(online) = ISSN 2285 – 3642
ISSN-L = 2285 – 3642
Journal of Economic Development, Environment and People
Volume 12, Issue 1, 2023

URL: http://jedep.spiruharet.ro
e-mail: office_jedep@spiruharet.ro

BENEFITS AND CHALLENGES TO IMPLEMENT PUBLIC PRIVATE PARTNERSHIPS IN WATER INFRASTRUCTURE DEVELOPMENT IN ZIMBABWE

Authors: Hudson Mutandwa[1] and Shikha Vyas-Doorgapersad[2]

[1] Postgraduate Student, School of Public Management, Governance and Public Policy, College of Business and Economics, University of Johannesburg, South Africa, Telephone: +44 7385 640832, Email: hudsonmutandwa@gmail.com, Orcid Number: N/A

[2]Professor, School of Public Management, Governance and Public Policy, College of Business and Economics, University of Johannesburg, South Africa, Telephone: 011 559 5115/ 072 463 8685, Email: svyas-doorgapersad@uj.ac.za, Orcid Number: https://orcid.org/0000-0002-8146-344X

Abstract: *The rationale of the study was built on the water infrastructure challenges in Zimbabwe and the challenges in government policies and capacity that demand the participation of public-private partnerships (PPPs) in the development of water infrastructure in Zimbabwe. The study adopted the qualitative research approach, and the information is compiled through a literature review. Through conceptual and document analysis of information, the study also recognised that there are challenges in the existing PPP arrangements in Zimbabwe that require improvement for their absolute contribution to the management of water resources in the country. The data generated by this study were used to understand the complexities and contestations in Zimbabwe and enrich the body of knowledge and literature about water-related PPPs. Effective PPPs for improved urban water infrastructure cannot be achieved by chance. Effective PPPs require deliberate efforts and comprehensive reforms. The study, therefore, posits that with an environment conducive to operating PPPs, in addition to proper planning and meticulous implementation, Zimbabwe has a high chance of successfully implementing such partnerships for improved urban water infrastructure.*

Keywords: Public-private partnerships, qualitative research, service delivery, urban water, water infrastructure, Zimbabwe**.**

JEL code: G38; H54; Q25

How to cite: Mutandwa, H. and Vyas-Doorgapersad, S. (2023). BENEFITS AND CHALLENGES TO IMPLEMENT PUBLIC PRIVATE PARTNERSHIPS IN WATER INFRASTRUCTURE DEVELOPMENT IN ZIMBABWE. *Journal of Economic Development, Environment and People, 12*(1), 57-71, doi: https://doi.org/10.26458/jedep.v12i1.796

(online) = ISSN 2285 – 3642
ISSN-L = 2285 – 3642
Journal of Economic Development, Environment and People
Volume 9, Issue 2, 2019

URL: http://jedep.spiruharet.ro
e-mail: office_jedep@spiruharet.ro

1. Introduction

Edkins (2006:503) avers that a PPP is a collaborative endeavour involving private and public sectors developed through the expertise of each partner to meet specific public needs through appropriate reward, risk and resource allocation. PPPs is through the new public management (NPM) lens as a management tool. This statement is substantiated by the fact that in the 19th century, the rapid urbanisation and expansion of water supply, sewerage and public works in transport and energy were achieved by the involvement of the private entrepreneur (World Bank (WB) 2009:59). In contemporary times, PPPs became more visible in the 1970s to 1980s when there was a paradigm shift from the traditional public management to the new discourse known as new public management (NPM) (Rosta 2011:3). The NPM concept is linked to the neo-liberal and conservative economic movements (Mascarenhas 1993:319; Pollitt 1993:1), whereby "the 1990s witnessed the establishment of PPPs as a crucial component of public policy worldwide" (Osborne 2000:1) as an outcome of NPM. According to Mitchell-Weaver and Manning (1991:63), NPM has transformed the attention of public management from public service to service delivery. Vyas-Doorgapersad (2011:238) argues that the PPP concept is a reformed public sector transformation that breaks away from the autocratic, conservative and repressive paradigm of public management that ensured top-down hierarchies. In the African context, the NPM approach was initiated in numerous African countries such as Mauritius, Ghana, Senegal, Ethiopia, and Uganda as they embarked on comprehensive reforms ostensibly to improve the quality of life of their citizens and for the government to create new machinery that establishes effective and efficient systems of management (in Vyas-Doorgapersad 2011:239). The NPM approach is thus seen as a new paradigm in the promotion of principles of decentralisation, democracy and free-market governance. This new paradigm implies that the traditional public administration was not free-market orientated and democratic and had failed to improve the structural, institutional, organisational, and administrative contexts in African countries (in Vyas-Doorgapersad 2011:239). The study focused on urban water infrastructure development in Zimbabwe where the government sought possibilities to embrace PPPs for improvement. The contemporary infrastructure PPPs were envisaged in the NPM era of the 1990s to improve the internal management of the provision of infrastructure by the government. However, infrastructure PPPs have begun to separate from the NPM agenda. The PPPs in the post-NPM era were increasingly regarded as part of a broader paradigm that enabled the government to engage with several private agents in relationships that were often complex and contractually sophisticated (Casady, Eriksson, Levitt & Scott 2019:2). This theoretical paradigm, according to Casady et al. (2019:2), is now known as new public governance (NPG). NPG encapsulates the increasingly uncertain and fragmented nature of public management in the 21st century

(online) = ISSN 2285 – 3642
ISSN-L = 2285 – 3642
Journal of Economic Development, Environment and People
Volume 12, Issue 1, 2023

URL: http://jedep.spiruharet.ro
e-mail: office_jedep@spiruharet.ro

and recognises the interrelatedness and legitimacy of both the implementation/service delivery and policymaking processes.

2. Research Methodology

A qualitative research approach was deemed appropriate for this study. According to Creswell (2009:8), qualitative research is appropriate when little is known about a phenomenon; and "it emphasises the careful and detailed description of social practice" (Sibanda 2015 cited in Bangani & Vyas-Doorgapersad 2020:2). Denzin and Lincoln (cited in Zondo 2021:225) explain that the qualitative research methodology is designed to reveal the underlying meaning of an action or underlying variables of a phenomenon. The qualitative approach was considered to be applicable because the aim was to understand PPPs in water infrastructural development within the context of Zimbabwe. Information was gathered through a literature review. Fink (2014:3) defines a literature review as an explicit, reproducing, and systematic method for synthesising, evaluating, and identifying the existing body of recorded and completed work that scholars, researchers and practitioners have produced. The information was analysed through conceptual and document analysis. Conceptual analysis, as adapted by Nhlapo (2020 cited in Vyas-Doorgapersad 2021:1), referred to the process of developing the empirical study's conceptual framework. Document analysis "is a social research method that is used as a tool for obtaining relevant documentary evidence to support and validate facts stated in research, especially in the literature review chapter. This exercise involves analytical reading and a review of large amounts of written material" (Creswell 2013 cited in Nhlapo 2020:39). The literature review, conceptual analysis, and document analysis were used to identify weaknesses and knowledge in previous studies. A general study of the literature on urban water infrastructure management and PPPs was conducted. Government reports government publications, journal articles, theses, conference papers, Internet sources, budget statements, books, newspapers, parliamentary reports, published and unpublished dissertations, Acts of parliament and magazines were some of the relevant documents used in the literature review relevant to this study.

3. Water infrastructure challenges in Zimbabwe

According to the UN 2000 - 2015 Zimbabwe Country Progress Report, Zimbabwe did not achieve Millennium Development Goal (MDG) 7, especially concerning the provision of water and sanitation (Zimbabwe United Nations (UN) MDG Country Progress Report 2016:125). The report indicates that by 2014 there was a significant deterioration in sanitation and water facilities in both urban and rural areas from 2000 to 2008 that resulted in frequent cholera and diarrhea outbreaks (Zimbabwe UN MDG Country Progress Report 2016:125). The failure to achieve goal number 7 in Zimbabwe was due to a lack of coordination or streamlining of the fragmented responsibility for and management of the sanitation, water and hygiene policy as well as generating and prioritising resources for developing infrastructure and the operation, assurance and maintenance of the quality of water (Zimbabwe UN MDGs Country Progress Report 2016:126).

Urban water management refers to the management of freshwater, stormwater and wastewater as constituents of a nation-wide plan (Integrated Urban Water Management (IUWM). Urban water, therefore, involves the distribution of clean and safe water to citizens in an urban settlement. Management of the whole water distribution network involves skills in the planning and engineering of the supply chain (WB 2012:2). An urban water supply is characterised by extensive and expensive infrastructure that requires technical skills in the setting out of treatment plants, transmission pipes, storage facilities and distribution networks. The demand for urban water continues to increase sharply because of urban migration and the rapid growth of the population that is expected to reach 6.3 billion by 2050 (WB 2012:2). To realise Sustainable Development Goal (SDG) 6 (previously considered as MDG 7), it is imperative for every country, including Zimbabwe, to have an adequate urban water infrastructure.

This research aimed to explore the benefits of PPPs in urban water infrastructure development. In this regard, the literature indicates that the most efficacious PPP projects were designed around an amalgam of sources of funding using various schemes such as concessions with cross-subsidies from tariff surcharges, electricity sales, or both (as in Gabon, Cote d'Ivoire and Morocco); contract leases including greater incentives for operational efficiency; subsidised connection programmes for the poor and a gradual move towards full cost recovery through tariffs; mixed-ownership companies and concessions with public grants for some investments to spearhead access, rehabilitation or expansion while minimising the impact on tariffs (Marin 2010:2-3). In developing countries, the overall performance of water-related PPPs is more positive than commonly believed. Urban water utilities' PPPs have brought significant benefits to tens of millions of people worldwide, with successful projects in places as diverse as Brazil, Chile, Senegal, Colombia, Armenia, Morocco, Cote d'Ivoire and the Philippines (Marin 2010:3). The introduction of private water operators in a given country, beyond the contribution of individual projects, can be beneficial to the reform agenda through the generation of the necessary pressure to push the whole sector towards improved performance levels (Marin 2010:3). The benefits of PPPs in urban water infrastructure development are discussed below.

4. Benefits of PPPs in urban water infrastructure development in Zimbabwe

A PPP is a contract between the government and a private company under which the private company finances, builds and operates some element of public service and is paid over a number of years, either through user fees, payments from the public authority, or a combination thereof (Hall 2011:171). Across the globe, there is great enthusiasm about the use of PPPs to procure urban water infrastructure (Filipkowska & Wegrzyn 2019:4) and several benefits have been attributed to the use thereof (Casady, Erickson, Levitt & Scot 2018:3). Private partners bring finance and technical expertise to the partnership and share the risks with the government in a PPP arrangement (Organisation for Economic Co-operate and

Development (OECD) 2010:7). The private partner recoups profits from user fees for an agreed period. Successful PPPs in urban water infrastructure have been witnessed in Africa and beyond. Zimbabwe can embrace this model in the water sector and possibly achieve SDG 6. A trajectory of private sector participation in the provision of infrastructure dates back to the 1980s (Yescombe 2018). A variety of reasons can explain such a shift, which include the country's budget deficit and the incapacity of the public sector to efficiently manage intricate infrastructural projects. Araujo and Sutherland (2010:6) opine that PPPs can be considered as long-term contractual relationships between public and private partners for the construction and operation of infrastructure. Saussier (2013:143) adds that infrastructure PPP agreements have the capacity to fill the gap between the required capital and the available resources to ensure the infrastructure is delivered efficiently and cost-effectively.

Selecting PPPs to finance infrastructure development has advantages. They are fair in terms of intergenerational justice (Perez 2011:30) and suitable for countries in the developing world where infrastructural budgets are normally the first to be trimmed in times of crisis. Zimbabwe is no exception to such crises; natural and man-made. For example, Zimbabwe experienced excessive droughts in 1981, 1982, 1991, 1992, 2001-2002 and experienced a massive economic meltdown from 1990 to date (Zimbabwe Voluntary National Review (VNR) 2017:43). It was during those crises that urban water infrastructure budgets were reduced thus adversely affecting service delivery. This thesis hypothesised that a PPP could meet the challenges in Zimbabwean urban water infrastructure (Kunaka 2021:361). In a PPP agreement, as noted before, the private sector provides funds and the government sets targets with regard to the quality and quantity it requires. The private sector provides the required innovation, designing, building and operation and financing for the project (Chikwawawa & Bvirindi 2019:9). According to the OECD (2012:22), "if the government carries out the design itself, it would also carry the risk of faulty design". In PPPs, the private sector bears the risk of the design and construction of the facility as well as the operation and maintenance thereof (Yescombe 2007:4). PPPs guarantee value for money and compliance with quantity and quality conditions at an agreed price decided by both parties. In addition, PPP arrangements ensure that the private sector partner receives payment through service fees usually for 25-30 years (Yescombe 2007:4). The ensuing section explains the need for PPPs to solve urban water challenges in Zimbabwe.

From the foregoing discussion, it is apparent that shortages of water in urban areas are the main reasons for the outbreaks of waterborne diseases such as typhoid, cholera and diarrhoea. The water sector reforms that were implemented were unable to arrest the continuous deterioration of urban water infrastructure. The limited water delivery in the urban areas is often erratic and of questionable quality largely due to a lack of water purification chemicals, electricity blackouts, unavailability of spare parts for pumps and other equipment as well as leakages through the seriously dilapidated network for water supply, thus compounding the problem. It is important to note that the cause of these crippling water shortages in cities in Zimbabwe can always be attributed to the lack of funds to support sanitation, hygiene and water infrastructure. The available funds are usually insufficient to fully support ZINWA or government and local authorities to finance the development and rehabilitation of urban water and sanitation projects or other infrastructure in their jurisdictions. There is a need for private stakeholders to contribute through

(online) = ISSN 2285 – 3642
ISSN-L = 2285 – 3642
Journal of Economic Development, Environment and People
Volume 9, Issue 2, 2019

URL: http://jedep.spiruharet.ro
e-mail: office_jedep@spiruharet.ro

PPPs and assist with the necessary resources to fight against poor hygiene and sanitation and the water shortages in Zimbabwe. It was the view of this study that a PPP could be the solution to the perennial water shortages in urban Zimbabwe.

The history of PPPs in Zimbabwe can be traced back to the Policy Guidelines of 2004 (Dube & Chigumira 2011:4). This was followed by the Short-Term Economic Recovery Programme (STERP) of 2009 which attempted to invite the private sector to participate in the provision of infrastructure through PPP agreements (Zinyama & Nhema, 2015:43). Under the inclusive 2008 government, a more vigorous stance was taken to adopt PPPs by inviting the private sector to enter into agreements to participate in areas such as air, rail, power generation, dam construction and national highways (Short-Term Emergency Recovery Programme (STERP) 2009). This was fronted by the office of the then Deputy Prime Minister, Professor A. Mutambara. Workshops were held and the recommendations that emerged were to speed up the setting of the policy and institutional framework for PPPs to allay fears in the private sector and to introduce transparency into the system (Dube & Chigumira 2011:5). In 2004 the GoZ attempted its first framework to lure private investors by crafting the PPP guidelines of 2004. The purpose was to promote sustainable growth and development through mutual collaboration between the government and the private sector for the efficient management and operation of infrastructure and other development projects in the country (WB 2006:1). The document sought to provide a regulatory and legal framework that protected private investors, customers, and shareholders (Bvirindi 2020:4). The need for PPPs in Zimbabwe was recognised because of the role performed by infrastructure in economic growth and poverty reduction (Mutazu 2020:1). The GoZ, like many governments, has been unable to cope with the ever-increasing demand for its limited budgetary resources hence the need to opt for PPPs (Mutandwa & Zinyama 2015:12). In 2010, the former Finance Minister, Tendai Biti and the Chief Executive Officer (CEO) of the IDBZ, Charles Chikura, stated that the solution to Africa's quest for development is a win-win marriage between public and private sector collaboration and active participation of the private sector in infrastructural development (Southern African Development Community (SADC). 2012; Netherlands Water Partnership (NWP) 2015).

5. Challenges faced by PPPs in Zimbabwe

The concept of PPPs was first mooted in Zimbabwe in 1998 but a significant attempt to draw up a framework for PPPs was only attempted in 2004 (Dube & Chigumira 2011:3). The legal framework governing PPPs was promulgated in February 2016 in the form the Joint Ventures Act (JVA), (Chapter 22:22). However, according to the Zimbabwe National Chamber of Commerce (ZNCC) (2009:11) and Zimbabwe Socio-Economic Transformation (ZIMASSET) (2013:78), several PPP projects, namely the New Limpopo Bridge (NLB), the Newlands Bypass (NB) and the Beitbridge-Bulawayo Railway (BBR) were established without a legal or legislative framework in place. There have been attempts to create PPPs in water infrastructure in Zimbabwe, for example, the Kunzvi Dam, the Zambezi Water Project, Save Dam and the Morton Jeffery Water Works but these did not take off.

(online) = ISSN 2285 – 3642
ISSN-L = 2285 – 3642
Journal of Economic Development, Environment and People
Volume 12, Issue 1, 2023

URL: http://jedep.spiruharet.ro
e-mail: office_jedep@spiruharet.ro

In Zimbabwe, the economic downturn period saw increased dilapidation of extant public infrastructure that was exacerbated by the government's failure to allocate the much-needed budgetary support for capital projects because of limited fiscal capacity (Dube & Chigumira 2011:1). Although the PPP initiative was mooted in 1998, it only gathered momentum in 2004 in the form of PPPs in the Zimbabwe Policy and Guidelines that sought to provide the parameters for the establishment of appropriate regulatory and legal frameworks to protect consumers and investors (ZNCC 2009:23). In the Short-Term Emergency Recovery Programme document (STERP), PPPs were proposed in various areas such as national highways, dam construction, power generation as well as rail and air services (STERP 2009:119). Contrary to these efforts, the implementation of PPPs in infrastructural development did not take off in a significant manner due to the lack of a legislative framework (ZNCC 2009:23). The implementation of PPPs is moving at a snail's pace and in a lackadaisical way in Zimbabwe (Mutandwa & Zinyama 2015:128).

The utilisation of PPPs in the development of public infrastructure may compensate for the government's failure to adequately deliver water infrastructure. Hudson and Mutandwa (2015; Asian Development Bank Institute (ADBI) 2011) state that in the last decade there has been an important increase in the use of PPPs, the driver being limited public funds coupled with an increasing acceptance that the private sector is often better placed to handle many of the tasks traditionally performed by the public sector. The extant body of literature is yet to provide useful insights into why there is no political will to embrace PPPs in Zimbabwe. In Zimbabwe, only a limited number of systematic studies have been conducted on PPPs to provide insights into the factors that enable or disable the implementation thereof. PPP infrastructure development in Zimbabwe requires measures that deal with the finance mobilisation and incentivisation of the private sector to participate in the process (Dube & Chigumira 2011:5; ZNCC 2009:23). The studies that were undertaken did not focus on water infrastructure or explain why the implementation of PPPs in Zimbabwe's water sector is unsuccessful given the degree of infrastructure dilapidation.

Robles, Torero and Braun (2009:5) argue that PPP schemes usually attract high financial costs due to the public authorities' low credit ratings and sovereign debt. However, efficient private management could be expected to bring about cost savings that outweigh the higher finance costs and consider cost-benefit analysis to ensure that the project provides value for money. PPPs have considerably higher transaction costs than other arrangements (Robles et al. 2009:5; Zinyama & Mutandwa 2015:28) due to the lengthy and complex tendering process. This in turn reduces competition, as smaller companies may fail to compete. The 'user pays' principle is positive from an economic point of view as it allows for a more efficient allocation of resources, although the free rider problem could be a limiting factor. Conflict resolution procedures for PPPs are normally cumbersome and complex, particularly if the private partner fails to comply with the terms of the contract (Aizawa 2017:4). Crafting the contractual framework required for regulating all covenants, responsibilities and risks could be complex because it can take time. The PPP contractor can run the risk of bankruptcy, which is more disruptive than traditional contracts (Aizawa 2017:4). The most common challenges encountered by PPPs are transaction costs (Aizawa 2014:4). The study noted that the major disadvantages that can work against PPP implementation are the negative public perception of the government, the complex contractual structure and conflict resolution procedures, risk of bankruptcy and politics and opportunism. The PPP concept was useful to this study as it provided the lens through which to assess the utility of PPPs in Zimbabwe (Chikwawawa & Bvirindi 2019:12).

6. Analysis of PPP in urban water infrastructural development in Zimbabwe

A PPP is described as a long-term agreement between a private party and a government organisation for the provision of a public good or service, wherein the private party assumes the significant risk, managerial responsibilities, and performance-based compensation (Sulser 2018:8; Straub 2019:1; Abubakar, Uredo, Aspita Munirat And Timothy Enejoh 2022). PPPs are a viable procurement arrangement for less expensive and sustainable water service provision and in planning the execution of PPPs as a procurement method; institutional and legal frameworks that subscribe to international standards must be employed (Zinyama & Nhema 2015:39). According to the Constitution of Zimbabwe (GoZ 2013), the government supports PPPs because the private sector is positioned to complement government efforts to deliver services. According to the Southern African Development Community (SADC). 2012; Axis Consulting 2014), the PPPs' success is characterised by clear policy statements, competent and enabled institutions that can appropriately identify, procure, and manage PPPs, efficient oversight procedures, and a proper legal framework.

PPPs require an environment conducive to business. It is significant to establish an effective policy environment. Before PPPs invest in a company, the private sector conducts an adequate project evaluation and evaluates the project's viability in terms of its technical and financial viability. A strong legal and regulatory framework is necessary to draw in the private sector. The first step is to identify the rules and circumstances that govern how the private sector can participate. From 2004 till the current ZIDA, where we have a one-stop shop, the Zimbabwean government should be praised for starting such PPP initiatives.

A PPP is an arrangement between a private sector entity and a public entity to provide a public service. The private sector entity provides the required financial resources to facilitate the provision of public service and the government must ensure a favourable environment. The risks and profits are shared. The private sector should be allowed to recoup the investment, both principal investment and interest. These are suitable for long-term projects that average 5 years or more. Numerous sectors have used the PPP models in Zimbabwe, and they have been successful in almost every sector.

Concerning water provision, it is important to consider that PPPs can be used to bring in private actors. Local governments cannot employ joint ventures (JVs) since there is no subsidiary legislation in place, unlike in South Africa where PPPs may be used by local governments thanks to subsidiary regulations. However, in Zimbabwe, where the government has a history of interfering with pricing and approving all council budgets, PPPs lack adequate pricing and effective methods for revenue collection. When trying to get people to participate in PPPs, this becomes difficult. This situation is also explained in

(online) = ISSN 2285 – 3642
ISSN-L = 2285 – 3642
Journal of Economic Development, Environment and People
Volume 12, Issue 1, 2023

URL: http://jedep.spiruharet.ro
e-mail: office_jedep@spiruharet.ro

official ADBI (2011:5) documents that highlight the numerous factors that contribute to a PPP's success. It is deduced that due to their knowledge and organizational skills, PPP players may make thoughtful decisions and do extensive study, hence mostly look for a conducive environment that encourages investing.

Arimoro (2018:3) highlights that the law molds PPP relationships, especially in developing and emerging economies. Respect for these relationships and the sanctity of the contracts drive PPP growth. Policymakers should therefore adopt measures to strengthen the law and the institutions that oversee PPPs and be open to reform to cope with changing times (Arimoro 2018:3). The Department of Economics and Social Affairs (DESA) highlights that for governments to successfully implement PPPs, strong regulatory frameworks that promote monitoring and evaluation are required (DESA 2016:16). The WB (2018:14) notes that governments should therefore ensure competent leadership that upholds transparency, accountability, and rule of law.

Countries must have strong institutions to monitor PPPs. A sound institutional framework ensures that PPPs are entered into for the right reasons and that a comprehensive cost-benefit analysis is performed before the project is undertaken. A strong institutional framework ensures good governance and administering of PPPs. Avoiding bias when selecting and implementing PPPs requires strong institutions. Romero (2015) observes that PPPs suffer from "optimism bias" due to weaker incentives for rigorous analysis on both the private and public sector sides. The setting in motion of a credible, transparent, and competitive process for the planning and selection of a PPP needs to be accompanied by the structuring of contracts that appropriately price and transfer risks to the private partner (DESA 2018:19; Makerere University Uganda (2022). DESA (2018:19; Makerere University Uganda (2022) explains that transparent fiscal accounting and the disclosure of risks would ultimately ensure efficiency gains and value for money by discouraging governments from placing PPPs projects off-budget and ensuring transparency surrounding the medium to long-term implications of the project.

According to the documents of the executive certificate of training courses in public-private partnerships-PPP course code PPP 9000 series, offered by Makerere University Uganda (2022; cedat.mak.ac.ug), the institutional framework for PPPs should feature legal, regulatory and monitoring frameworks that allow the enforcement of contracts, as well as appropriate pricing and quality of service (See Figure 1).

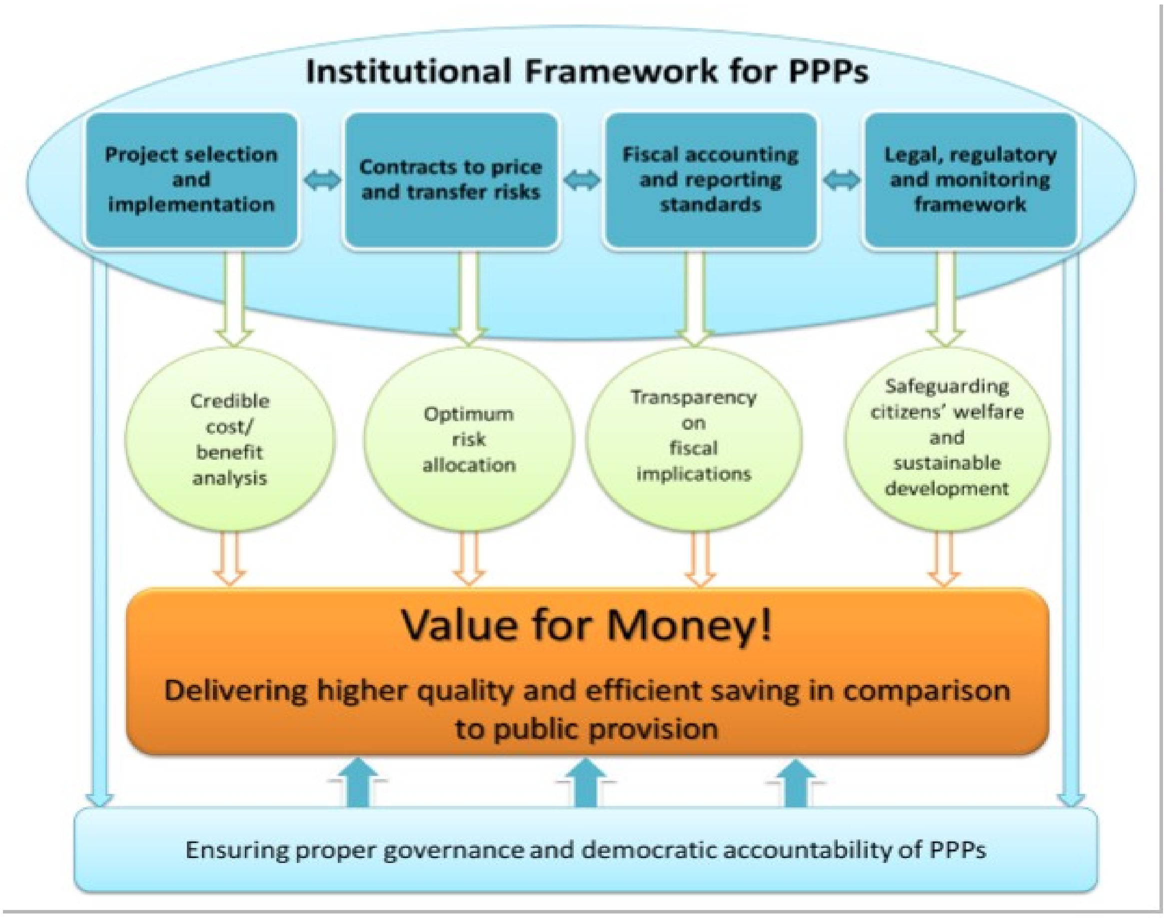

Figure 1: Key components of an enabling institutional framework for PPPs
(Source: DESA working paper No. 148 2016:17; Makerere University Uganda (2022; cedat.mak.ac.ug)

From the foregoing illustration, one may conclude that Zimbabwe still has a lot of work to do before being able to attract private entities into urban water infrastructural development. PPPs have avoided Zimbabwe, which is a concerning trend. Lack of political commitment, institutional deterioration, corruption and unfavourable perceptions of the nation are a few of the main factors preventing PPPs from being widely adopted domestically. PPPs call for strong, high-level government leadership that does not expose the nation to unnecessary operational and financial risks. Before the private sector invests millions of dollars in public projects through PPPs, the policy and legal frameworks must be explained and made transparent. Zimbabwe's economic development has suffered due to political and economic divisions during the past three decades. Chikwawawa and Bvirindi (2019:13) posit that conducive political and economic environments are crucial for PPPs' success. In Zimbabwe, political tension prevails as the

(online) = ISSN 2285 – 3642
ISSN-L = 2285 – 3642
Journal of Economic Development, Environment and People
Volume 12, Issue 1, 2023

URL: http://jedep.spiruharet.ro
e-mail: office_jedep@spiruharet.ro

government battles with the Movement for Democratic Change (MDC)-controlled local authorities. The Zimbabwean administration lacks political will. In Zimbabwe, there is political polarisation, and the government questions the political motivations of any corporate companies that work on projects in collaboration with the local authorities. Nhapi (2009:232) observes that most urban water challenges in Zimbabwe, including the capital Harare, are based on political expedience. PPPs gained momentum during the Inclusive Government's time in power and in September 2008 the STERP document adopted PPPs as a procurement method to deliver public infrastructure and services (Section 434-440) and reinforced the 2004 PPP guidelines (GoZ PPP Policy 2013:1; Axis Consulting 2014). PPPs are successful when they are supported by important institutions, contracts are enforced, the rule of law is upheld, minority and property rights are protected, government bureaucracy is reduced, strong governance structures are in place and tax systems and economic policies are conducive. Over the years, Zimbabwe's institutional situation has deteriorated, and the adverse effects thereof have permeated every area of the economy. Without institutional integrity, PPPs might continue to be dangerous business endeavours for regional or global private participants. Chikwawawa and Bvirindi (2019:12) posit that Zimbabwe lacks a proper institutional framework that guides PPPs' uptake and implementation. A good example is that the urban water infrastructure in Zimbabwe is managed by fragmented institutions riddled with toxic politics and corruption. They include local authorities, ZINWA, CCs and the MoLG. All these institutions lack proper coordination and their capacity to embrace PPPs in water infrastructure is questionable.

7. Conclusion

The ADBI (2011:5; Hudson and Zinyama 2015) summed up the preconditions for successful PPPs, namely clear regulatory, policy, legal, and institutional frameworks; political will; financial support; economic stability; technical expertise; public acceptance; respect for property rights and government commitment. These conditions are critical because private players are driven by the profit-making motive. If the environment is complicated and not conducive to profit-making, private players tend to shun PPPs. Private sector entities appraise the environment critically before they invest their money. The government must also critically reflect before adopting PPPs and ensure the selection of projects suitable for PPPs (DESA 2016:16).

Leadership commitment is, therefore, a key ingredient for effective PPPs. The management must properly structure PPPs to avoid wasting the taxpayers' money. PPPs require true leaders who prioritise community development. The leadership ought to closely monitor and evaluate the PPP's performance. Monitoring and evaluation must be accompanied by efficient financial accounting and reporting. Respecting contractual arrangements is also critical (DESA 2016:17).

In any PPP arrangement, the contract has a central role. The model, therefore, argues that without properly designed contacts, PPPs will have limited success in addressing urban water challenges and all the contracts should be reviewed by the implementing unit. The contract(s) must be simple and unambiguous for the actors involved to understand their expectations. The contract must explain the PPP, the partners and their responsibilities and rights, how the benefits and risks are to be shared, the duration of the contract and the performance targets (internet source: pppknowledgelab.org 2022). It must also clearly indicate how the private sector partner will be compensated. This might be through user charges. The contract must be sufficiently comprehensive to cover all the fundamental elements of the agreement. It must also create predictability and certainty, which, when combined, are crucial ingredients for an effective contract. The contracts must include provisions for flexibility so that the contract can be adjusted to changing circumstances. Given that disputes are inevitable in any contractual arrangement, the contract must stipulate the dispute resolution procedure (WB 2017).

The study indicated that Zimbabwe is confronted with severe water shortages and PPPs are not the panacea to all water-related challenges. The central government or any responsible authority should undertake a thorough feasibility analysis to determine whether or not PPPs are appropriate, given the prevailing challenges and situation. If PPPs are appropriate, the Government of Zimbabwe (GoZ) must carefully consider the proposed partnerships. In this case, the government must assess the cost and benefits of the proposed partnership. Although win-win situations are difficult to come by, the government must strive to create better-off scenarios. As the study revealed that Zimbabwe lacks adequately qualified technical people to assess PPPs, the central government must prioritise capacitating the public entities involved in PPPs. PPPs in the water sector must be evidence-driven and adequate baseline data must be collected and assessed before adopting PPPs.

Policy implementation is a critical stage in the policy cycle. Policy experiences have shown that even properly planned and designed policies can collapse at implementation. This study argues that PPPs can only improve the urban water situation if they are properly implemented. At implementation, the model emphasises the importance of clear and effective communication structures, predictable and consistent performance management systems and clear coordination and dispute resolution strategies.

Note

This article is based on an unpublished PhD thesis titled Mutandwa, H. 2023 - Urban water infrastructure development in Zimbabwe: The role of Public-Private Partnerships at UJ under the supervision of Prof S Vyas-Doorgapersad. Unpublished Thesis. Johannesburg: University of Johannesburg.

References

[1] M. Aizawa. *Scoping Study on Public-Private Partnerships. FfDO Working Paper Series. (2017),* Retrieved April 22, 2022, from https://www.un.org/esa/ffd/wp-content/uploads/2017/02/Scoping-Study-on-Public-Private-Partnerships_FfDO-working-paper.pdf.

[2] S. Araujo & D. Sutherland. *Public-private partnerships and investment in infrastructure: OECD Economics Department Working Papers, 803 (2010),* Retrieved July 15, 2020, from https://www.oecd-ilibrary.org/docserver/5km7jf6q8f0t-en.pdf?expires=1665236787&id=id&accname=guest&checksum=8B9883B0E90F06CBF45C2352662A0F0B

[3] A.E. Arimoro. An appraisal of the framework for public-private partnership in South Africa. *European Procurement & Public Private Partnership Law Review*. 2018. 13(3): 214. https://doi.org/10.21552/epppl/2018/3/8

[4] Asian Development Bank Institute (ADBI). *Appropriate financial instruments for public-private partnership to boost cross-border infrastructural development-EU experience*. Tokyo: Kasumigaseki, Chiyoda-ku. 2011.

[5] Axis Consulting. *PPP Coventry paper - South Africa. Submitted to the SADC-DFRC 3P Network Public Private – Partnership working group (2014)*, Retrieved November 25, 2021, from http! //www//sadcppnetwork.org /7mp-content/uploads /2015/02/South Africa -27012014.pdf.

[6] A. Bangani & S. Vyas-Doorgapersad. The implementation of gender equality within the South African Public Service (1994–2019). *Africa's Public Service Delivery and Performance Review*. 2020. 8(1), a353. https://doi.org/10.4102/apsdpr.v8i1.353

[7] J. Bvirindi Utilizing Public Private Partnerships in Fighting Covid-19: Can the Public Sector Overcome Coronavirus Challenges Alone? *Worldwide Journal of Multidisciplinary Research and Development.* 2020*.* 6(11): 6-14.

[8] C.B. Casady, K. Eriksson, R.E. Levitt & W.R. Scott. Examining the state of public-private partnership (PPP) institutionalization in the United States. *Engineering Project Organization Journal.* 2018. 8(1):177-198.

[9] C.B. Casady, K. Eriksson, R.E. Levitt & W.R. Scott. (Re) assessing public–private partnership governance challenges: an institutional maturity perspective. In *public–private partnerships for infrastructure development*. Northampton, USA: Edward Elgar Publishing. 2019.

[10] C. Chikwawawa & J. Bvirindi. Exploring the feasibility of public private partnerships in the healthcare sector in Zimbabwe. *International Journal of Scientific and Research Publications*.2019. 9(11): 4-15. DOI:10.29322/IJSRP.9.11.2019.p9503

[11] J.W. Creswell. *Research design*. Thousand Oaks: Sage. 2009.

[12] Department of Economic and Social Affairs (DESA). *The Sustainable Development Goals Report 2016 - July 2016*. New York, USA: DESA. 2016.

[13] Department of Economic and Social Affairs (DESA). World Urbanization Prospects: The2018 Revision; (ST/ESA/SER.A/420); New York, NY, USA: Population Division. 2018.

[14] C. Dube & G. Chigumira. *The scope for public-private partnerships for infrastructure development in Zimbabwe*. Harare: Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU). 2011.

[15] J. Edkins. The local, the global and the troubling. *Critical Review of International Social and Political Philosophy*. 2006. 9(4): 499-511. https://doi.org/10.1080/13698230600941937

[16] A. Filipkowska & J. Węgrzyn. Understanding of public-private partnership stakeholders as a condition of sustainable development. *Sustainability*. 2019. 11(1194): 1-16, doi:10.3390/su11041194.

[17] G.A. Fink. *Markov models for pattern recognition: from theory to applications*. Germany: Springer Science & Business Media. 2014.

[18] Government of Zimbabwe. *Short-Term Emergency Recovery Programme (STERP) 2009.* Harare: Government Printer. 2009.

[19] Government of Zimbabwe. *Constitution of Zimbabwe (GoZ) 2013*. Harare: Government Printer. 2013.

[20] Government of Zimbabwe. *GoZ PPP Policy 2013*. Harare: Government Printer. 2013.

[21] Government of Zimbabwe. *ZIMASSET document*. Harare: Printflow. 2013.

[22] S. Hall. The neoliberal revolution. *Cultural Studies*. 2011. 75(6):705–728. https://doi.org/10.1080/09502386.2011.619886

[23] P. Kunaka. Emergent views on public private partnerships in public hospitals in Zimbabwe. *International Journal of Development and Sustainability*. 2021. 8(6), 357-366.

[24] Makerere University. Executive certificate of training courses in public private partnerships-PPP course code PPP 9000 series. Uganda: Makerere University. 2022.

[25] P. Marin. *Public-private partnerships for urban water utilities: A review of experiences in developing countries*. Washington, D.C.: The World Bank. 2010.

[26] R.C. Mascarenhas. Developments in public enterprise research. *Australian Journal of Public Administration*. 1993. 52(2): 248-251.

(online) = ISSN 2285 – 3642
ISSN-L = 2285 – 3642
Journal of Economic Development, Environment and People
Volume 9, Issue 2, 2019

URL: http://jedep.spiruharet.ro
e-mail: office_jedep@spiruharet.ro

[27] H. Mutandwa & T. Zinyama. An analysis of the potential use of public-private partnerships in water infrastructural development in Zimbabwe: The Case of Harare City Council. *Journal of Public Administration and Governance*. 2015. 5 (1):110 - 136. DOI: 10.5296/jpag.v5i1.7366

[28] G. Mutazu. *Implementation of public private partnership (PPPs) on infrastructural development in Zimbabwe.* Glasgow: Caledonian University. 2020.

[29] Netherlands Water Partner (NWP). Capacity building for Zimbabwean urban local authorities in water supply needs assessment and business opportunities report (2015), Retrieved March 27, 2021, from https://docplayer.net/26737624-Capacity-building-for-zimbabwean-urban-local-authorities-in-water-supply-needs-assessment-and-business-opportunities-report.html

[30] I. Nhapi. The water situation in Harare, Zimbabwe: A policy and management problem. *Water Policy.* 2009. 11(51):221-223. DOI:10.2166/WP.2009.018

[31] T.M.S. Nhlapo. *Human Resource Development Strategy for Gender Equality within the Department of Correctional Services.* Unpublished Thesis. Johannesburg: University of Johannesburg. 2020.

[32] Organisation for Economic Co-operate and Development (OECD). *PDG handbook on contracting out government functions and services in post-conflict and fragile situations*. Paris: OECD. 2010.

[33] Organisation for Economic Co-operate and Development (OECD). *Recommendation of the Council and Principles for Public Governance of Public-Private Partnerships (2012)*, Retrieved March 23, 2019, from https://www.oecd.org/governance/budgeting/ppp-recommendation.pdf

[34] S. Osborne. (Ed.). *Public-private partnerships.* London: Routledge. 2000.

[35] J.D. Perez. Retos de la colaboracion public privada para el desarrollo de infraestructuras publicas (PPP). *Boletin Economic de ICE*. 2011. 30 (12):15-31.

[36] C. Pollit. Occasional excursions: A brief history of policy evaluation in the UK. *Parliamentary Affairs.* 1993. 46(3): 353-362. https://doi.org/10.1093/oxfordjournals.pa.a052425

[37] M.Robles, M. Torero & J. Von Braun. *When speculation matters (2009)*, Retrieved July 23, 2020, from https://www.cftc.gov/sites/default/files/idc/groups/public/@swaps/documents/file/plstudy_40_ifpri.pdf.

[38] M.J. Romero. *What lies beneath? A critical assessment of PPPs and their impact on sustainable development (2015)*, Retrieved July 23, 2020, from http://www. eurodad.org/files/pdf/559da257b02ed.pdf.

[39] M. Rosta. *What makes a new public management reform successful? An institutional analysis 1: An introductory essay*. Budapest: Corvious University of Budapest. 2011.

[40] S. Saussier. Public–private partnerships. *Journal of Economic Behavior & Organization*. 2013. 89:143-144. DOI: 10.1016/j.jebo.2012.05.001

[41] Southern African Development Community (SADC. *Regional strategy paper SADC-DFRC-Towards a common PPP Framework concerning policy, institutional arrangements and legal frameworks (2012)*, Retrieved March 21, 2020, from https://www.sadc-dfrc.org/sites/default/files/regional_strategy_paper_01112012final.pdf.

[42] S. Straub. *Lessons from the past and hope for the future: Partnerships (PPPs) in Lebanon (2019)*, Retrieved March 04, 2020, from https://www.theigc.org/wp-content/uploads/2020/02/Straub-2019-Final-Report.pdf.

[43] P.O. Sulser. *Infrastructure PPPs in the Most Challenging Developing Countries: Closing the Gap.* London: Euromoney Trading Limited. 2018.

[44] United Nations Zimbabwe. *Zimbabwe Millennium Development Goals 2000-2015 final progress report*. Harare: Ministry of Macro-Economic Planning and Investment Promotion. 2016.

[45] S. Vyas-Doorgapersad. Paradigm shift from New Public Administration to New Public Management: theory and practice in Africa. *Td: The Journal for Transdisciplinary Research in Southern Africa. 2011.* 7(2): 235-250. https://hdl.handle.net/10520/EJC111937

[46] S. Vyas-Doorgapersad. Global governance reforms to achieve Sustainable Development Goal One (no poverty) in BRICS. *Africa's Public Service Delivery and Performance Review*. 2021. 9(1), a545. https://doi.org/10.4102/apsdpr.v9i1.545

(online) = ISSN 2285 – 3642
ISSN-L = 2285 – 3642
Journal of Economic Development, Environment and People
Volume 12, Issue 1, 2023

URL: http://jedep.spiruharet.ro
e-mail: office_jedep@spiruharet.ro

[47] World Bank. *India building capacity for public private partnerships*: *Energy and Infrastructure Unit and Finance and Private Sector Development Unit, South Asia Region*. Washington, DC: The World Bank. 2006.

[48] World Bank. *Attracting investors to African public-private partnerships: A project preparation guide*. Washington DC: World Bank. 2009.

[49] World Bank. *Lower middle income (2012)*, Retrieved August 23, 2022, from http://data.worldbank. org/country/zambia?display=default

[50] World Bank. *Doing business.* Washington D.C: World Bank. 2017.

[51] E.R. Yescombe. Yescombe, E.R. *Public-Private Partnerships in Sub-Saharan Africa: Case Studies for Policymakers (2018),* Retrieved October 26, 2022, from https://www.africaportal.org/publications/public-private-partnerships-sub-saharan-africa-case-studies-policymakers-2017/.

[52] Zimbabwe National Chambers of Commerce (ZNCC). *The feasibility of public private sector partnerships*: *Towards infrastructure development in Zimbabwe*. Harare: ZNCC. 2009.

[53] Zimbabwe Voluntary National Review (VNR). *Zimbabwe Voluntary National Review (VNR) of SDGs for the High-Level Political Forum (2017),* Retrieved April 23, 2022, from https://sustainabledevelopment.un.org/content/documents/14894Zimbabwe.pdf.

[54] T. Zinyama & A.G.I. Nhema. Public-private partnerships: Critical review and lessons for Zimbabwe. *Public Policy and Administration Research.* 2015. 5(6): 39-44.

[55] A.M. Zondo. *Enhancing water and refuse removal service delivery at Abaqulusi Local Municipality*. Unpublished PhD thesis. Durban: University of KwaZulu Natal. 2021.

[56] Web Source. https://pppknowledgelab.org/countries/Lesotho 2022 (PPPLRC).