce unemployment challenges which consequently can result in reduction of crime rate, and improve livelihoods of citizens in the local government context.

Access to private capital (Liu & Wilkinson, 2014) is another benefit of PPPs. It has been argued that local governments have great plans but usually lack the finance to implement such plans. In the developed world, municipality bonds have cushioned limits of cash transfers. But in the developing world such as sub-Saharan Africa, capital markets have not yet matured to accommodate municipality bonds as a medium and long-term source of capital budget financing for LGs. For instance, in the case of Kuantan the private party was able to provide capital injection of RM15 million. This acted as a strategy to improve local economic development at local government. It also provides new opportunities in terms of small medium enterprise (SME) to expand at local government. This helps the local authorities to work hand in hand with local and international investors.

Consistent with this view is that PPPs at local government level stimulate public investment. According to Resnick (2017a), such public investments stimulate growth of rural towns that in turn can increase demand for agricultural products produced in surrounding rural areas, thus increasing rural incomes. Based on the comparative analysis, insights show that successful PPPs not only deliver intended outcomes but may deliver additional positive impact. For instance, in the Busembatia water PPP in Uganda, the water PPP that was aimed at delivering water quality and access, provided water that became an input for poultry farming, reduced school absenteeism as water was available for pupils who were traditionally chased from school for not bathing. By staying in school without interruptions, school outcomes such as pass grades are argued to have improved (IFC, 2015).

8. Challenges Faced by PPPs in Local Government

Despite the benefits that PPPs deliver at local government level, they are prone to challenges. While existing literature identifies both user and government pay models in PPP concessions and operationalization, this study found that the user fee pay model is more appropriate for the local government context. According to Shang & Aziz (2020), user fees are demand based. Under the user fee payment mechanism, the user of the service pays for it directly. On the other hand, government pay models are where a government or public entity pays for the service produced by the private party and assumes citizens as users. The key performance criteria for the public party are ensuring that the service contracted for is available for use according to agreed prescribed times (Shang et al., 2020; Jin, Zhang & Song, 2020).

Since local governments are faced with financial constraints unlike Ministries, Departments and Agencies (MDAs), they are also unlikely to possess capacity to pay for services enjoyed by citizens and dwellers. The study notes that attempt to increase user fees are likely to result in resistance. However, this can be managed through negotiations and stakeholder engagement where the citizens of the local community are a key stakeholder. Where user fees are unaffordable in the short term, the local authority should explore options to provide subsidies in the user fees paid to access and consume service. The analysis of the study also points to the view that external shocks such as economic recessions may negatively impact on the PPP concession. Revenue may fall below forecasted, and inability to pay user fees or delays in payments due to effects of a bad economy. In such cases there would be a need for renegotiations. For instance, in Malaysia's Kuantan complex, the inventor negotiated with the authority to take up space and renegotiations of rate to make them affordable in the prevailing market conditions. While this can be done, it may impact on the return on investment and concession period. As an incentive, the authority should trade off extension of the concession period with the reduction of fees for users. Such practices have for instance, been implemented in Uganda's Bujagali HPP where tariffs were reduced for an extension of Build Own Operate Transfer (BOOT) concession from 30 to 35 years (Nduhura, 2019).

The study further notes that the existing global attack by COVID-19 that has resulted in lockdowns is likely to manifest as a challenge to PPPs both at central and local government. Such lockdowns are aimed at avoiding the spread of COVID-19 that is claiming lives. Lockdown has come with restrictions on mobility that are reducing general aggregate demand for goods and services across the world. This situation exposes PPP concessions to risk of backlogs of arrears, reduced demand and associated demand risk exposing further some concessionaires to the big deep, bankruptcy. Resorting to the win-win negotiations that take into account mutual interests of both the users and private parties can help to keep PPP concessions afloat. While negotiations are key to securing short and medium-term outcomes, consideration of bailouts for PPP concessionaires at central government level cannot be ruled out if concession firms or rather SPVs are to stay competitive as argued.

The study also notes that PPPs knowledge capacity constraints exist at local government level (World Bank, 2016; Twinomuhwezi, 2018). While private developers lack financial capacity, local administrators also lack capacity to identify and design pipeline projects alongside the inability to develop well-structured concessions and negotiations. They can reduce this gap by developing partnerships with strategic partners such as the World Bank and credible transaction advisers. The culture of late payments is common with user pay public sector models. While this is common, it may not be tolerated when the management of the public facility reverts to the private sector. This is at times due to the loan repayment schedules that are fixed and any failure to comply results in fines in form of additional interest that erodes the rate of return for the private party. In the case of the Kuantan market redevelopment area, it has been observed that late payments negatively impacted on operations and maintenance of the facility. In this case the property manager did not pay electricity bills and electricity was cut off by the national electricity supplier, disrupting elevators, lifts and air conditioner services. This resulted in legal suits against the property manager by the council. Notably in their defence, the property manager argued that the failure by tenants to pay their dues in time had frustrated their efforts of maintaining the facility to a level desired by the tenants and council. However, through negotiations, the tenants were able to make payment thus enabling the reconnection of electricity as well as restoration of hygiene. It can also be deduced that each party must meet their obligations if PPPs are to succeed at LG.

Local governments are known to be faced with unpredictable economic conditions (Singaravelloo, 2017). As cited in the case of Buatan, due to economic recessions, some blocks at the local market complex (Singaravelloo, 2017) remained empty hence negatively impacting on return of investment for the private party. This view with the view of Shrestha, Chan, Aibinu, Chen, and Martek (2017) asserts that economic conditions in which PPPs operate are also unpredictable and unstable, and thus make PPPs risky ventures. Other challenges have been cited. For instance, in a review of PPP projects associated within two water supply plants, two sewage treatment plants, two power supply plants, two highway projects, and two bridge projects (Xu, Yeung & Jiang, 2014), it is argued that administration at local government level has been critiqued for giving excessive guarantees.

Existing studies have blamed the uptake and success of PPPs generally on the lack of an enabling legal and regulatory framework (Ndandiko, 2006; Hodge & Greeve, 2007). In Uganda like other sub-Saharan countries Kenya, Tanzania, Rwanda, South Africa, and Botswana, effort has been made to develop and implement policies, laws and regulations to support PPP implementation. In Uganda, the PPP Policy was passed in 2010, the PPP Act came into force in 2015 while regulations were developed in 2018 and presently being implemented. While MDAs continue to submit and implement PPP projects, PPP implementation at local government level is lacking despite the recurring view that PPPs would deliver greater impact at local government due to the masses that such administrations serve. It is further revealed that while local governments are familiar with "the type of guarantees" to provide to the private investor, they are often unsure of the "amount" that should be given as guarantee (Xu et al., 2016). This has resulted in what is termed as "benefiting the private investors" as the government provides them with too many guarantees. By giving excessive guarantees, the private party can become complacent in delivery while expecting high returns from investment due to guaranteed protection of the local government (Wibowo, 2004).

This study also reveals that PPP projects and agreements are commonly characterized by information asymmetry and mistrust, which partners take advantage of to avoid fiscal check-and-balances (Engel, Fischer & Galetovic, 2020) and exploit other stakeholders. The exploitative behavior mainly by the private party is a common transaction vice, which is an outcome of information asymmetry in the PPP implementation processes.

In light of the challenges pointed out, the current study recommends for sensitization and capacity building of local government staff on the working of PPPs. Governments are also advised to adopt win-win mentality in PPP agreements by ensuring clarity and simplicity of terms and conditions contained therein. To enhance sustainability of PPP projects, opportunities for flexibility in their implementation should be provided while insuring them against environmental, economic and political risks and uncertainties for resilience amidst unprecedented shocks like the COVID-19 pandemic, which has taken the world by storm (WHO, 2020). It is also important for local governments to provide and acquire all the necessary support to enhance effectiveness in the implementation of PPP projects or policies. This can be done by attracting political support from the ruling wing; enforcement of action points agreed upon by PPP concessionaires to regulate the performance of projects.

The study findings provide knowledge on PPPs, which is not only vital for better understanding of the working of PPPs in government but also lessons on how administrative grief can be mitigated. The information generated on PPP adoption contributes to the possibility of optimal service delivery at local government where the majority of citizens reside and position their future hopes with optimism. Therefore, this paper contributes to future compendiums of the practice PPPs in local government that are currently lacking in developing countries.

By developing the capacity of local government administrators to understand, design and implement PPPs as a tool to service delivery, public administrators at this critical tier of government can be able to create and maintain infrastructure while delivering efficient and effective public services to the citizens. National, regional, and municipal governments must be aware of the expectations of the society they serve. Public projects (for example, public utilities, roads, and schools) must deliver a service at a certain expected level of quality, but if they involve private investors, they must also meet the expected financial payback from the invested capital.

9. Conclusion and Recommendations

Public private partnerships remain an important alternative public sector delivery option for governments. The study revealed that PPPs have been adopted in local government to spur local economic development and deliver services amidst budgetary deficits that continue to frustrate service delivery. This paper reviewed the adoption of PPPs across local governments and from different countries and sectors. It concludes that PPPs are applicable in markets, waste management, exploitation of idle land, transport and accommodation. Across these sectors, PPPs have delivered benefits such as increased local revenue, created employment, improved quality and attracted, in some instances, reversal of trade from foreign geographies to local geography, thus contributing to local economic development, an anchor for realizing fiscal decentralisation. It was further noted that user pay rather than availability payment models are more popular and successful. Perhaps this could be due to lack of revenue for local government administration to subsidise or make payments for users of services delivered by PPPs. Like any public service delivery intervention, PPPs are faced with challenges in the local government context. Most challenges arise due to lack of citizen engagement and awareness. These challenges can be managed by advocating for the need to involve citizens from the idea generation to implementation and perhaps exit. By involving citizens at the grassroots, PPP can attract commitment to and ownership by the local communities that constitute customers of the services provided by the PPP facility.

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