

OUTCOMES OF PUBLIC-PRIVATE PARTNERSHIP PROJECTS IN THE FEDERAL CAPITAL CITY, ABUJA

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ABSTRACT

This paper examines the outcomes of selected public-private partnership projects in the FCC. The outcomes were assessed based on the objectives of the National Policy on PPP. The paper contributes to the better understanding of the benefits of PPP's that could further strengthen its practice. Projects from two sectors (transport and health) were selected and examined. Purposive sampling method was employed in the selection of respondents; Interviews, Focus Group Discussions and field observations were also used for data collection. From the results a consensus opinion was deduced to establish the level of success each PPP project had attained. The findings reveal the success of the PPP in both the transport and health sectors. Nevertheless, the findings also indicated a high cost of PPP services and products across the sectors assessed. This paper also provides a direction for future research in PPP.

Keywords: Assessment, Outcomes, Public-Private partnership, Abuja FCC.

1.0 Introduction

The increase in the number of partnerships globally is a clear indication that both the public and private sectors appreciate the advantages of working together for mutual gains. Yet, when such partnerships are implemented, the outcomes may not be completely predicted. In Nigeria, the history of the Public-Private Partnership (PPP) is at its infant stage though its application in Europe and the USA has long been in practice, (Ohia 2008). The legal basis for such partnerships in Nigeria is the Infrastructure Concession Regulatory Commission (Establishment) Act of 2005. The Act provides for the participation of

the private sector in the financing, construction, development, operation and maintenance of infrastructure and service provision through concessions and various contractual arrangements. In the Federal Capital City (FCC), the popular application of the PPP strategy is in the housing, health and transport sectors, which have been implemented in parts of Jahi, Katampe and Mabushi Districts (Deshanger, 2008). Such PPP projects however have not been evaluated in detail and little is known about their outcomes. However, international experiences from the study of PPP project outcomes are

widely known. The link between PPP outcomes and the legal environment for instance, have been shown in Tanzania by Masebu (2003), in which independent and efficient regulatory authorities are shown to constitute the single most important determinant of improved outcomes of PPP projects. Similar observations have been made in Thailand by Valentine (2005). Granted that such results are valuable, many issues still remain unknown about PPP applications in Nigeria. Two of such unknown issues are whether PPP delivered projects are associated with enhanced outcomes when compared with those privately or publicly financed. The second is whether outcomes of PPP projects are in compliance with National objectives of the PPP. This paper makes contributions to the latter, due to the aforementioned and gap identified in this type of procurement type, this paper seeks to examine the outcomes of PPP projects in the FCC in relation to the compliance with the National Policy objectives of Public-private partnerships (PPP) 2009. The findings of this work would enhance improved understanding of the PPP and its framework for implementation, as well as identify its shortcomings.

2.0 Concept of Public Private Partnership

Central to the concern of urban management are the issues surrounding adequate and efficient delivery of urban services both in developed and developing countries. Though the public sector is responsible for the delivery of basic urban services in many countries, the methods by which these services are created, procured and delivered are changing (Meine, 2006). The Public-Private Partnership (PPP) as an alternative measure is an arrangement that provides numerous options for financing infrastructure development and service provision. The objective of PPP is to utilize the economies of the private sector to deliver more effectively services or infrastructure. The

United Nations Organization Public-Private Partnership for Urban Earth (PPPUE) defines PPP broadly to include informal dialogues between government officials and local CBO's, to long-term concession arrangements with private business, but not privatization. This idea is in accordance with UN's statement (1995), in which co-management is seen as part of the definition of a true PPP in addition to shared ownership and equal responsibility. According to HM Treasury (2000), PPP's bring public and private sectors together in a long-term partnership for mutual benefit. The objective of PPP is to utilize the economies of the private sector to deliver more effectively services or infrastructure. This can include everything from outsourcing of an operation and management contract to full privatization ie transfer of assets from the public to the private sector. (Akintoye et al, 2003). The Canadian Council for Public-Private Partnership (1998) defines a PPP as a co-operative venture between the public and the private sectors, built on the expertise of each partner that best meets clearly defined public needs through the allocation of resources, risks and rewards. In Nigeria, the National Policy on Public-Private Partnership (2009) sees PPP as including a wide range of contractual arrangements between the public and private sectors.

Other terms used for this type of activity include private sector participation (PSP) and privatization. Nigeria in meeting the scale of challenges presented by the infrastructural deficit, adopted policies to recruit the private sector to help in bridging the gap with the use of PPP's. For the purpose of this study, PPP is defined as a partnership between government and an appropriately qualified private sector entity or group of entities for the purpose of financing, designing, construction and or operating infrastructure or services that would normally have been provided through traditional public channels.

The Federal Government and some state governments have enacted laws in the area of PSP in development, maintenance of public infrastructure and enhanced service delivery. Such laws include: the Lagos State Roads, Bridges Water and Highway Infrastructure (PSP) Development Board Law, the Bayelsa State Public Private Partnership Policy, (2008), the National Policy on Public-Private Partnerships, and the recently enacted Infrastructure Concession Regulatory Commission (Establishment) Act 2005, etc.

2.1 PPP initiatives in the FCT

Most states including the FCT take cue from the laws and policies that cover PPP activities nationwide. Such laws include the National Policy on PPP (2009), the Infrastructure Concession Regulatory Commission Act Establishment 2005; these laws form the bedrock of the PPP enabling environment for the FCT and Nigeria as a whole. The ICRC Act provides the legal framework for the participation of private sector in financing the construction, development, operation, or maintenance of infrastructure or development projects of the FG through concession or contractual arrangements; and the establishment of the Commission to regulate, monitor and supervise the contracts on infrastructure or development projects. With the expectation that private participation in infrastructure development through PPP's will enhance efficiency, broaden access and improve the quality of public services. The government set out key policy objectives National Policy on PPP, (2009) for infrastructure investment programme and service delivery. In summary the ICRC Act (2005) provides for the following:

- (a) Establishment of the Infrastructure Concession Regulatory Commission. (Sec 14. 1)

- (b) MDAs may enter into a contract with or grant concession to any duly pre-qualified private sector proponent for the financing, construction, operation, and maintenance of any infrastructure that is financially viable or any development facility of the Federal Government. (Section 1.1).
- (c) Functions and powers of the Commission (Section 19)
- (d) Provides general policy guidelines, rules and regulations.
- (e) Take custody of every concession agreement.
- (f) Ensure efficient execution of any concession agreement or contract entered by the Federal Government.

3.0 Methodology

3.1 Materials and Methods

Within the study area, various PPP projects have been entered into by the FCTA and the Federal government in order to fast track development of the capital city and to enhance service delivery to its residents. Example of such projects include the construction of the Outer Northern Expressway(ONEX), the concessioning of the Airport road(on-going), the establishment of a Bio-Diesel plant and Infrastructure development of Jahi, Katempe Districts(on-going). Others are the BOT arrangements for the construction of Wuye, Kaura, Mabuchi markets (all on-going). The two projects in the Transport, Health sectors were purposively selected as case studies because these schemes have been completed.

The method of data collection for this research is a combination of both primary and secondary data. Primary sources of data used included; interviews. Focus Group Discussions and field observations. While secondary sources of data used included; journals, reports, newspapers, manuals and the internet.

3.1.2 Opinion survey/Interviews

Purposive sampling technique was used to select the two projects namely the Abuja Green Cab (Transport sector) and the Garki District Hospital) respectively. As these projects have been completed and are operational within the study area. To collect data from two operational PPP projects, (as shown below in table 1) a sample size of 36 respondents for each of the sectors was adopted. This was to enable a complete coverage of all respondents during interviews. The interviews gave insight to the perception and user satisfaction of respondents on products and services. All respondents were interviewed, adding up to a total of 72 interviews cutting across all the 2 operational PPP projects. This was to provide a uniform spread throughout the two projects.

Table1. Sampling design

Location	sector	PPP project	Data needs	Size
Abuja	Transportation	Abuja Green cab	Total number of vehicles. Prices of vehicle. Network and coverage areas. Service(rates).Cost recovery scheme Operations and maintenance.	36 as sample size and all respondents were interviewed.
	Health/Social services	Garki District Hospital	Number of wards/beds. Number of medical staff Administrative capacity. Ratio of doctors to patients. Number of registered patients. Billing system. Operations and maintenance.	Same as above

Source; field survey 2010

3.2 Evaluation Criteria

The aim of the evaluation is to determine the extent to which objectives of the National Policy (2009) have been fulfilled. The evaluation criteria used in the analysis are extracted from the key policy objectives of the National Policy on Public-Private Partnership

3.1.3 Focused Group Discussions

Alongside in-depth interviews, Focus Group Discussion was also carried out; the group was made up eight participants whom were also purposively selected based on their knowledge and experience with any of the two PPP projects.

3.1.4 Field Observations

Observational techniques was used to gather firsthand data on PPP programs being studied, this captured a great variety of interactions, and openly explored the evaluation topic. By directly observing the PPP operations and activities gave an understanding of the context within which the projects operates, it allowed insight into things the end-users or staff may be unaware of or unable to discuss in an interview or Focus Group Discussion.

(2009). The selected PPP projects were assessed using the objectives of the NPPP that have direct bearing on the end users. These objectives are spread through the Economic, Social and Environmental objectives of the NPPP and are shown in table 2. In some cases, the objectives were further broken down into

sub-objectives. This was done to enable the study capture the essential parts of the end-

users responses.

Table 2 Evaluation Criteria

Objectives

Economic Objectives

Accelerated investment in new infrastructure and existing ones are upgraded to satisfactorily standard to meet needs and aspirations of people.

Improved availability and efficiency of public services to increase economic growth, productivity and access to markets.

Efficient utilization of Federal and state asset to benefit users of public services

Social Objectives

Increased access to quality public services to all members of the society

User charges for new/improved services are affordable and provide value for money.

Enhance safety and wellbeing of the public

Environmental Objective

Protect and enhance the natural environment.

Source: National Policy on PPP (2009)

3.3 Data Analysis

Both qualitative and quantitative analysis was employed for data analysis. The use of simple qualitative techniques was used to present data in the form of figures and tables where necessary. Data was analyzed using the objectives of the National Policy on PPP as criteria to assess the extent to which objectives had been achieved.. A 5 point Likert scale was also used in analysing the opinions/perceptions of the end-users of the PPP projects. The 5-point scale range from strongly agree that service are very good to strongly disagree. Weights of 1-5 were given to the response categories of the end-users as seen in table 3.

Table 3 Likert Scale

Strongly Agree	- 5 points
Agree	- 4 points
Indifferent	- 3 points
Disagree	- 2 points
Strongly Disagree	- 1 point

Source: Field work, 2010.

3.4 Study Area

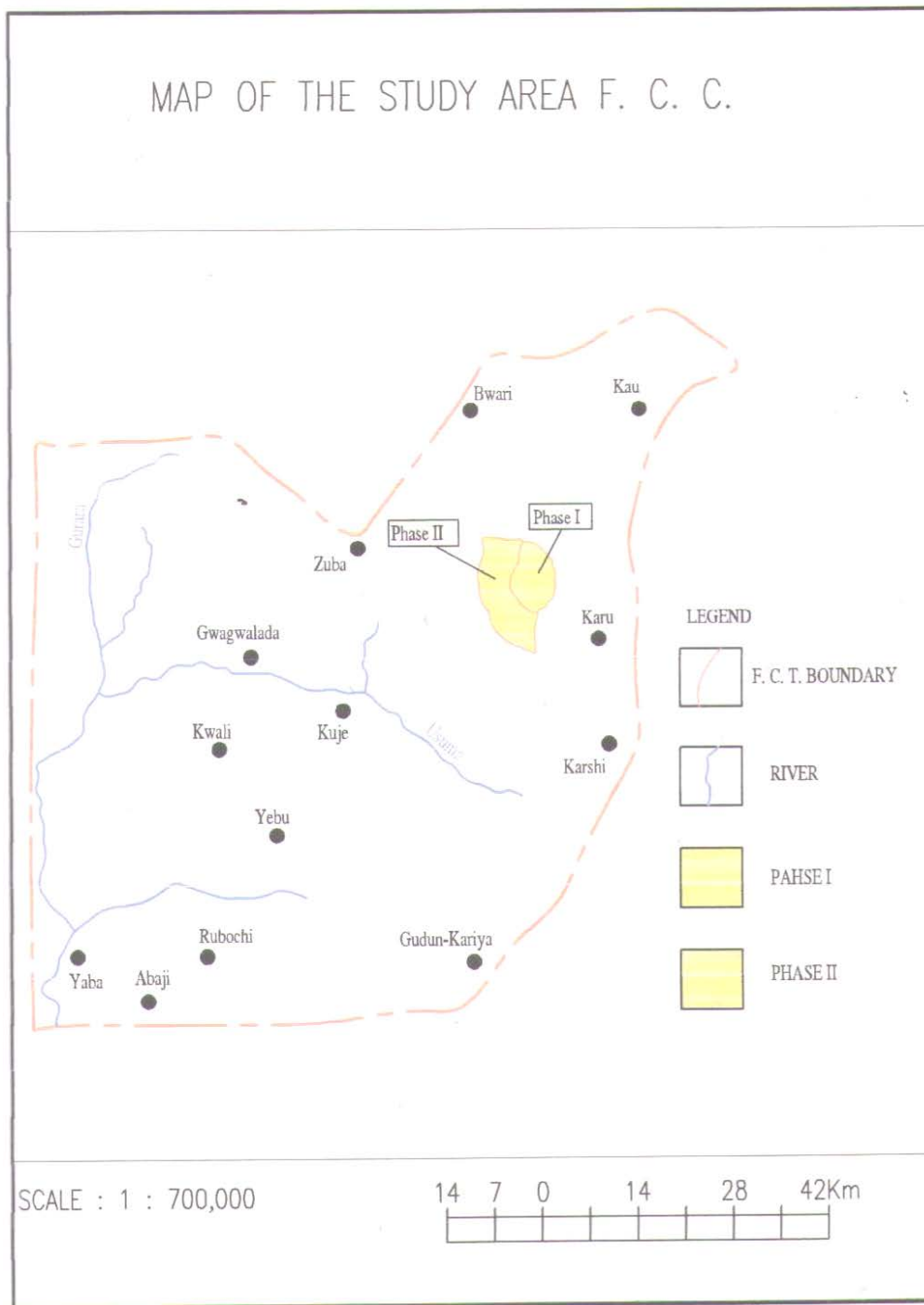
The Federal Government of Nigeria moved its capital from Lagos to Abuja in 1975. This was basically because Lagos, the then capital was incapable of functioning both as a Federal and State capital, due to the problems of inadequate land space and worsening environmental conditions. The site selected for a new capital (today referred to s Abuja) is an 800square km area surrounded by Niger, Kaduna, Nassarawa, Plateau and Kogi State (Abuja Master plan 1979)

The FCDA and its various departments and agencies are charged with the development of the capital city. From the provisions of the Master plan it is expected that development will be done in phases. Due to delays in the implementation of the provisions of the master plan, financial constraints and population influx experienced in the FCC, Infrastructure and service provisioning is behind schedule and insufficient. In order to meet up the challenge posed by this deficit, the FCC authority entered into PPP's with the aim of fast tracking infrastructure development and service provisioning in the city. Today, Abuja serves as Nigeria's center of

unity, with an annual growth rate of 5.8%
Abuja is a potential captive market for sector

investment in various sectors of the economy.

3.5 Map of The Study Area



4.0 Results and Discussions

4.1 Assessing Outcomes Based on Economic objectives

4.1.1 Investments in new infrastructure and upgrading of existing ones

The economic objectives evaluated are identified in table 4. They include those of accelerating investments in infrastructure; improving availability of services and ensuring efficient use of assets. From the study, it was observed that the upgrading of existing infrastructure has occurred with the rehabilitation of the Garki District Hospital, through equipment supplies and physical upgrading of buildings both of which have

been done between 2003-2006. Based on the responses of end-users, the quality of infrastructure delivered is generally high in most areas of intervention, with focus on availability of medical equipment, healthcare delivery and drug supplies. 5-points indicate that end users strongly agree that new investments have been made in the transport sector (see table 4) while the hospital has been upgraded. The opinion survey indicates a total of 25 respondents cutting across the two sectors agreeing to the high standard of service delivery.

Table 4 Economic Objectives of the National Policy

Economic Objectives	Sub Objectives	Transport			Health		
		Fq	Sc	Total	Fq	Sc	Total
Accelerated investment in new infrastructure and upgrading of existing ones to satisfactory standard to meet needs and aspirations of people.	Accelerated investment + upgrade of old ones	5	5	25	2	5	10
	To satisfactory standards to meet needs of people	5	5	25	4	5	20
Improved availability and efficiency of public services to increase economic growth, access to market	Availability of services	3	5	15	3	4	12
	Efficiency of service delivered	5	5	25	2	5	10
Efficient use of Federal and state assets to the benefit of public users	Efficient use of asset.				5	4	20
	Benefit to public.	3	5	15			
Total				105			72

Source, Field survey 2010

Frequency of Respondents = a
 Score on Likert Scale = b
 Total = a (b)

4.1.2 Improved availability and efficiency of public services

The second economic objective deals with making available improved and efficient delivery of services to support economic growth. The term efficiency in this context is defined as the extent to which intended services are provided. There is evidence from the surveys and interviews conducted that PPP projects in the FCC have been efficient in the delivery of services across all sectors assessed (refer to table 4.). The efficiency by which health and transport services are delivered is considered very high. End-users opinion ratings for improved service delivery range from 5 - 4 points in the transport and health sectors respectively. For health services, before the PPP intervention, the Garki District Hospital had offered only primary health care services. With the upgrading, tertiary health care services which include a range of specialized services, e.g Permatology, Ultrasound and Echocardiography, Endecomology etc have been introduced. In the Transport sector, availability and efficiency of the scheme was measured against how readily available the Green cabs are to the general public. This connects to the number of cabs operating under the scheme which the study has established at 1000. From the field surveys, the use of phone calls has improved user access to cabs, as phone ownership among populace is generally high (90%). The Green cabs are accessible at certain high brow locations e.g. Nicon Hilton, K-City Plaza, Sheraton Hotel, Nicon Luxury Hotel and Ceddi Plaza. Interviews with the drivers reveal that these terminals are unofficial and have been created by the drivers themselves. Converging at these selected locations by the cab drivers however was seen as making the cabs unavailable to the average person in the city.

4.1.3 Provision of enhanced benefits to the public through efficient utilization of assets

Benefits associated with PPP vary across sectors. In the transport sector, job opportunities have been created for over 1000 drivers and technicians engaged in the operation and maintenance of the vehicles. It has expanded the entrepreneurial opportunities available to private operators, in addition to providing asset acquisition avenues for beneficiaries. In the health sector, it has ensured the upgrade of the hospital status from a primary health service provider to a tertiary service provider to the benefit of the teeming population. Overall results on the economic objectives as shown in table 4, indicate relatively high points, ranging from 105 points in the transport sector to 72 points in the health sector. This result indicates high opinion ratings on both of the PPP projects.

4.2 Social Objectives Assessed Outcome

4.2.1 Improved delivery of quality services.

Based on the results of field surveys and the FGD, projects in the two sectors (transport and health) appear to be associated with improved quality of services. The responses to whether the PPP intervention has increased both access to and quality of services ranged from “strongly” agree (5 points) in both sectors. Improved transport service under the PPP scheme was translated to mean the comfort, convenience and security enjoyed by the end-user. From interviews with end-users, the PPP green cab scheme has provided an alternative option in transportation services in the FCT. End users interviewed, considered cab services as being of high quality (see table 5) where opinion ratings for quality service was scored (5-points).

Table 5 Social Objective of the PPP

Social objectives	Sub-objectives	Transport			Health		
		Fq	Sc	Total	Fq	Sc	Total
Increased access to quality public services to all members of the society	Increased access to quality services	6	5	30	5	5	25
Ensure user charges are affordable and provide value for money	Affordability of charges to users	3	3	9	4	5	20
	Value for money of services	3	5	15	4	4	16
Enhance safety and well being of the public		3	4	12	3	4	12
Overall Total				66			73

Source: Field survey, 2010

Frequency of Respondents = a
 Score on Likert Scale = b
 Total = a (b)

Evidently, one of the key success factors of the Green cab scheme is its very efficient tracking system which ensures proper monitoring of all 1000 cabs in operation. In the Health sector, the Garki District hospital offers services to all members of the society in need of health care regardless of income groups. During field surveys, the quality of health services was measured as a function of how prompt service delivery is and the quality of care given during treatment. In the GDH, services are provided promptly, with waiting time for consultation ranging between 5-10 minutes. Patient population is usually at its peak between the hours of 9:00 am and 12:00 pm during weekdays. From observations, waiting time for consultation during weekdays is less than at weekends. Generally, results from focus group discussions and opinion survey of end-users

indicate that health services are considered to be of high quality (refer to table 5). The opinion ratings was scored 5-points (strongly agree)

4.2.2 Affordability of services

According to the National Policy (2009) the PPP is to create a more competitive and diverse supplier market, improve efficiency of public service and ensure reduction of costs in the provision of public services. By implication, this means that PPP services are expected to be affordable and provide value for money to end-users. The objective of ensuring that charges are affordable and provide value for money, was translated to mean money spent by end-users in obtaining PPP services are commensurate to the quality of services received. Field surveys reveal that PPP services

in the transport, health sectors were considered affordable, though not cheap and provided value for money. From interviews with the end users and as established from the research, results in table 5 show that value for money was not synonymous with cheaper goods. As services offered in the two PPP projects attract rates higher than government delivered services and products.

4.2.3 Enhanced safety and well being of the public

This relates to compliance in terms of minimum setbacks to roads, provision of parking spaces within facilities, landscaping etc. In the Health sector, the study observed that strict compliance to hospital standards and guidelines were adhered to, for instance ensuring that the hospital building is not higher than two floors; in addition to hospital environment being neat. In the Transport sector, safety and well being of users is ensured by the use of GPS tracking system fitted into cabs. From the interviews and FGD, end users have a high opinion rating of all projects regarding safety and well being of users. The general results on the social objectives, is shown in table 5. It shows the

health sector is the best with a score of (73 points) followed closely by the Transport sector (66 points).

4.3 Assessed Outcomes Based on Environmental Objectives

4.3.1 Protect and enhance the natural environment

Enhancement and protection of the environment is taken by the study to mean, landscaping which is carried out after or during construction, and the extent of adoption of appropriate strategies for refuse disposal and management. From field observations, landscaping has been carried out to protect and beautify the environment in the Garki District Hospital, while in the case of refuse management, hospital waste is treated as specialized waste. Collection and disposal is contracted out to private company under a different kind of partnership with Abuja Environmental Protection Board. This objective was not applicable to the Transport sector. As shown in table 6, responses of end-users interviewed indicate "indifference" to whether the natural environment is protected or not.

Table 6 Environmental objective

Objectives	Transport			Health		
	Freq. A	Score B	Total a(b)	Freq. a	Score b	Total a(b)
Protect and enhance the environment	n/a	n/a		4	4	12
						12

Considering the results above, end-user opinion rating for the environmental objective was generally fair, implying that in the environmental objective outcomes could be better.

4.4 General Rating of Outcomes

Table 7 provides the summary of responses and a composite index measuring the consensus opinion of respondents. Scores of 1-5 given in parentheses see tables (4, 5, 6) were multiplied against the number of respondents (frequency) in each category of response and the sum of the values was then

calculated. The mean value was then calculated by dividing the sum by the total number of end-users interviewed in each PPP sector, which is 36 in this case. The results obtained are shown in table 7. The mean values were then used to interpret the

commonly expressed opinion of the end-users. Using a cut-off mark to interpret opinion of end-users, the following ranges were used: 1 - 1.5= Strongly Disagree; 1.51 - 2.49 = Disagree; 2.50 - 3.49 = Indifference; 3.50 - 4.49 = Agree > 4.50 = Strongly Agree.

Table 7 Consensus opinion

Objectives	Sub –objectives	Trans-port	Health
Accelerated investment in new infrastructure and existing ones are upgraded to satisfactorily standard to meet needs and aspirations of people	Accelerated investment in new infrastructure & upgrade of old ones	25	10
	To satisfactory standards that meet needs of people	25	20
Improved availability and efficiency of public services to increase economic growth, productivity and access to markets.	Availability of services	15	12
	Efficiency of service delivered	25	10
Efficient utilization of Federal and state asset to benefit users of public services	Efficient use of government asset	15	20
	Benefit to public		
Increased access to quality public services to all members of the society	-	30	25
User charges for new/improved services are affordable and provide value for money. Enhance safety and well being of the public	Affordability of charges	9	20
	Value for money of services.	15	16
	-	12	12
Protect and enhance the natural environment	-	-	12
Mean = sum / 36, interpretation (consensus opinion)		171 /36= 4.75	157/36= 4.36

Source: Field work 2010

The results obtained show the transport sector with an average of 4.75 points, health 4.36 points. From the table above, consensus opinion recorded in the transport, health sectors, indicate the success of the PPP strategy in meeting the objectives of the national Policy assessment of the two PPP projects was done using the objectives of the

National policy on PPP as the evaluation criteria which are spread through the economic, social and environmental issues. Results of the study have shown that the PPP involvement has brought private sector finance, techniques and managerial skills into the fore to accelerate the development of the capital city. This is evident in the two PPP

projects evaluated (transport, health sectors. The transport sector as established by the study is one of the successful cases studies. Explanations for these successful outcomes are related to the low capital required to participate in the scheme and the inclusion of banks as principal partners in the partnership. While in the health sector, the GDH has been upgraded to provide tertiary health services and the economic potential of the hospital is being harnessed through PPP. Despite these various success stories, the study has shown that PPP services are not synonymous with cheaper, that is PPP products or services are not readily affordable to all income groups. Thus, failing to meet the social objective of affordability and providing value for money. Recommendations below are made according to the findings of the study; this is to enable learning of lessons and to further strengthen the PPP process.

5.0 Conclusion

In general, this paper suggest that the practice of PPP within the FCT, has brought about efficiencies in service provision which is an aspect lacking in the Nigerian public sector. But for the practice of PPP to be beneficial to all parties involved, stakeholders, end-users, public and private sector parties. There is need to put in place and enforce the necessary machinery that guide the practice of PPP while, noting that the needs and the practice of PPP varies from sector to sector and differs from project to project. This research is by no means exhaustive, further studies can be done in the financial aspects of PPP's whether from the public sector or the private sector. This will give in sight to whether the advantage of cost effectiveness is met by engaging the private sector in the process of urban development.

6.0 Recommendations

The The PPP intervention, as established by the study has caused a major shift in the role

of government from that of a provider to that of a regulator and enforcer in service delivery and infrastructure provisioning. So far, the PPP has been shown as being successful, but with discrepancies that require attention. PPP projects in the FCT, have recorded both positive and negative outcomes. Being that the success of such partnerships needs to be sustained and shortcoming reversed, a number of interventions will be needed. These interventions are presented below as recommendations

- (a) Interventions on existing shortcomings of PPP's in the FCT:

With regards to shortcomings of the various sectors, the following recommendations are made:

- (i) The Transport sector- Due to the high prices of services associated with the use of the Green cabs, the government should introduce alternative options within the scheme. This option could be in the form of mini-buses which come with all the comfort and facilities found in the Green cabs. This will make the scheme more accessible and available to all categories of persons. With regards to the lease period, a review of the number of lease years from 4 to at least 5 years is needed. This will reduce the pressure on the service operators to meet up payments schedule of the ALC. This increase in the number of lease years will apart from reduce pressure on cab drivers to perform; will also translate to reduced cab rates.
- (ii) PPP in the Health sector- Through PPP's, the private sector expertise and efficiencies has been used to expand the health services in the Garki District Hospital. Though this efficiencies come at a price, it is this price which represents profits for the private sector that threatens to defeat the objective of healthcare service being a public good to

be enjoyed and demanded by all, irrespective whether the consumer is able or unable to pay for it. Being profit driven the private operator seeks to maximize profits and opportunities at all times- thus resulting to a 2-tiered system of service delivery within the hospital. This trend should be checked and corrected through strict regulation and supervision by the Human and Health Services Department of the FCDA, which serves as the supervisory body for all health related activities in the FCT. If possible penalties should be introduced to curtail such activities.

The private sector operator is unable or unwilling to extend services to the low income group(LIG's) due to high cost of providing services and low profit due to lack of payment culture within this group. To make PPP's all inclusive as suggested by the social objective of ensuring improved access to quality services to all members of the public, there is need for PPP in the health sector to embrace an approach that includes the low income groups. This approach can be combined with tailored intervention such that it alleviates

service constraints. PPP's can provide adequate incentives to the private sector operator, involve the LIG's and still balance the financial and social risks and rewards to all stakeholders. To encourage the operator to serve LIGs under PPP, it is vital to consider low-cost mechanisms of providing service, pricing structures that encourage user payment, low-cost financing for system extension, and other contract mechanisms relevant to the specific characteristics of the low-income groups. PPP arrangements can be made more responsive to the requirements of low-income consumers in other ways. These include both contract provisions or content and changes in the overall approach to the reform agenda. As a component of a reform package specific pro-poor interventions can be attached to the partnership process that addresses the requirements of the low income groups. Other Government hospitals in the FCT should be made operational under the PPP scheme as this will further open the market, increase competitiveness among service providers and widen access to health services.

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