

# Evaluation on the Challenges Facing Local Government Authorities in the implementation of Public Private Partnership, Tanzania

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**Abstract:** *The purpose of this study was to assess the impact of public private partnership in twelve selected LGAs using exploratory sequential design. The sample size constituted one hundred and eighty (180) respondents from the selected councils, of which purposive sampling was adopted. The study involved twelve councils from Dodoma, Morogoro and Singida regions. The study established varied positive impact for PPPs engagement in LGAs project which included among others, improvement of own sources revenues, improvement of economic growth, reduction of public debts, improved satisfactions with public goods, enhancement of creativity and innovation, and reduction of project costs and operations. However, the study revealed the existence of low response rate of PPPs in the studied LGAs which is attributed to Lack of transparency and accountability, political interference, non-existence of comprehensive PPP policy, lack of legal and institutional frameworks. Furthermore, low analysis capacity for assessing investment proposals among LGAs employees, poor promotion of PPPs projects, inclination to single service agreement and lack of public awareness on the benefits of PPPs engagement in LGAs project were also noted as prevalent challenges. For effective and efficient public private partnership, the study recommends the following: Comprehensive restructuring of PPP policy, acts and regulations, promotion of public awareness on the importance of PPPs, promote capacity building for LGAs staff in assessing investment proposals, promotion of PPPs projects, diversify service agreement in LGAs. Not only that but also nonpolitical interference should be observed in the implementation of PPPs projects in LGAs. From these highlighted factors, this study recommends further researches to be conducted on the factors affecting public private partnership in LGAs by scaling-up the study scope.*

**Keywords:** Public Private Partnership, Investment, LGAs, Privatization, Parastatal PPPs, GDP

## Introduction

In 1967 Tanzania embraced a centrally owned, planned and managed economy. The Government was the “great provider” of social services such education, health, and water. As a result, the government created 425 parastatal enterprises across all sectors to meet this obligation. Institutionally, the government switched from partnership to direct management of the development process and provision of social services where the regions acted as the primary drivers of rural development planning and implementation.

In the 1980s, the vulnerability of the structure became worse as the GDP growth was 1 percent, inflation > 30percent which in turn marked Tanzania as the World’s second poorest country in terms of GDP per capital. The centralization of the economy did not deliver the desired outcomes and the Government recommended a reinstatement of Local Authorities (LGs). As per constitution of United Republic of Tanzania of 1977 which recognizes the existence of LGAs, the parliament enacted laws establishing local authorities, their structures and compositions, sources of revenue as well as procedure for their operations. Also, the sources of revenues for district councils, town councils and village councils were established through the LGAF Act of 1982 under section 7, 8 and 9. The sources of revenues included all receipts derived from any trade, industry, works, service or undertakings carried on or owned by the village.

For the sake of flourishing the functions of local government, the government opted to reform local government through the Local Government Reform Programme (LGRP). The LGRP aimed at transferring duties and financial resources from central to local government levels since LGAs are in a better position to identify people’s needs through citizen participation in democratic governance, and thus supply the appropriate form and level of public services. Besides, the government reformed financial sectors by re-defining the role of the State which were policy formulation, maintaining law and order, provider of basic social and economic infrastructure and facilitator of economic growth.

Subsequently, there was a mass privatization of state assets facilitated through the National Investment Promotion Act (enacted in 1990 and revised 1997) to create Tanzania Investment Centre (TIC) and the creation of the Presidential Parastatal Sector Reform Commission charged with divesting 400 public enterprises and state assets. Over the subsequent years, public enterprises have been on a journey whereby some are fully privatised and some have become “parastatal” organizations. Within this context, it is important to note that the “Liberalization” of the economy from Government into a free-market economy have a long history.

Tanzania's Development Vision 2025 clearly states that by 2025 the country is required to have a strong and competitive economy capable of producing sustainable economic growth and shared benefits by bringing about socio-economic development through investments. To achieve this goal the government recognizes the role of alternative sources of revenue in LGAs such as Public private partnership, Fundraising/ Voluntary contribution and donor funded loan project. These are the driving forces for economic growth because the government by itself cannot attain the desired goal.

Public Private Partnership is an agreement between contracting party (government agency) and a private party in which private company performs an institutional function on behalf of the institution and receives benefits related to the performed function in a consideration of paying fees or charges. It is referred as the agreement whereby private entity renovates, constructs, operates, maintains, and/or manages a facility in whole or in part, in accordance with specified output specifications. It is the viable effective means of addressing constraints of financing, management and maintenance of public goods and services. It the agreement in which the private party assumes substantial financial, technical and operational risk in the design, financing, building and operation of a project. Moreover, it enables the Government to fulfill its responsibilities in an efficient and effective manner.

The Public Private Partnership was espoused in the country to attain the country's development vision of 2025 due to huge budgetary constraints. The vision was intended to help the country attain lower middle income economic status. To address these socio-economic challenges, in 2009 the government strived to strengthen internal sources of revenue mobilization for sustainability of services delivery by overhauling the country's legal framework on Public Private Partnership (PPP). The aim was to facilitate and encourage more private sector participation in the provision of public services: these included the establishment of public private partnership policy, the enactment of PPP act of 2010 and its regulation of 2011. The policy and its law as well as its regulations require the private sector to undertake investments in infrastructure and services development.

Historically, Public Private Partnership in Tanzania is more applicable in education, health and water sectors for many years due to the availability of clear guidelines for Public and private sector partnership regarding those sectors. However, the scope has recently widened to other public services including transport, Agriculture, Infrastructure, Manufacturing, Natural resources, Tourism, Energy, Mining, Land development, Environment and solid waste management, Appropriate defense infrastructure, Sports, Communication, Information and Communication Technology (ICT), Trade, Entertainment and recreation and Irrigation. Moreover, much of the work with LGAs and PPPs to-date has been in the sub-contracting of core operational processes for the LGAs (such as revenue collection, infrastructure) along with core service contracts (such as waste collection and disposal).

Local Government as part of the government has a role to play within a framework of PPPs. Being close to the community LGAs remain in a good position to easily identify the opportunities in their areas of jurisdictions and invite investors to work in partnership. Nevertheless, , LGAs mostly concentrate on the provision of social services such as; education, health and water while paying little attention on creation of investments that could lead to economic revolution. Recently, there are arising PPPs and joint venture investment between LGAs and other stake holders in other sectors of the economy which were previously neglected. This has consequently proven that involvement of private sectors and other stake holders can go beyond the direct service delivery.

### **Statement of the problem**

Despite the presence of policy, guidelines, regulations on PPPs and its crucial importance in economic development there are relatively low rate in the adoption of Public Private Partnerships among Tanzanian LGAs compared to other sub-Saharan countries. Therefore this study is intended to find out the challenges facing Tanzanian LGAs in the implementation of PPPs.

### **General objectives**

The general objective of this study was to analyze the challenges facing LGAs in the implementation of Public Private Partnership.

### **Specific research objectives**

- a. To ascertain the reaction and patentability of Public Private Partnership at LGAs levels.
- b. To examine the impact of Public Private Partnership to Tanzanian LGAs.
- c. To examine factors affecting the implementation of Public Private Partnership at LGAs levels.

### *Research questions*

### **General question**

What are the challenges facing LGAs in implementing Public Private Partnership

### Specific research questions

- a. What are the reaction and patentability of Public Private Partnership at LGAs levels?
- b. What is the impact of Public Private Partnership to Tanzanian LGAs?
- c. What are the factors affecting the implementation of Public Private Partnership at LGAs levels?

### Literature Review

#### Definition of Public Private Partnership

Public private Partnership is an agreement between contracting party (government agency) and a private party in which private company performs an institutional function on behalf of the institution and receives benefits related to the performed function in a consideration of paying fees or charges. It refers to the agreement between the government and the private sector whereby private entity renovates, constructs, operates, maintains, and/or manages a facility in whole or in part, in accordance with specified output specifications. It is the viable effective means of addressing constraints of financing, management and maintenance of public goods and services. It the agreement in which the private party assumes substantial financial, technical and operational risk in the design, financing, building and operation of a project. Moreover, it enables the Government to fulfill its responsibilities in an efficient and effective manner.

#### Types of Public Private Partnership

The law enacted the public private partnership recognizes that the government can enter to the contract with private entity in construction, operations or ownership. The resulting options include: Design and Build (DB); Design Build and Operate (DBO); Build, Operate and Transfer (BOT); Build, Lease and Transfer (BLT); Design, Build, Finance and Operate/Maintain (DBFO/M); Build, Own and Operate (BOO); and Buy, Build and Operate (BBO).

**Design-Build (DB):** Under this model, the government contracts with the private partner to design and build a facility in accordance with the requirements set by the government. After completing the facility, the government assumes responsibility for operating and maintaining the facility.

**Design-Build-Operate (DBO):** Under this model, the government contracts with the private partner to design and build a facility in accordance with the requirements set by the government. After completing the facility, the ownership of the facility remains with the public sector while the private partner operates the facility according to public performance requirements. The operator is also responsible for replacing the assets whose life has expired.

**Design-Build-Operate- Maintain (DBOM):** This combines the responsibilities of design-build procurements with the operations and maintenance of a facility for a specified period by private sector partner. At the end of that period, the facility is transferred back to the public sector. This model is also referred to Build-Operate- Transfer (BOT).

**Build-Lease-Transfer (BLT):** After building the asset, the concessionaire rents or leases it from Government and eventually transfers it again.

**Design-Build- Finance-Operate/Maintain (DBFO or DBFM):** Under this model, the private sector designs, builds, finances, operates/or maintains a new facility under a long-term lease. At the end of the lease term, the facility is transferred to the public sector.

**Build Own Operate (BOO):** In this model, the government grants the right to finance, design, build, operate and maintain a project to a private entity, which retains ownership of the project. The private entity is not required to transfer the facility back to the government.

**Build-Own-Operate-Transfer (BOOT):** In this model, the government grants a franchise to a private partner to finance, design, build and operate a facility for a specified period of time. Ownership of the facility is transferred back to the public sector at the end of that period.

**Buy-Build-Operate (BBO):** BBO is a form of asset sale that includes a rehabilitation or expansion of an existing facility. The government sells the asset to the private sector entity, which then makes the improvements necessary to operate the facility in a profitable manner.

#### Types of public private partnership

Basically, there are three types of public private partnership which includes Process-plant projects, Concessions and Availability-based PPPs. Process –plant project is occurred when the authority higher certain company to process something, concessions occurred when private entity using the public assets through charges or fees. Moreover, availability-based PPPs occurred when the public entity pays the project company for making the project available.

#### Empirical Studies

Kasala, E and Burra, M, (2016) on their study of the Role of Public Private Partnerships in Planned and Serviced Land Delivery in Tanzania Department of Urban and Regional Planning, using secondary data sources, interviews and analysis. The study results revealed that effective implementation of urban development planning and management proposal is alternatively possible using resources amalgamated through workable Public Private Partnerships.

Goran Amovi et al., (2020) on their study of Critical Success Factors for Sustainable Public-Private Partnership (PPP) in Transition Conditions in Bosnia and Herzegovina, used survey factor analysis of which the application of the Principal Component Analysis and Varimax method with Kaiser normalization, has extracted. The study revealed the following as the critical factors for success public private partnership; policies and strategies, public awareness, Compatible Legal/Regulatory Framework, and Standardization and Transparency of the

Fernanda Ruiz-Nuñez, (2016) on the study of the Economic Impact of Public-Private Partnerships in the Infrastructure Sector. The study evidenced the existence of positive and significant impact of private sector participation in access, quality of services, labor productivity, and reduction in technical losses. The magnitude of the impact varies by sector and size of the project and with the context, especially as it relates to the institutional and regulatory environment

### **3.0 Materials and Methods**

#### **3.1 Study Area**

The study was conducted in three regions namely Dodoma, Morogoro and Singida involving twelve councils where each region was presented by four councils. These twelve councils were selected because of the availability of data since researchers worked to the twelve councils as trainers during councilor's orientation training. This study used descriptive method with the aim of exploring how public private partnership is being undertaken at LGAs levels. The study population was the council's staffs and councilors from the selected councils involved in this study.

#### **3.2 Research Design**

The research adopted a case study design whereby descriptive and exploratory data were captured. Henceforth, both qualitative and quantitative data were collected. The research was designed to allow triangulation by using multi-methods of data collection.

#### **3.3 Sampling Techniques and Sample Size**

The study applied multistage sampling procedure whereby: first, purposive sampling was conducted to select the four regions i.e., Dodoma, Morogoro and Singida region. Second, probability sampling was employed to select the twelve councils involved in this study and to select council's staff and councilors who involved in this study.

#### **3.4. Data Types and Sources**

The research collected both qualitative and quantitative information as well both primary and secondary data. In primary data, the researchers intended to know the current situation and perceptions of the people who were interviewed by using questionnaires and focus group discussions. For secondary data, the researchers intended to get both the findings of other researchers and council's economic profile regarding the implementation of public private partnership at LGAs levels.

##### **3.4.1 Questionnaire**

Questionnaire is among widely techniques used in collecting structured information for different purposes. Basically, each respondent is required to respond to the directed questions in a pre determined order. In this study a total of 180 questionnaires were administered to the council's staffs and councilors of the selected councils. Questionnaires are very useful in drawing accurate information from the respondents in a logical sequence. Questionnaires were developed to capture information about the ages, the current situation of public private partnership, the contribution of public private partnership at LGAs levels, and the factors influencing the effectiveness of public private partnership at LGAs levels. The questions in the questionnaire relating to the contribution, problems and constraints faced the PPPs were based on a five-point Likert scale as follows: 5 = strongly agreed, 4 = 3 = moderate, 2 = disagreed, 1 = strongly disagreed.

##### **2.4.2 Focus Group Discussion**

The follow-up interviews through Focus Group Discussion (FGD) to all staffs and councilors were conducted to get clarification on some findings whereby a semi-structured interview approach was applied.

##### **3.4.3 Documentary review**

The secondary data were collected from council's social and economic profile.

#### **3.5. Data Analysis Plan**

Data collected were categorized and coded according to a predetermined coding scheme. An effort was made to code the data at the point of collection to simplify work during the analysis stage. Descriptive data were coded after data collection since it is difficult to do so before due to the diversity of possible responses (Saunders et al 2003). The data were then entered into the Microsoft excel statistical data analysis software. Processed data and results were summarized and presented using appropriate statistical tables.

## 4.0 Results and Discussions

### 4.1 Respondents Involved

One hundred and eighty respondents were involved and all questioners were collected as distributed to the respondents (health personal) this ask us that 100% of the respondents responded the distributed questioners.

#### 4.1.1 Age of Respondents

Table:1 regarding respondents' age, the study revealed that 52. % of the respondents had the age between 25-40, 28% had the ages were between 41-50- and 20% had ages were between 51 and above. Generally, the data show that majority of council's stakeholders had their ages ranged between 25 and 40 years which implies that there is active youth involvement in political and economic activities in LGAs.

**Table 1: Age Group Distribution Respondents**

Category (Age)	Frequency	Percentage (%)
25-40	94	52
41-50	50	28
51-60	36	20
Total	180	100

Source: Case study data, (2021)

#### 4.1.2 Education Background

Table:2 regarding education level of the respondents the study showed that 81 of respondents equivalent to 45% hold bachelor's degrees education and above, 76 respondents equivalent 37% hold diploma and certificates, 19 respondents equivalent to 10.5% hold secondary school education and the remaining 4 respondents equivalent to 2.5% are standard seven. The study results implies that majority of LGAs personnel have required employment qualifications which is essential for effective job performance and quality service delivery.

**Table 2: Education Background of the Respondents**

S/n	Education background	Frequency	Percentage (%)
1	Bachelor's Degree	81	45
2	Assistant medical officer	75	42
3	Clinical officer	19	10.5
4	Registered nurse	5	2.5
	Total	180	100

Sources: Case Study Data, (2020)

#### 4.1.3 Sex of Respondents

Table:3 regarding gender of the respondents, the study showed that 108 of respondents equivalent to 60% are females and 72 respondents equivalent 40% are males. These results show that LGAs functions are undertaken mostly by males than females. During the discussion researchers noticed that almost 90% of the councilors are males and less than 10% are females. This

suggests that there is low engagement of females in political matters than males which is associated with African culture which marginalizes women participation in politics and formal economic activities.

**Table 3: Respondents Sex Distribution**

S/n	Respondents' Sex	Frequency	Percentage (%)
1	Female	108	60
2	Male	72	40
	Total	180	100

Sources: Case Study Data, (2020)

#### 4.1.4 Work Experience

Regarding the work experience of respondents, table 4 indicates that 126 equivalents to 70% respondents have working experience of five and below five years while 54 respondents equivalents to 30% have working experience of more than five years. This work experience indicates accumulation of practical knowledge and skills, which has significant impact on handling LGAs functions.

**Table 4: Working Experience of Respondents**

S/n	Respondents' Sex	Frequency	Percentage (%)
1	0-5years	54	30
2	Above five years	126	70
	Total	180	100

Sources: Case Study Data, (2021)

#### 4.2. Response of Public Private Partnership in LGAs

Table: 5 regarding the response of public private partnership in LGAs, the results show that 90 respondent equivalent to (50%) strongly disagreed with the response of public private partnership engagement in LGAs. 66 respondents equivalent to (36.6%) disagreed with the response of public private partnership in LGAs, 14 respondents equivalent to 7.8% agreed while the remaining 10 respondents equivalents to 5.6% strongly disagreed with the public private partnership engagement in LGAs. The study results suggest that there is low- rate of the implementation of public private partnership in LGAs. During the interview, the researcher noticed that the low- rate of public private partnership engagement in LGAs is due to lack of willingness among LGAs leaders.

**Table: 5 Response of Public Private Partnership at LGAs Levels**

Status of PPP undertaking at LGAs levels	Frequency	Percentage (%)
Strongly agreed	10	5.6
Agreed	14	7.8
Neutral	0	0
Disagreed	66	36.6
Strongly disagreed	90	50
Total	180	100

Sources: Case Study Data (2021)

#### 4.3 Impact of PPPs Implementation in LGAs

##### 4.3.1 Creativity and innovation

Table 4.6 regarding creativity and innovation, the results show that 120 (67%) of respondents strongly agreed that LGAs engagement in public private partnership tend to enhance creativity and innovativeness than LGAs that are not engaged in PPPs. 34 of respondents equivalent to 19% agreed with creativity attribution to LGAs engagement in PPPs whereas 17 respondents equivalent to 9% were neutral. However, 9 equivalents to 5% of respondents disagreed with the attribution of creativity and innovation to LGAs in PPPs that the implementation of PPPs may yield creativity and innovation. So, the study results suggest that

the level of creativity and innovation is likely to improve when there is public private partnership engagement in the respective LGAs. During the discussion, majority of respondents had the opinion that PPPs engagement has great influence on LGAs creativity and innovation due to the fact that private entities tend to offer quality services resulting from business competition.

**Table 6: Creativity and Innovation**

Status of creativity and innovation after the adoption of PPP at LGAs levels	Frequency	Percentage (%)
Strongly agreed	120	67
Agreed	34	19
Neutral	17	9
Disagreed	9	5
Strongly disagreed	0	0
<b>Total</b>	<b>180</b>	<b>100</b>

Sources: Case Study Data (2021)

#### 4.3.2 Satisfactions with Public Goods

Table 4.7 shows that 140 (77.7%) of respondents agreed that LGAs engagement in public private partnership tend to delivery public goods in effective and efficient manner than those not engaged in PPPs. 34 of respondents equivalent to 19% agreed and 6 respondents equivalent to 3.3% were neutral that LGAs engagement in public private partnership tend to delivery public goods in effective and efficient manner than those not engaged in PPPs. The study results suggest that engagement of PPPs in LGAs may improve the public services at the grass roots level of administration since private sector survival relies on delivery of quality services. During the discussion, majority of respondents claimed that LGAs engagement in the PPPs offered good public services than those not engaged in PPPs.

**Table: 7 Public Goods Delivery**

Status of public needs delivery after the adoption of PPP in LGAs	Frequency	Percentage (%)
Strongly agreed	140	77.7
Agreed	34	19
Neutral	6	3.3
Disagreed	0	0
Strongly disagreed	0	0
<b>Total</b>	<b>180</b>	<b>100</b>

Sources: Case Study Data (2021)

#### 4.3.3 Project Constructions and Operation Costs

Table 4.8 shows that 145 (80.5%) of respondents agreed that LGAs engagement in public private partnership tends to reduce both project implementation and operation costs. Moreover, 35 equivalent to 19.5% agreed with the reduction of the implementation costs for projects undertaken through PPPs than those undertaken solely by the public (LGAs). The study results suggest that PPPs engagement in LGAs projects is likely to improve public services at the grass roots level since offering quality services is fundamental for the survival and flourishing of private sector. During the discussions, majority of respondents claimed that LGAs engaged in PPPs offered good public services. The study results evidenced that engagement of PPPs in LGAs tends to minimize constructions and operations costs.

**Table: 8 Project Constructions and Operation Costs**

Status of Project Costs and operation costs to the LGAs undertaking the PPP	Frequency	Percentage (%)
Strongly agreed	145	80.5
Agreed	35	19.5
Neutral	0	0
Disagreed	0	0
Strongly disagreed	0	0
<b>Total</b>	<b>180</b>	<b>100</b>

Sources: Case Study Data (2021)

**4.3.4 Reduction of Public Debts**

Table 4.9 shows that 165 (91.7%) of respondents agreed that LGAs engagement in public private partnership seems to minimize public debts. However, 15 respondents equivalent to 8.3% agreed that for LGAs engaged in PPPs exhibited low public debts compared to those LGAs not engaged in PPPs since the adoption of PPPs free LGAs from acquiring commercial loans which have high interest rate. The results suggest that engagement of PPPs in LGAs may enable LGAs to minimize the volume of public debts. During the discussions, majority of respondents claimed that LGAs engaged in PPPs experienced to have minimum volume of public debts. The PPPs enabled LGAs get rid of unnecessary costs including interest fees and other costs associated with loan applications.

**Table: 9 Status of Public Debts**

Status of public debts for LGAs undertaking the PPP	Frequency	Percentage (%)
Strongly agreed	165	91.7
Agreed	15	8.3
Neutral	0	0
Disagreed	0	0
Strongly disagreed	0	0
<b>Total</b>	<b>180</b>	<b>100</b>

Sources: Case Study Data (2021)

**4.3.5 Status of Economic Growth**

Table 4.10 shows that 110 (61.1%) of respondents agreed that LGAs engagement in public private partnership promoted economic growth than those that were not engaged in PPPs. However, 44 respondents equivalent to 24.4% agreed with the contributions of the PPPs in the economic growth of the LGAs and 26 equivalents to 14.5% of respondents were neutral. The study results suggest that the adoption of PPPs in LGAs may improve the economic growth of LGAs since the implementation PPP in LGAs is normally accompanied with the: availability of quality public services, creation of employment, reduction of public debts, creation of competitive economy, and the control of public expenditure.

**Table: 10 Status of Economic Growth**

Status of economic growth for LGAs adopted PPP	Frequency	Percentage (%)
Strongly agreed	110	61.1
Agreed	44	24.4



Neutral	26	14.5
Disagreed	0	0
Strongly disagreed	0	0
Total	180	100

## Sources: Case Study Data (2021)

**4.3.6 Status of Own Sources Revenue**

Table 4.11 shows that 170 (95.5%) of respondents agreed that LGAs engagement in public private partnership had an increase in own sources revenue than those not engaged in the PPPs. Moreover, 10 respondents equivalent to 5.5 % agreed with role of PPPs on the increase of own sources revenue. The results suggest that the adoption of PPPs in LGAs may improve own sources revenues of particular LGAs since the implementation PPPs in LGAs includes sub-contracting of revenue collection. Moreover, PPPs tends to have positive impact since it reduces the dependency of LGAs on central funds transfer because PPPs stabilizes own sources revenue to LGAs.

**Table: 11 Status of Own Sources Revenue**

Status of own sources revenue for LGAs undertaking the PPP	Frequency	Percentage (%)
Strongly agreed	170	95.5
Agreed	10	5.5
Neutral	0	0
Disagreed	0	0
Strongly disagreed	0	0
Total	180	100

## Sources: Case Study Data (2021)

**4.4. Challenges Facing LGAs in Implementing PPPs****4.4.1 Lack of comprehensive policy, legal and institutional frameworks**

Table: 12 regarding the lack of PPPs comprehensive policy, legal and institutional frameworks the study shows that 120 equivalents to 66.7% of respondents strongly disagreed with the comprehensive policy, legal and institutional frameworks of the public private partnership. 35 equivalents to 19.4% disagreed with the existing policy. However, 17 equivalents to 9.4% agreed with the legal frameworks governing the public private partnership in LGAs and 8 respondents equivalent to 4.5% strongly agreed with the policy, legal and institutional frameworks. These results reveal the absence of comprehensive policy, legal and institutional frameworks as many of the respondents claimed that the existing policy legal and institutional frameworks do not provide clear guidelines and procedures for development and implementation of PPPs. During the discussions, respondents argued that it is high time to restructure the available policy so as to eliminate those highlighted challenges facing the execution of PPPs in LGAs. The existing policy does not explicitly explain the engagement PPPs in LGAs as most of the sections of the mentioned policy have assumed the PPPs in relation to central government.

**Table: 12 The Lack of comprehensive policy, legal and institutional frameworks**

Statuses of the application of prevailing policy, legal and institutional frameworks.	Frequency	Percentage (%)
Strongly agreed	0	0
Agreed	8	4.5
Neutral	17	9.4

Disagreed	35	19.4
Strongly disagreed	120	66.7
<b>Total</b>	<b>180</b>	<b>100</b>

## Sources: Case Study Data 2021

**4.4.2 Lack of capacity for assessing investment proposals**

Table: 13 regarding the low of capacity to assess investment proposal, results show that 115 equivalent to 63.9% of respondents strongly disagreed with the capacity analysis of the investment proposal of the proposed project required to be implemented in LGAs. 45 equivalent to 25% disagreed with the competence of the LGAs staff in dealing with the analysis of proposed investment and 18 respondents equivalent to 10% were neutral. However, 2 respondents equivalent to 1.1% agreed with the capability of the staff that are entrusted to assess investment proposals. During the discussion researchers have noted that LGAs did not have enough expertise for analyzing project investment proposal so it is high time for LGAs to recruit enough and competent staff that will analyze submitted investments proposal.

**Table 14: Analysis Capacity to Assess Investment Proposals**

Capacity to assess investment proposals	Frequency	Percentage (%)
Strongly agreed	0	0
Agreed	2	1.1
Neutral	18	10
Disagreed	45	25
Strongly disagreed	115	63.9
<b>Total</b>	<b>180</b>	<b>100</b>

## Sources: Case Study Data 2021

**4.4.3 Limited Promotion of PPPs**

Table: 15 regarding the limited promotion of PPPs engagement in LGAs projects, the study shows that, 150 respondents equivalent to 83.3% of respondents strongly disagreed with the promotion of PPPs projects in LGAs. 45 respondents equivalent to 25% disagreed with the procedures involved in promoting PPPs, while, 5 equivalents to 2.7% were neutral. The study results revealed lack of efficient and effective promotion strategies that could motivate the implementation of PPPs in LGAs. During the discussion, some members highlighted that private sectors are ready for PPPs but are discouraged due to low motivation incentives prevailing in LGAs. Such as lack of tax reliefs and availability of complicated procedures needed to complete before being part and parcel of the members of PPPs at LGAs.

**Table: 15 Limited Promotions of PPPs**

Status of PPPs motivation	Frequency	Percentage (%)
Strongly agreed	0	0
Agreed	0	0
Neutral	5	2.7
Disagreed	45	25
Strongly disagreed	150	83.3
<b>Total</b>	<b>180</b>	<b>100</b>

## Sources: Case Study Data 2021

**4.4.4 Inclination with Single Service Agreement**

Table: 16 in view of lack of service agreement, the results show that 160 equivalents to 88.8% of respondents strongly disagreed with the services agreements highlighted in LGAs. However, 20 respondents equivalent to 11.2% disagreed with the service agreement practiced in Tanzanian LGAs. During the discussion, respondents claimed that service agreements are only for FBOs and not for all types of PPPs being implemented worldwide.

**Table: 16 Lack of Service Agreement**

Status of Service Agreement	Frequency	Percentage (%)
Strongly agreed	0	0
Agreed	0	0
Neutral	0	0
Disagreed	20	11.2
Strongly disagreed	160	88.8
Total	180	100

Sources: Case Study Data (2021)

#### 4.4.5 Lack of Public Awareness about PPPs Benefits

Table: 17 considering lack of public awareness about PPPs benefits, the results show that 165 equivalents to 91.7% of respondents strongly disagreed with the public awareness about PPPs and their benefits in LGAs. However, 15 respondents equivalent to 8.3% disagreed with the public awareness about PPPs benefits. During the discussion, respondents asserted that the notion of PPPs is unknown to majority of stakeholders including LGAs staff and private sectors, one respondent added that majority of the private sectors had limited knowledge on the participation of PPPs projects. Not only that but also the LGAs administration were adamant to implement PPPs engagement in LGAs fearing loss associated with PPPs with no established evidence.

**Table: 17 Lack of Public Awareness about PPPs Benefits**

Status of public awareness about PPPs and their benefits	Frequency	Percentage (%)
Strongly agreed	0	0
Agreed	0	0
Neutral	0	0
Disagreed	15	8.3
Strongly disagreed	165	91.7
Total	180	100

Sources: Case Study Data (2021)

#### 4.4.6 Lack of Political Support and Presence of Political Interference

Table: 18 in view of political support and political interference, the results show that 155 respondents equivalent to 86.1% of respondents strongly agreed with the lack of political support on the implementation of PPPs in LGAs. 21 respondents equivalent to 11.7% disagreed with the support provided by politician in strengthen the implementation of PPPs because several times LGAs have been receiving directives that undermine the implementation of PPPs and 4 respondents equivalent to 2.2% were neutral. The study results showed that the LGAs are predominantly managed from the centre' through circulars and directives. This situation tends to limit the innovation and capacity development of the government officials which in turn hinders the development of PPPs. Therefore; it is high time politician refrain from interfering with LGAs implementation of PPPs projects. Moreover, strong political will from the country leadership is required to promote proper implementation of PPPs at LGAs.

**Table: 18 Political Supports and Presence of Political Interference**

Lack of political support the implementation of PPPs at LGAs	Frequency	Percentage (%)
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<b>Strongly agreed</b>	155	86.1
<b>Agreed</b>	21	11.7
<b>Neutral</b>	4	2.2
<b>Disagreed</b>	0	0
<b>Strongly disagreed</b>	0	0
<b>Total</b>	180	100

Sources: Case Study Data (2021)

#### 4.4.7 Lack of Transparency and Accountability

Table: 19 shows that 170 respondents equivalent to 94.4% strongly agreed with the lack of transparency and accountability promoting PPPs in LGAs. However, 10 respondents equivalent to 5.6% agreed with the lack assertion. The study results showed that there is no established mechanism for transparency and accountability promoting PPPs in LGAs since majority of the PPPs lack procurement procedures which has resulted into projects failures and corruption scandals.

**Table 19: Lack of Transparency and Accountability**

<b>Lack of mechanisms for transparency and accountability promoting PPPs at LGAs</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Strongly agreed</b>	170	94.4
<b>Agreed</b>	10	5.6
<b>Neutral</b>	0	0
<b>Disagreed</b>	0	0
<b>Strongly disagreed</b>	0	0
<b>Total</b>	180	100

Sources: Case Study Data (2021)

### Conclusion and Recommendation

#### Conclusion

This study explored the impact and challenges facing LGAs in implementing PPPs. In view of the impact the results recorded positive impact of PPPs in LGAs which included: improvement of own sources revenues, improvement of economic growth, reduction of public debts, improved satisfactions with public goods, enhancement of creativity and innovation, and reduction of project costs and operations. However, the study revealed the existence of low response rate of PPPs in the studied LGAs which is attributed to: Lack of transparency and accountability, political interference, non-existence of comprehensive PPP policy, lack of legal and institutional frameworks. Furthermore, low analysis capacity for assessing investment proposals among LGAs employees, poor promotion of PPPs projects, inclination to single service agreement and lack of public awareness on the benefits of PPPs engagement in LGAs project were also noted as prevalent challenges.

#### Recommendation

For effective and efficient public private partnership, the study recommends the following: Comprehensive restructuring of PPP policy, acts and regulations, promotion of public awareness on the importance of PPPs, promote capacity building for LGAs staff in assessing investment proposals, promotion of PPPs projects, diversify service agreement in LGAs. Not only that but also nonpolitical interference should be observed in the implementation of PPPs projects in LGAs. From these highlighted factors, this study recommends further researches to be conducted on the factors affecting public private partnership in LGAs by scaling -up the study scope.

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