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Public Private Partnership and Public Project Financing in Post COVID-19 Pandemic in Nigeria

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Abstract:

Globally, the country's level of social and economic infrastructure constitutes the backbone of the national economy. Traditionally, public sectors have been responsible for the provision of public goods and services. However, prior to the advent of COVID-19 pandemic ravaging the entire world economy, project financing posed a number of challenges to most governments in the developing world. Presently, the Nigeria experience is critical and appalling. This study investigated the impact of public private partnership adoptions in public project financing in Lagos State using the Bus Rapid Transport (BRT), as a premise. The study adopted survey research design and data obtained by means of a well-structured questionnaire. A total of 500 questionnaire were administered to both commuters of BRT and the general public and 371 copies were satisfactorily completed. The data were analysed and validated using descriptive and inferential statistics. The study found that there is significant awareness about public private partnership in project financing in Lagos State and that the BRT scheme is a joint effort between Lagos State Government and the National Union of Road Transport Workers (NURTW). The outcome of the survey however reveals that most government businesses are still shrouded in secrecy as a result of lack of accountability. It is recommended that Nigeria as a whole should make further improvement on the system in order to increase the benefit accruable from public private partnership in other areas not yet utilized.

Keywords: BRT, COVID-19, public private partnership, project financing infrastructure

1. Introduction

The basic physical and organizational structures needed for the smooth operation and comfort of a society such as roads, bridges, industries, buildings, health care services, and so on represent infrastructure. Oyedele (2013) opined that infrastructure constitutes the facilities, enterprises, the products, projects and services necessary for an economy to functions. Infrastructure facilitates the production of goods and services and also the distribution of finished products to end users (markets) as well as basic social services such as educational and health facilities. The country's level of social and economic infrastructure constitutes the backbone of the national economy. It improves human welfare, contributes to economic activities and has considerable potentials for directly reducing poverty (Abdenego & Ogunlana, 2006). It is not an exaggeration to situate that the level of development of these facilities represents a measure of the living standard of people in a particular geographical location. Therefore, to improve the efficiency and productivity within an economy, adequate and reliable infrastructural facilities must be provided.

Prior to the COVID-19 pandemic ravaging the entire world economy, the state of infrastructures in Nigeria is critical and appalling. According to Oyeweso (2011) 'Our roads- all 193200 kilometers are in dire need of urgent repairs in comparison to South Africa 362,000 kilometers'. Only about 15percent of Nigeria roads are paved and 28 percent of these roads are not motorable. Road construction in Nigeria is also expensive from the expert view point, costing multiples per kilometer on average compared to our sub-Saharan neighbours. Road projects in Nigeria habitually suffer cost over-runs, delayed completion and poor quality. It is instructive to note that Nigeria has the largest road network in West Africa, with 17.6 percent belonging to the Federal government, while the various State government accounted for 15.7 percent of the network and the balance of 66.7 percent are local and rural roads. Apart from outright corruption by government officials in collusion with the project contractors, the topography of the riverine nature of some parts of Nigeria such as the Niger-Delta region are part of the reasons for the enormous cost of project delivery in Nigeria.

Traditionally, public sectors have been responsible for the provision of public goods and services. For most governments in the developing world, (Nigeria inclusive) financing public projects posed a number of challenges that may appear difficult to overcome. Before COVID-19 pandemic, pressure to change the standard model of public procurement arose initially from serious concern about the level of public debt, which grew rapidly during the macroeconomic distortions of the 1970's and 1980's. Borrowings as a financing option is not a bad idea in finance literature, if such funds are utilized effectively in generating returns in addition to recouping the initial borrowed funds. However, Nigeria situation presently is precarious where the recurrent expenditure component of the national budget in the last five years is averaging 70 percent. To fund the recurrent expenditure, government on yearly basis embarked on borrowings (both local and international). To avoid the usual labour crisis, government often prioritized salaries payment over capital

expenditure despite the meagre 30percent allocations. According to the latest World Bank report for the year 2020, a contribution of collapse in oil prices and COVID-19 pandemic is expected to plunge the Nigeria's economy into a severe recession, the worst since the 1980's. The bank projected that Nigeria's economy would likely contract by 3.2percent in 2020. The International Monetary Fund however estimated a negative growth of 5.4 percent for Nigeria in the same year due to the pandemic, calls for bold policies to save lives and livelihood. The report opined that the macro-economic impact of the COVID-19 pandemic will likely be significant, even if Nigeria manages to contain the spread of the virus. Oil represents more than 80percent of Nigeria exports, 30percent of its banking sectors credit and 50percent of the overall government revenue. IMF estimated further that debt servicing may likely gulp the entire revenue accruable to the country in the current year of 2020

To buttress the position of the World Bank, and IMF, the National Bureau of Statistics (NBS) reveals that in the first quarter of 2020, Nigeria revenue performances shows 30percent deficit in oil revenue, 40percent deficit in non-oil revenue with an overall average of 76percent adverse variances. The statistics also reveals a 100percent adverse variances in signature bonus, Domestic Recoveries, Stamp Duties, Grants and Donor Funding. With the drop in oil prices, government revenues are expected to fall from an already low 8percent of GDP in 2019 to a projected 5percent in 2020. This comes at a time when fiscal resources are urgently needed to contain the COVID-19 outbreak and stimulate the economy. The World Bank lead Economist for Nigeria, Marco-Hernandez opined that the unprecedented crisis requires an equally unprecedented policy response from the entire Nigerian public sector, in collaboration with the private sector, to save lives, protect livelihoods, and lay the foundation for a strong economic recovery. Although developed countries such as UK, US, and Australia, have been contributing to more of the existing PPP studies, it is expected that more PPP studies will be carried out in developing countries (e.g. China, India, Ghana, Indonesia and Nigeria) (Ma, Li, Jin & Ke, 2019). However, an attempt is seen in Adams, Young and Zhihong (2006), Abednego and Ogunlana (2006), Ikechukwu (2007), Adeniyi (2008), Dada and Oladokun (2008), Oyeweso (2011), Oyedele (2013) and NESG (2014), with regards to PPP in Nigeria, but a more detailed empirical work is required. This leaves a gap in the area of evidences from developing countries most especially during the post COVID-19 era. The main focus of this paper is an attempts to close this knowledge gap by contributing empirically to the debate of how the PPP arrangement can facilitate the obvious infrastructural deficit in Nigeria especially during this critical period.

1.1. Objective of the Study

The main objective of this study was to assess the efficiency and effectiveness of adopting public private partnership in public project financing using the Bus Rapid Transit (BRT) project in Lagos State. The specific objective were to:

- Assess the level of public awareness about public private partnership in project financing in Lagos State.
- Examine the level of benefit to the populace as a result of the adoption of public private partnership in public project financing, and
- Evaluate the efficiency level of public project after the introduction of public private partnership

1.2. Research Hypotheses

The following hypotheses were tested in this study at 0.05 level of significance.

- Ho: 1 There is no significant awareness about the adoption of public private partnership in public project financing in Lagos State.
- Ho: 2 The populace have not enjoyed the benefit envisaged from the adoption of public private partnership financing of public project in Lagos State.
- Ho: 3 Efficiency of public project is yet to has not improve after the introduction of public private partnership in Lagos State.

2. Literature Review

Governments have historically financed infrastructure projects through budgetary allotments. However, as the demand for infrastructure grows and access to resources become limited, the public sector has increasingly looked up to the private sector to provide the financial resources, innovation and technical expertise (Tserug, Russell, Hsu & Lin, 2012; Chan, Osei-Kyei, Hu & Le, 2018, Widdus, 2001; Cruz & Marques, 2012, Song, Song, Zhang & Sun, 2013). According to Giti, Abeiro and Ondieki (2019), the application PPPs has grown overtime but research has found that PPPs, have existed in various forms since time immemorial. Though working relationship between the public and private sector are not new, public private partnership (PPP) is a relatively recent addition to an ever-evolving relationship. PPP were developed in the United Kingdom where they are usually refers to as the Public Finance Initiative (PTI), which was introduced in 1992 by the conservative Government of John Major. The Labour Government of Tony Blair elected in 1997, expanded the PFI initiative but sought to shift the emphasis to the achievement of 'Value of money' mainly through an appropriate allocation of risk. PPP are becoming an increasingly important tool for delivering public services both with regards to infrastructure assets and more complex assets. Khanom (2010) opined that PPPs have now become widely accepted and popular in public sector management. Although, the PPP arrangement as a public project financing option is still at the initial stages in satisfying the infrastructure development needs of many developing countries (Gurgun & Touran, 2014), however new findings, designs and scenarios have been proposed, adopted, or explored globally in the PPP field (Li, Akintoye, Edwards & Hardcastle, 2005). The practice of PPPs for infrastructure development varies worldwide and covers a diverse range of approaches through which the private sector participates in the delivery of services and facilities for public use (Ibrahim, Price & Dainty, 2006); studies have shown that PPPs have been adopted in several areas with infrastructure management, roads, housing and so on (Ibem, 2010, Adegun, 2011). Abdul-Aziz and Kassim (2011) indicated that PPPs have been

effectively utilized in public project delivery in many countries of the world such as Mexico, Pakistan, Egypt, India, South Africa, Bulgaria, Russia, United Kingdom and Thailand. PPP is emerging as an alternative method for the delivery of infrastructure and services in different parts of the world. PPP depicts a government service or private business which is funded and operated through a partnership of government and one or more private sector companies. These scheme are sometimes referred to as PPP. PPP is now being promoted across the world as the panacea for public sector capital investment.

Nigeria is one of the countries where this concepts must be actively encouraged by its government. Given the huge amount needed for development, the Nigeria government does not have the requisite capability to achieve this on its own. For instance, The World Bank (2009 a and b) established that infrastructure's share of many developing countries' investment budgets is shrinking; donor support is below past levels, and private investment in infrastructure in developing countries is also declining. Infrastructure challenges remain not only financial; they are also political and regulatory. Similarly, Hammami, Rushashyankiko, and Yehoue (2006) posit that PPP was inspired by the need to reduce public spending and inefficiency and to overcome the challenge posed by lack of managerial skills in public organisations. The main goal is therefore to achieve Value for Money (VfM) and to deliver better quality services for the same amount spent by the public sector. Looking further, the reason include the desire to provide increase infrastructure and services within imposed budgetary constraints by utilizing private sources of finance via off balance sheet structured, and to accelerate delivery of projects which might otherwise have to be delayed. PPPs take different forms, therefore there is no precise and widely accepted definition of PPP and the concept of PPP is still being contested.

2.1. Theoretical Background of PPP

Researchers have traced the theoretical basis of PPP concept to the Theory X-Efficiency developed by Leibenstein in 1966 (Hammami *et al*, 2006, Secrieru, Lopoteco, & Ciumac, 2009). They posited that inefficiencies in public institutions necessitate PPP. According to this theory, inefficiencies in the activity of public enterprises or institutions results from distortional inventions, both of government and of the state organizational structure which are features usually by a high level of bureaucracy (Secrieru, Lopoteco, & Ciumac, 2009). PPPs are necessary to reduce the sources of X-efficiency in the public organisations and to allow them to respond to market forces and become more competitive. From a theoretical view point, Renda and Schrefler (2006) is of the view that the main justification for the adoption of a PPP is the possibility to exploit the management qualification and the efficiency of the public entities and executed by a consortium of private entities through a special purpose vehicle (SPV) established mainly for the contract. Through PPP expertise, resources of the public and private sector are combined to provide services to the public at better value for money (Singapore Ministry of Finance, 2004). The belief is that the public and the private sector have specific qualities and areas of competence or core value which if appropriately combined would give synergy. This is similar to what Cohen, (2001) referred to as functional matching. The private sector provides technical skills and finance while the public sector provide direction, vision and finance. When correctly implemented, PPPs are said to produce reduce life-cycle costs, better risk allocation, faster implementation of public works and services, improved service quality and additional revenue streams.

2.2. The Concepts of PPP

Private sector involvement in the delivery of public service is not a new concept as PPPs have been used for over five decades, predating the contracting out initiatives of 1970s in the USA (Palmer, 2009). As a concept, PPP arrangement has globally evolved in many forms into all sectors of the economy and is still an evolving concept which must be adapted to the individual needs and characteristics of each project partners (Bruxelles, 2003). The growing use of PFIs has inspired government worldwide to adopt PPP arrangements. A list of countries that have adopted PPP to deliver several social infrastructure project includes Australia, Ireland, The Netherlands, India, China, Japan, Canada, USA and Czech Republic. Developing countries like Nigeria and South Africa are not out of the list. In the last ten years, over USD 8bn worth of PPP deals have been executed in Nigeria (Infrastructure concession commission, 2020 According to Marlowe (2014) PPP is clearly defined in practice, but not in concept despite its worldwide adoption. There is no clear agreement on what actually constitute a PPP (IMF, 2004), as the concepts of PPP is still been contested (Khanom, 2010)

However, PPP as a concept is seen to fall within the New Public Management framework as alternative service delivery arrangement to traditional public procurement (Ford & Zussman, 1997 in Palmer, 2009). It focuses on the use of market-type mechanism associated with the private sector to bring about changes in the management of public services (OECD), 1993 in Palmer, 2009. Tran (2011) sees PPP as 'hybrid' solution allowing a private operators to manage a public service for a contractually defines period. Compared with the traditional form of procurement, PPP has three fundamental differences. First is 'bundling'; the public authority under PPP entrusts to one single private operator all the tasks of the project (funding, design, construction, operation and maintenance) whereas these tasks are unbundled under traditional procurement. The second difference is about the risk transfer from the public authority to the private partner. Unlike in traditional procurement, most of the financial and operating risks are transferred to the private sector partner (Iossa & Martimort (2008) in Tarn (2011). Finally, it is about the duration of the contract. As PPP is global contract, the duration which includes from the design to the operating stage is much longer than traditional procurement.

In the literature, these differences are used to study the efficiency of PPP (Tran, 2011). Palmer (2009) see PPP as being somewhere in-between the spectrum of private versus public involvement, with contracting out and privatization at the opposite ends. Palmer (2009) argued that there are significant differences between the three. That contracting out involves a private-sector party providing commercially a service previously provided by the public sector with little transfer of control or risk to the private sector, and no substantive private sector involvement in decision making in contracts, to PPP that is characterized by some devolution of control and authority to the private sector, as well as private

sector participation in decision making. In addition, the private sector partner would likely be a provider of capital assets as well as the services. Privatization is different from PPP arrangement because under PPP the public sector retains a substantial role while in privatization subsequent government involvement is minimal unless regulation of the post privatized entity is necessary.

2.3. Driver of PPP

The main drivers of PPP have been identified as budget deficits, aging/poor infrastructure, value for money, and growing demand on public sector services (UK, Office of National Statistic, 2000; Ahadzi & Bowles, 2004; Nigeria Economic Summit Group, 2004; World Bank, 2009). Others include the search for greater efficiency and creativity in the delivery of public services through the use of private sector managerial and technical skills, to circumvent strict constraints on capital investment as well as the desire to introduce competition and shortage of domestic experience especially in developing economies (UK Office for National Statistics, 2000; Broadbent and Laughlin, 2004; Akintoye, 2006).

It should be noted that countries differ in the reasons they funding adopts PPP. For instance India as a start does not see herself adopting PPP due to lack of expertise or desire to provide reliable and quality public services 'but' just a matter of organization and' (Clarke & Angus, 2008). This is a little bit different from other countries view as expressed by researchers like Hodge and Greve (2007), Li *et al.* (2006) & Ahadzi and Bowles (2004). Works of Clarke and Angus (2003); Ahadzi and Bowles (2004), Adam *et al.* (2006), Hammami *et al.* (2006) claim differences among countries in their reasons for adopting PPPs. This makes it necessary to look at operations in Nigeria viz a viz other countries. Despite these differences researchers have been able to offer some reasons for PPP. For instance Renda and Schrefler (2006) describe the main goal of PPP as obtaining more 'value for money' and that PPP is said to generate value improvement whenever it has achieved reduced life-cycle costs, more efficient allocation of risk, faster implementation, improved service quality and additional revenue. PPP is therefore socially beneficial whenever the net gains from it are greater than the corresponding net gains from traditional public provision. Hammami *et al.* (2006) identified six major determinants of PPPs in infrastructure through seven channels and they argued that countries with large markets, debt-burdened government, stable inflation and strong rule of law attract more investments in PPPs, and that past experience with PPPs affects PPP project (both in number and amount invested). Supporting the work of Alesina, Baqir and Esaterly (1999), Hammami (2006) argued that ethnically divided countries requires a large number of infrastructure projects or public goods or services, hence more PPP projects.

2.4. Sources of Financing PPP Projects

PPP projects are usually financed using some of the following sources of funding such as equity ownership of the project company, debt/interest on project bonds, first priority for payment and first rights over project cash flows, mezzanine funding and quasi-equity, secondary call on the project cash flows, government support through capital grants or viability gap/availability payments from the governments etc. Each type of investor or lender receives a consideration from the project by way of return on their investment. The lenders (banks, bond holders) receive interest and the equity holders receive dividend (some project allow for hybrid models). Then is who has the priority in order of payment. Traditionally equity investment earns the highest return but faces the highest risk and also holds the lowest priority when raising funds for PPP projects. On the other hand debt holders have the highest priority in terms of right to project assets and revenue before the equity contribution can obtain any returns or repayment (World Bank, 2016).

Figure 1: Cash Flow Water Fall Model
Source: Malthotra. 1997

The implication of this model is that financiers of PPP are able to estimate the bank ability of the project, multilateral involvement ability to receive royalties for subsidiary or guarantees, equity contribution, tariff regulation, financing plans, payments of dividend and so on. This prioritization of the cash flow is enforced using financing agreement for each source of funding for the project.

2.5. Equity

Equity is provided by 'project sponsors' (those who have an operational interest in the contract) or 'financial investors' (those who have only an investment interest). Often the project sponsor is required by government or lending institutions to invest a certain percentage of equity capital in the PPP project. This can be either by the sponsor alone or be contributed by a consortium of investors. The advantage of funding PPP project through a consortium of equity investors is that the consortium can be constituted to minimize project risks by assigning each consortium member to manage the risks that correspond to their functional expertise. Equity can be raised by internal resources/ or retained earnings and equity issuances. Equity may be raised by the project sponsors separately or by fund set up to invest in the project can be classified as public issuance, right issuance, or private placement (Yescombe, 2007). As equity holder in a PPP arrangement, the only way investors can recover the capital before the life span of the project is to sell the shares they are holding through the financial markets (Feng, 2017).

2.6. Debt

Debt is defined as an amount owed to a person or organization for funds borrowed, Debt can be represented by a loan note, bond, mortgage or other agreement stating repayment terms and interest requirements. These different forms imply intent to pay back an amount owed a specific date, which is set forth in the repayment terms. Globally, majority of PPP projects are funded through debt, sometimes in the region of seventy to hundred percent) Danbe, Vollrath & Alfen, 2008).

2.6.1. Bank Loans

These represent the most common form of debt funding and can be availed in various forms with respect to the repayment facilities, tenure of the loan, interest payment options (floating or fixed), and currency denomination. Bank loans are structured on the basis of the expected project cash flows, with a moratorium or grace period, interest payment, and principal repayment schedule. Bank loans are generally fully secured and have recourse to project assets in the event of any default. Given that PPP projects are highly capital intensive in nature, they are often funded using a high proportion of debt (to reduce overall funding costs). To reduce individual exposure, banks often prefer to be part of a consortium or 'syndicate' of banks. One bank often acts as the 'lead bank'.

2.6.2. Bonds

Bonds represent the debt funding raised for a project from the capital markets. The benefit of bond issuance is that many different investors can be brought together, many of which only take a small piece of the project loan. Investors in a bond issue can be broadly categorized as (1) banks and financial institutions; (2) insurance companies, provident funds and pension funds; (3) mutual fund; and (4) retail investors

2.6.3. Multilateral Agencies

International institutions, such as the World Bank or its private sector lending organization such as the International Finance Corporation, European Investment Bank, and the various regional development banks are major financiers of PPP projects globally in developing countries. While multilateral agencies follow the same debt structure are purely private investors, they do have some unique characteristics that make them good partners for infrastructure project. For example, multilateral agencies typically lend for long-duration project, are focused on project with high economics development impact, and provide technical guidance throughout the project lifecycle.

2.7. Pension Funds, Insurance Companies, Sovereign Wealth Funds and Infrastructure Funds

Like multilateral institutions, certain types of funding groups focus on infrastructure projects given its unique characteristics and long- term predictable cash flow. Specially, funds such as those that come from pensions, insurance, sovereign government's resources, and dedicated infrastructure funds, are often managed by investment banks or independent managers.

2.8. Mezzanine Funding or Quasi Equity

In addition to more traditional equity and debt arrangements, infrastructure project investors may wish to raise secondary or complementary funding. Mezzanine capital is considered as a layer located between equity and debt which can represent the two (OECD, 2015). According to the World Bank (2016), financing PPP project through Mezzanine capital is obtained from shareholders, institution sponsors, commercial banks, bilateral and multilateral organizations. Mezzanine financing or quasi equity represents a midway between senior debt and equity and has features of both kinds of financing. It can assume the forms of subordinated loans, convertible subordinate loans, redeemable preference shares, or debt issued with stock warrants, and accepts a higher risk of repayment than senior debt since it is generally subordinate in terms of collateral rights over security and rights to cash flow. Such debt, at times, may also be unsecured in which case the rate of interest charged would be significantly higher than that charged for senior debt. The projects sponsors may provide some of their equity in the form of subordinated debt since the interest payments can be offset against corporate taxes paid by the SPV whereas dividend are paid from post-tax profit. This helps to reduce overall financing costs.

2.9. Government Support

In specific cases, especially in high risk and / or high developmental impact project, Federal or State Government might contribute funds to enhance the viability of the project. A key reason for this may be to make the project 'bankable' to the private sector. Some reasons for government support may include supporting economically and socially weaker sections of society who cannot pay commercial prices for basic services; encouraging the use of public amenities or environmental beneficial options like public transport system by charging concessional prices; executing their social mandate to provide certain services without charging citizen such as senior citizens.

2.10. Project Insurance

Insurance forms an integral and key element of the overall security for a PPP project. Insurance provides safety to the operators, lenders, equity investors and government should a major casualty or disaster occur to all, or a material part of the project. Insurance can vary from one project to another and from one phase of the project to another. This type of insurance covers physical damage to project facilities during the course of construction, physical damage to other assets as offices, vehicles, transit insurance (e.g. parts of transit), employer's and third party liability insurance and environmental liability insurance among others. A significant part of an insurance policy may be re-insured with other insurers because the local insurer may not be able to underwrite the full value of risks of a large project. In some projects, the government may agree to act as insurer of last resort when certain risk (e.g. terrorism, force majeure, etc.) become uninsurable in the local market.

3. Methodology

This study adopted descriptive and survey research designs. Data were obtained from primary sources. Several researchers supported this approach based on the argument that people's intention are better measured via survey study and that causal or predictive relationships are better tested with survey (Bryman & Bell, 2011). The population for this study consists of BRT commuters who are the direct beneficiary of the services. These commuters comprise of daily average of 100,000 BRT passengers (LAMATA, 2009). However, it is currently estimated to be around 500,000 commuters comprising of Lagos residents, traders, artisans, civil servants, academics, among others. In total, 500 copies of the questionnaire were administered for the study based on simple incidental random sampling technique. The questionnaire was sectionalized to reflect demographic information, independent and dependent variables. Responses were rated using the five-point Likert scale. Internal consistency (reliability test) was carried out on the research instrument using Cronbach Alpha reliability test with the aid of Statistical Package for Social Sciences (SPSS) version 24. The result of the test shows coefficients ranging between 0.657 and 0.781. Given these results, it is concluded that the instrument is reliable and capable of producing consistent result. Out of the 500 copies distributed to the respondents, 371 copies were retrieved and analyzed using descriptive and inferential statistics.

4. Results and discussion

Inferential statistics (Chi-square on 0.05 alpha level) were used test to each of the hypothesis. The rule is to reject Ho if chi-square calculated is greater than chi-square tabulated.

4.1. Hypothesis 1

- Ho: 1 There is no significant awareness about the adoption of PPP in public project financing in Lagos State

	Observed N	Expected N	Residual
Strongly Agree	13	92.8	-79.8
Undecided	150	92.8	57.3
Disagree	184	92.8	91.3
Total	24	92.8	-68.8
	371		

Table 1: Awareness of PPP as a Method of Public Project Financing in Lagos State
 $\alpha = 0.05$

Awareness of PPP as a Method of Public Project Financing in Lagos State	
Chi-Square	244.644 ^a
df	3
Asymp. Sig	.000

Table 2: Test Statistics

a. 0 Cells (.0percent (Percent) Have Expected Frequencies Less Than 5. The Minimum Expected Cell Frequency Is 92.8

- Decision: The Chi-square calculated is 244.644 according to the test statistic in Table2 above and the correspondence tabulated value at $\chi^2_{0.05,3} = 7.815$. Since $244.644 > 7.815$, Ho is therefore rejected and we conclude that there is significant awareness about the adoption of PPP in public project financing in Lagos State. Additionally, commuters are aware that the BRT programme constitutes PPP arrangement jointly facilitated by Lagos State government and the management of National Union of Road Transport Workers (NURTW)

4.2. Hypothesis 2

- Ho: 2 the populace have not enjoyed the benefit envisaged from the adoption of PPP in public project financing in Lagos State.

	Observed N	Expected N	Residual
Strongly Agree	12	92.8	-80.8
Agree	206	92.8	113.3
Undecided	134	92.8	41.3
Disagree	19	92.8	-73.8
Total	371		

Table 3: Benefit from Public Project Financing as a Result of PPP Financing
 $\alpha = 0.05$

	Benefit from Public Project Financing Using PPP
Chi-Square	285.571 ^a
df	3
Asymp. Sig.	.000

Table 4 Test Statistics

a. 0 Cells (.0percent (Percent) Have Expected Frequencies Less Than 5. The Minimum Expected Cell Frequency Is 92.8

- Decision: The Chi-Square calculated according to the Test statistics in Table 4 above is 285.571 and the corresponding tabulated value at $\chi^2_{0.05,3} = 7.815$. Since $285.571 > 7.815$, Ho is therefore rejected and we conclude that the populace have enjoyed the benefit envisaged from the adoption of PPP in public project financing in Lagos.

4.3. Hypothesis 3

- Ho: 3 Efficiency of public project is yet to after improve the introduction of PPP in Lagos State.

	Observed N	Expected N	Residual
Strongly Agree	7	74.2	-67.2
Agree	108	74.2	33.8
Undecided	196	74.2	121.8
Disagree	59	74.2	-15.2
Strongly Disagree	1	74.2	-73.2
Total	371		

Table 5: Efficiency of Public Project after the Introduction of PPP in Lagos State
 $\alpha = 0.05$

	Efficiency of Public Project after the Introduction of PPP in Lagos State
Chi-Square	351.520 ^a
df	4
Asymp. Sig.	.000

Table 6: Test Statistics

a. 0 Cells (.0percent (Percent) Have Expected Frequencies Less Than 5. The Minimum Expected Cell Frequency Is 74.2

- Decision: The Chi-Square calculated according to the Test statistics Table 6 above is 351.520 and the corresponding tabulated value at $\chi^2_{0.05,4} = 7.815$. Since $351.520 > 7.815$, Ho is therefore rejected and we conclude that the efficiency of public project has improved after the introduction of PPP in Lagos. Additionally, commuters are aware that the BRT programme constitutes PPP arrangement jointly facilitated by Lagos State government and the management of National Union of Road Transport Workers (NURTW)

5. Conclusion

From the analysis of data and test of hypotheses, it can be concluded that PPP arrangement was adopted as alternative to direct public procurement to solve challenges faced in public transportation management in Lagos. Based on the perception, this arrangement recorded significant success in achieving the expected benefit among others. This confirm the findings in Gurgun and Touran, (2014), Abdul-Aziz and Kassim, (2011), Adegun and Taiwo (2011), Ibem, (2010), Li, Ibrahim, Price and Dainty, (2006); Akintoye, Edwards & Hardcore, (2005). It however refuted claims of PPP critics that, it is not always the case that PPP leads to better public service provision (e.g. Clarke & Angus, 2003, Abdul – Aziz, 2001) or Most of the benefits claimed to be derivable from PPP are not real (e.g. Walker & Walker, 2000; Bowman, 2000; Greve, 2003) or those like Tran (2014), Blanc-Brude *et al*, 2009, Gruy 1997; Ogunlana 1997, Birgonul & Ogunlana, 1997) who concluded that PPP is more costly than traditional procurement. Similarly, it can be concluded that efficiency of road transport management has improved significantly after the adoption of BRT system as a form of PPP arrangement in Nigeria, a developing country.

5.1. Recommendations

Although the public private partnership (PPP) may not be viewed as the only solution to our long quest for infrastructure provision in Nigeria, however, based on our present precarious situation occasioned by the COVID-19 pandemic, total dependence on debt both local and international will be counter-productive on the long-run. The stakeholder must be conversant with basics of PPP. The legal framework must be properly structured and more explicit the investors because PPP is a contractual agreement in which the projects constraints of time, cost and quality are not easy define and quantify. At the moment, most government businesses are shrouded in secrecy due to high level corruption. To make information freely available to the citizenry, the Freedom of Information Act, (FOI) was enacted. However, nothing has really change with regards to how government agencies and parastatal are conducting their operations. It is important to situate that the critical success factors in PPP arrangement depends on mutual trust and proper accountability from all the parties involved. Corporate and institutional investors will not be eager to invest huge sums of money on a project where the other party is reputed not to be trustworthy. Apart from security related issues, government transactions must be done in the open. This is the only way to engender trust and accountability among the populace.

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