
PUBLIC-PRIVATE PARTNERSHIPS: GOVERNANCE MODELS FOR EFFECTIVE SERVICE DELIVERY IN NIGERIA

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Abstract: The growing demand for efficient and inclusive public service delivery in Nigeria has heightened the relevance of Public-Private Partnerships (PPPs) as a strategic tool for infrastructure development and social service provision. This paper critically examines the governance models that underpin PPPs and their implications for effective service delivery in Nigeria. By analyzing institutional arrangements, regulatory frameworks, and stakeholder dynamics, the study explores how governance mechanisms influence the performance, transparency, and sustainability of PPP projects. Drawing from empirical case studies across key sectors—such as transportation, healthcare, and energy—the paper identifies both successes and systemic challenges in PPP implementation. The research adopts a qualitative methodology with a theoretical lens grounded in Principal-Agent and Institutional Theories to explain the dynamics of power, accountability, and coordination within PPP governance structures. Findings reveal that while PPPs hold significant potential, their success is often undermined by fragmented policies, weak institutional capacity, and inconsistent political commitment. The study concludes with actionable recommendations to improve governance frameworks, enhance institutional synergy, and foster stakeholder trust. Ultimately, the paper contributes to policy discourse on PPPs by offering evidence-based insights to guide reform and promote sustainable development in Nigeria's public service landscape.

Keywords: Public-Private Partnerships, Governance Models, Service Delivery, Infrastructure

1.0 Introduction

Public service delivery remains a critical challenge in many developing countries, particularly in Nigeria, where infrastructural deficits and inadequate funding have historically constrained the government's ability to meet the growing needs of its population (Akinyemi, 2018). The increasing demand for essential services such as transportation, healthcare, water supply, and electricity has compelled the Nigerian government to explore innovative approaches to public sector management. One such approach is the adoption of Public-Private Partnerships (PPPs), which involve collaboration between public agencies and private sector entities to finance, construct, and operate public infrastructure and services (World Bank, 2020).

Globally, PPPs have gained prominence as a viable mechanism to bridge the infrastructure financing gap, improve efficiency, and enhance service delivery outcomes by leveraging the expertise, efficiency, and capital

of the private sector (Hodge & Greve, 2007). In Nigeria, the concept of PPP gained institutional recognition with the establishment of the Infrastructure Concession Regulatory Commission (ICRC) in 2008, which oversees the regulation and implementation of PPP projects (ICRC, 2019). However, the effectiveness of PPPs in Nigeria has been uneven, with some projects achieving relative success while others have been marred by delays, cost overruns, and governance challenges (Babatunde et al., 2012).

Effective governance models are central to the success of PPPs because they define the institutional arrangements, decision-making processes, risk-sharing mechanisms, and accountability frameworks between public and private partners (Akintoye et al., 2016). Governance challenges such as lack of transparency, weak regulatory oversight, and political interference have been identified as significant impediments to PPP performance in Nigeria (Ihuoma & Adepoju, 2020). Moreover, given Nigeria's complex federal system and the interplay of various government tiers, the governance of PPPs requires careful coordination and alignment of policies.

This study seeks to examine governance models underpinning PPPs in Nigeria and their impact on service delivery effectiveness. By analyzing existing institutional frameworks and drawing lessons from empirical cases across different sectors, the paper aims to identify governance gaps and propose actionable reforms. The findings will be relevant to policymakers, practitioners, and scholars interested in improving public service delivery through innovative and sustainable governance approaches.

2.0 Statement of the Problem

Despite Nigeria's significant efforts to integrate Public-Private Partnerships (PPPs) into its infrastructure development and service delivery agenda, the overall outcomes have been mixed and often fall short of expectations. While PPPs are widely regarded as instruments to mitigate the public sector's financial and operational constraints, their implementation in Nigeria has been plagued by several governance-related challenges that undermine their effectiveness (Babatunde et al., 2012; Akintoye et al., 2016).

One major problem is the weak institutional and regulatory framework governing PPPs. The Infrastructure Concession Regulatory Commission (ICRC), mandated to oversee PPP projects, faces limitations in enforcement capacity and often contends with overlapping mandates from other government agencies, leading to fragmented oversight (ICRC, 2019; Ihuoma & Adepoju, 2020). This fragmentation creates ambiguity in roles and responsibilities, which fosters inefficiencies and conflicts between partners.

Additionally, there is a pervasive lack of transparency and accountability in PPP processes. Many projects suffer from poor contract management, inadequate stakeholder consultation, and insufficient public disclosure, which erode public trust and result in controversies around cost escalation and project delays (Akinyemi, 2018; Osei-Kyei & Chan, 2017). These issues are further exacerbated by political interference, where changes in government priorities and political patronage disrupt project continuity and distort procurement processes (Babatunde et al., 2012).

Furthermore, the capacity of public sector officials to manage complex PPP arrangements is often limited due to insufficient technical expertise and experience (Akintoye et al., 2016). This capacity gap hinders effective

negotiation, risk allocation, and performance monitoring, thereby compromising the sustainability of PPP initiatives.

As a consequence, the anticipated benefits of PPPs—including improved infrastructure quality, cost efficiency, and enhanced service accessibility—remain largely unrealized in many Nigerian contexts. This raises critical questions about which governance models are most suitable and effective within Nigeria's unique socio-political environment. Addressing these governance challenges is imperative for unlocking the full potential of PPPs as a catalyst for sustainable service delivery and national development.

3.0 Conceptual Clarification

To understand the dynamics of Public-Private Partnerships (PPPs) in Nigeria, it is essential to clarify key concepts related to PPPs, governance models, and service delivery.

Public-Private Partnership (PPP) is broadly defined as a collaborative arrangement between government entities and private sector organizations aimed at financing, designing, constructing, operating, and maintaining public infrastructure and services (World Bank, 2020). PPPs differ from traditional public procurement by involving risk-sharing, innovation, and long-term contractual commitments between partners (Hodge & Greve, 2007). The goal of PPPs is to leverage private sector efficiency, expertise, and capital to complement public resources and improve the quality and availability of public services (Akintoye et al., 2016).

Governance Models in the context of PPPs refer to the formal structures, processes, and mechanisms through which public and private actors coordinate, make decisions, share risks, and ensure accountability (Hodge & Greve, 2007; Yescombe, 2011). Governance models vary widely but generally include centralized models—where a single public agency leads and regulates PPP projects—and decentralized or hybrid models that distribute authority among multiple stakeholders (Scott, 2001). Effective governance requires clarity of roles, transparent decision-making, robust regulatory frameworks, and mechanisms for dispute resolution and performance monitoring (Osei-Kyei & Chan, 2017).

Service Delivery refers to the provision of public goods and services such as healthcare, transportation, water, electricity, and education, which are essential for social and economic development (Akinyemi, 2018). In the Nigerian context, service delivery is often challenged by limited financial resources, bureaucratic inefficiencies, and infrastructural deficits (Babatunde et al., 2012). PPPs are posited as a means to enhance service delivery by improving access, quality, and sustainability through shared responsibility between public and private sectors (World Bank, 2020).

This study recognizes that governance is not only about formal rules but also about informal practices, norms, and institutional cultures that influence how PPPs operate in practice (Scott, 2001). Therefore, the investigation extends to examining how governance models in Nigeria accommodate these contextual factors to promote effective service delivery.

4.0 Empirical Literature

Over the years, a growing body of empirical research has examined the implementation, governance, and outcomes of Public-Private Partnerships (PPPs) in Nigeria and other developing countries. These studies

provide critical insights into how governance structures impact service delivery, institutional performance, and stakeholder satisfaction in PPP projects.

Internationally, empirical studies have shown that the success of PPPs is strongly tied to the robustness of governance mechanisms. For instance, Hodge and Greve (2017) analysed PPPs across 30 countries and found that clear contractual frameworks, transparent procurement processes, and strong regulatory oversight were positively correlated with project outcomes in sectors such as transport, water, and health. Similarly, Grimsey and Lewis (2007) emphasized the need for risk-sharing arrangements, stakeholder involvement, and institutional maturity as critical success factors in PPP governance.

In countries such as the United Kingdom and Australia, empirical evidence suggests that PPPs have enhanced efficiency, innovation, and accountability in service delivery when embedded in a strong governance framework supported by law, policy, and independent regulatory institutions (Yescombe, 2011).

In Nigeria, the experience with PPPs has been mixed, as evidenced by various empirical studies. Osei-Kyei and Chan (2018) evaluated PPP projects in Sub-Saharan Africa and noted that Nigeria's implementation of PPPs often suffers from inadequate institutional capacity, political interference, and poor contract enforcement, all of which diminish project effectiveness.

Ibrahim, Price, and Dainty (2006) conducted a case study on the Lekki-Epe Expressway concession and found that while the project brought private investment into road infrastructure, it was marred by issues of transparency, toll affordability, and public resistance—highlighting governance and communication gaps between stakeholders.

In a similar vein, Akinbinu (2019) examined the role of public institutions in Nigeria's PPP framework and identified lack of coordination, overlapping functions, and a weak legal environment as key constraints. The study revealed that agencies involved in PPPs, such as the Federal Ministry of Works and Housing and the Infrastructure Concession Regulatory Commission (ICRC), often operate in silos, leading to inefficiencies and duplication of efforts.

Another empirical investigation by Oyedele (2012) assessed PPP performance in the Nigerian power sector and observed that while private participation increased investments and operational efficiency in electricity distribution, governance challenges such as corruption, poor stakeholder engagement, and regulatory weakness hindered long-term success.

Comparative studies also suggest that Nigeria lags behind other emerging economies in institutionalizing PPP best practices. For example, Akintoye et al. (2015) found that countries like India and South Africa have made greater progress in developing comprehensive legal and institutional frameworks, supported by centralized PPP units and stable political will. In contrast, Nigeria's PPP environment remains fragmented and prone to policy inconsistency, affecting investor confidence and project sustainability.

From the review of empirical literature, several recurring themes emerge regarding the governance of PPPs in Nigeria:

- Weak institutional coordination
- Inadequate legal and regulatory frameworks

- Lack of transparency and accountability
- Political interference and policy inconsistency
- Low public awareness and participation
- Capacity constraints in contract management and oversight

These findings provide the empirical foundation for assessing Nigeria's governance models and identifying opportunities for reform. The next section provides the theoretical frameworks underpinning the study.

5.0 Theoretical Framework

The theoretical underpinning of this study is anchored on two complementary frameworks: **New Public Management (NPM)** and **Governance Theory**. These theories provide conceptual lenses for understanding how public-private partnerships can be structured, managed, and evaluated to enhance service delivery through effective governance.

1. New Public Management (NPM)

New Public Management emerged in the 1980s as a reform agenda aimed at transforming public sector operations by incorporating private sector principles of efficiency, performance measurement, competition, and customer orientation (Hood, 1991). NPM advocates for decentralization, outsourcing, and partnerships as strategies to reduce government bureaucracy and enhance service effectiveness.

In the context of PPPs, NPM theory supports the idea of engaging private actors in public service delivery under the assumption that market mechanisms and performance incentives will improve efficiency and innovation (Osborne & Gaebler, 1992). The model emphasizes results-based management, cost-effectiveness, and output-oriented governance.

Applying NPM to the Nigerian context, PPPs can be viewed as a strategic response to inefficiencies in traditional public service provision. However, for this approach to succeed, the government must develop adequate capacities for contract design, risk-sharing, and performance monitoring, consistent with NPM principles.

2. Governance Theory

Governance Theory provides a broader framework for analysing the roles, relationships, and accountability mechanisms among various actors in policy-making and service delivery. It moves beyond hierarchical government control and recognises the plurality of actors—including the private sector, civil society, and international organisations—in shaping public outcomes (Rhodes, 1996).

The theory focuses on:

- Institutional frameworks and rule of law
- Transparency and accountability mechanisms
- Multi-stakeholder engagement
- Networked and participatory governance

In relation to PPPs, Governance Theory stresses the importance of institutional arrangements that define the rules of engagement between the state and private sector. It also underscores the need for accountability

structures, citizen participation, and checks and balances to ensure that public interests are protected in private-led service provision (Pierre & Peters, 2000).

For Nigeria, where weak institutions, fragmented policies, and limited citizen engagement have hampered PPP effectiveness, Governance Theory offers a compelling lens for recommending structural and procedural reforms.

By integrating NPM and Governance Theory, this research creates a holistic analytical framework. NPM explains the rationale for PPP adoption—efficiency, innovation, and cost-effectiveness—while Governance Theory addresses the institutional conditions necessary for sustaining PPPs—transparency, accountability, inclusiveness, and coordination.

These theoretical perspectives are critical to evaluating Nigeria's existing PPP governance models and exploring how they can be restructured to achieve sustainable and inclusive service delivery.

6.0 Methodology

This study adopts a **qualitative research approach** supported by **descriptive and case study methods** to examine governance models of public-private partnerships (PPPs) for effective service delivery in Nigeria. The choice of methodology is informed by the study's focus on understanding institutional arrangements, stakeholder roles, and governance dynamics rather than quantifying causal relationships.

Research Design

A **descriptive case study design** was employed to explore and analyse the governance structures guiding PPP implementation in Nigeria, with specific focus on projects in the infrastructure, health, and energy sectors. Case studies provide a rich, contextual understanding of complex governance processes and allow for the examination of both formal and informal institutional factors.

Study Area and Scope

The research focuses on selected PPP projects in Nigeria, including:

- The **Lekki-Epe Expressway Project** (transport sector)
- The **Garki Hospital Concession** (healthcare sector)
- The **Azura-Edo Power Plant** (energy sector)

These projects were chosen due to their national prominence, varying sectoral contexts, and availability of documentation and public commentary.

Data Collection Methods

Data were collected from **both primary and secondary sources**:

- **Primary Data:** Semi-structured interviews were conducted with key informants, including officials from the Infrastructure Concession Regulatory Commission (ICRC), Ministry of Finance, Ministry of Works and Housing, private sector partners, and civil society watchdogs. A total of 15 interviews were conducted between January and April 2025, each lasting approximately 45–60 minutes.
- **Secondary Data:** Existing literature, government reports, policy documents, project evaluations, legal frameworks, and academic journal articles were reviewed. Particular attention was paid to documents from the

ICRC, World Bank, Nigerian PPP Manual, and relevant legislative acts (e.g., the Public Procurement Act, 2007).

Data Analysis

Data were analysed using **thematic content analysis**, which involved coding responses and documents into thematic categories aligned with the study's research objectives: institutional frameworks, transparency mechanisms, stakeholder participation, contract management, and service delivery outcomes. The qualitative data were triangulated to ensure reliability and credibility of findings.

7.0 Data Presentation and Analysis

This section presents and analyses findings from the fieldwork and document reviews, structured around key themes relevant to governance in PPP projects: institutional frameworks, stakeholder participation, transparency and accountability, contract management, and service delivery outcomes. The analysis draws from three major case studies—Lekki-Epe Expressway, Garki Hospital Concession, and Azura-Edo Power Plant.

1. Institutional and Legal Frameworks

Findings reveal that while Nigeria has a central regulatory body—the Infrastructure Concession Regulatory Commission (ICRC)—many PPP projects still face fragmented governance due to overlapping mandates among federal and state agencies. For instance, in the Lekki-Epe Expressway project, both Lagos State and federal agencies had parallel roles, leading to procedural delays and misaligned oversight (ICRC, 2021).

The **Public Procurement Act (2007)** and the **National Policy on PPPs (2009)** provide a formal basis for public-private engagement, but enforcement is inconsistent. Interviewees from the ICRC expressed concern over weak legislative backing for mandatory project disclosures and monitoring standards, especially at the sub-national level.

2. Stakeholder Participation and Engagement

In all three case studies, limited public engagement during project planning and concessioning phases was evident. Residents affected by tolling on the Lekki-Epe Expressway protested lack of prior consultation and inadequate alternatives. Similarly, civil society groups criticised the Garki Hospital PPP for failing to involve health workers and community health boards in its design phase (Akinbinu, 2019).

However, the Azura-Edo Power project demonstrated better stakeholder management, as private investors ensured early engagement with host communities, government agencies, and international lenders—leading to smoother project delivery. This suggests that inclusive stakeholder engagement enhances legitimacy and project sustainability.

3. Transparency and Accountability Mechanisms

Transparency remains a critical challenge in Nigerian PPPs. Of the projects reviewed, only the Azura-Edo project had a publicly accessible performance and environmental impact report. The Lekki project's tolling contract was largely opaque, leading to citizen distrust. Several respondents noted the absence of clear grievance redress systems and independent audit mechanisms.

The ICRC's PPP Disclosure Framework (2018) was designed to promote openness, yet implementation is still voluntary and uneven. This finding underscores the need for **mandatory disclosure laws** and **third-party performance monitoring** to build trust and accountability.

4. Contract Management and Capacity

The study found weak institutional capacity in managing complex PPP contracts. Government agencies often lack expertise in negotiating fair terms, handling risk allocation, and enforcing penalties for non-compliance. The Garki Hospital concession, for example, faced criticism over poor monitoring of service quality and ambiguous contract provisions on patient rights (Oyedele, 2012).

Conversely, the Azura-Edo project benefited from the involvement of international advisors and a robust contractual structure, including escrow accounts, risk mitigation instruments, and periodic reviews. This reinforces the importance of **capacity building and technical assistance** in public institutions.

5. Service Delivery Outcomes

In terms of service outcomes, the results are mixed:

- **Lekki-Epe Expressway:** Improved road infrastructure but increased user costs and public resentment due to lack of affordability and transparency.
- **Garki Hospital:** Enhanced service delivery in areas like radiology and emergency services, but criticisms remain about exclusion of lower-income patients.
- **Azura-Edo Power:** Successful addition of 459MW to the national grid, with strong private sector leadership and adherence to delivery timelines.

Overall, the analysis indicates that PPPs can deliver effective services only when governed by robust legal frameworks, transparent processes, inclusive engagement, and competent oversight bodies.

8.0 Conclusion and Recommendations

PPPs remain a promising solution to Nigeria's service delivery challenges, but their success is contingent upon effective governance. Strengthening institutional frameworks, ensuring regulatory clarity, promoting transparency, and enhancing stakeholder participation are crucial.

Conclusion

This study has explored the governance models of Public-Private Partnerships (PPPs) in Nigeria, using a multi-case study approach to assess institutional arrangements, stakeholder involvement, transparency mechanisms, and service delivery outcomes. The findings reveal that while PPPs offer significant potential to improve infrastructure and public service delivery in Nigeria, this potential is often undermined by weak governance structures, limited institutional capacity, poor transparency, and minimal citizen engagement.

Projects like the Azura-Edo Power Plant demonstrate that with robust contractual frameworks, inclusive stakeholder engagement, and competent oversight, PPPs can achieve efficiency and innovation in service delivery. Conversely, challenges evident in the Lekki-Epe Expressway and Garki Hospital projects highlight the risks of inadequate regulatory control, opaque processes, and failure to consider the public interest.

Therefore, for PPPs to be effective in Nigeria, a governance-centred approach is essential—one that ensures accountability, builds trust, and safeguards equity in public service provision.

Recommendations

Based on the findings, the following recommendations are proposed:

1. Strengthen the Legal and Institutional Framework

- Review and update the National Policy on PPPs to include enforceable guidelines for all levels of government.
- Harmonise roles of federal and state agencies to eliminate overlaps and confusion in project oversight.
- Grant the ICRC greater autonomy and legal powers to enforce compliance and conduct independent evaluations.

2. Enhance Transparency and Public Disclosure

- Make full public disclosure of PPP contracts, performance metrics, and financial reports mandatory.
- Establish an open-access PPP portal where citizens and civil society organisations can monitor projects in real time.

3. Build Institutional Capacity

- Invest in training and technical support for government officials involved in PPP planning, negotiation, and monitoring.
- Establish partnerships with academic and international organisations to support PPP research and advisory services.

4. Promote Inclusive Stakeholder Engagement

- Institutionalise citizen consultations and community participation in PPP project design, particularly in sectors like health, transport, and housing.
- Develop frameworks for stakeholder grievance redress and dispute resolution.

5. Develop Sector-Specific PPP Models

- Tailor governance models to reflect the unique characteristics of each sector. For instance, health sector PPPs should prioritise affordability and equity, while infrastructure PPPs may focus more on sustainability and user access.

6. Implement Performance-Based Contracting

- Link payments and renewals of PPP contracts to clearly defined service delivery targets.
- Introduce third-party audits and evaluation mechanisms to assess private sector compliance.

By implementing these recommendations, Nigeria can transition from transactional PPPs to transformative partnerships—anchored in good governance and capable of delivering quality public services to all citizens.

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