

Stakeholder Opposition Risk in Public-Private Partnerships

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Abstract

This paper discusses stakeholder opposition risk. The analysis of project risks in Public Private Partnerships (PPPs) has traditionally focused more on political, construction, finance and other market-related risks with little attention paid to stakeholder opposition. The paper looks at the role of stakeholders in PPP projects and how they impact the success of projects, and contends that it is the misallocation of this risk to the private sector party, based on the principles of extant stakeholder theory that leads to public opposition to projects. Therefore, the stakeholder accountability theory is proposed as this approach properly recognizes the roles of both the public and private sector parties in the management of stakeholder opposition risk.

Keywords: Stakeholders; Public-Private Partnerships; Stakeholder theory; Stakeholder accountability theory approach; Stakeholder opposition risk; Adequate stakeholder risk management.



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1. Introduction

One of the essential advantages of PPPs over conventional procurement is that it promotes the optimal transfer and management of project risks. Under traditional public procurement, the risks assumed by the public sector when it owns and operates an infrastructure asset are often understated and unvalued. What PPP ensures through the involvement of the private sector is ensuring that there is a greater focus on project risks: ensuring that these risks are properly identified, priced and then transferred to the party that is best able to manage them. There is a correlation between the proper transfer and management of risk and the improvement of value for money in projects. The reason for this is simply because parties to whom these risks have been allocated then become more conscious of the risks and realize that it is in their best interest of reduce either the probability of the risks occurring or the financial consequences of any occurrence, or both, through proper mitigation strategies. Through this, project risks are then viewed as less of a negative occurrence but also as an opportunity for private sector to innovate to the overall benefit of the project. Consequently, it is essential that every PPP project strives towards the proper allocation of risk between the public and private sectors.

The analysis of project risks in PPPs has focused more on other types of risks like construction, finance and other market-related risks with little attention paid to stakeholder opposition. This is despite the fact that it is not uncommon for PPP projects to fail due to opposition from stakeholders (Olander and Landin, 2005). By their very nature, PPPs are very political and controversial, primarily because these projects pursue the divesting of public control and the operation of public assets to a private sector operator. Citizens hardly take kindly to the divesting of “public treasures” in any way, whether through privatization, PPPs or other similar methods. It does not matter that ownership of the assets, or even the project in some cases -as in the case of PPPs, never actually leave public ownership. Stakeholders also oppose projects, especially those involving construction with heavy earth moving equipment, because they typically disrupt the lifestyles of people. Also, where the PPP project involves the rehabilitation of brownfield infrastructure, users of the infrastructure find it difficult to transition from using free public infrastructure to then paying tolls or tariffs for their use. The overriding belief amongst citizens is that the infrastructure belongs to the general public and that the user public should not be made to pay a private sector party for its use.

It is for these reasons that project proponents, especially in PPPs, must take stakeholder opposition risk seriously. It is absolutely important to properly gauge and cultivate the acceptance of the public for a project and also find ways of mitigating any apprehension before the commencement of a project. To do this effectively, the first place to start is for parties to a PPP project to identify the risk that the public might be opposed to the project, evaluate this risk, allocate it appropriately, paying attention to the party that is best able to manage particular aspects of the risk. It is only then that the responsible parties can plan and execute a mitigation strategy by designing a stakeholder inclusion and consultation programme.

2. What are Public- Private Partnerships?

There are several definitions of Public-Private Partnerships (PPPs), arising from the very political nature of the concept. For the purposes of this paper however, PPPs may be defined as ‘long term relationships between public sector agencies and private sector entities under which the responsibility for any or all of the combination of designing, financing, construction, management and operation of public infrastructure and utilities that were traditionally undertaken by the public sector are contractually shared and jointly undertaken by both the public and private sector, usually in proportion to the kind of risks each party can best carry (Nwangwu George, 2012). This

definition captures the essential elements of infrastructure PPPs which are PPPs used to attract private sector finance for the delivery of public infrastructure.

PPP's take different forms, usually depicted with acronyms. The most common of these is the Build Operate Transfer (BOT) projects. In these type of projects, the private sector entity finances the building of the infrastructure asset and is allowed to own and operate it for a number of years, usually long term ranging from 25 to 30yrs, before transferring control and ownership back to the public sector.

3. Definition of Stakeholders

It is not unusual to witness more of the use of the term “public opposition risk” as opposed to “stakeholder opposition risk” in most of the literature in this area. However, this paper prefers to adopt the term “stakeholder opposition risk” due to the fact that the phrase “public opposition” appears limited in scope, as it does not seem to take into consideration the wider range of individuals or organizations that affect, influence or can oppose the PPP project. The use of the word “stakeholder” cures this defect not only because the term encompasses a wider range of project influencers but also aligns the idea of engaging people affected by a project with its theoretical foundations, the stakeholder theory. Nevertheless, it is important to note that the most important stakeholders are members of the public in their role as end users of the infrastructure services.

Whilst project management literature is replete with discussions on the influence of stakeholders on projects, very little attention has been paid to the consideration of stakeholder opposition as a risk (Farrel, 2003). This is important because it is only when stakeholder opposition is considered as a risk to the project that parties will put proactive measures in place to deal with it. Nevertheless, there are few instances where public opposition have been viewed as a risk in PPP projects. 7 (Karim, 2011).

The definitions of “stakeholder” in extant literature have been predicated on several factors like the nature and extent of stakeholder involvement in the project, the nature of their relationship with the project, the nature of the stakeholder claim and position towards the project, the stakeholders role in the project and the degree to which stakeholders behavior towards the project can be anticipated (Aaltonen). Stakeholders in projects have therefore been defined as those whose interests may be positively or negatively affected as a result of project execution (Jergeas, 2000a). Smith *et al.*, define stakeholders as representatives, direct and indirect, who may have an interest and can make a contribution to the proposed project (Smith, 2001). This definition is consistent with how the concept is viewed in project management discipline, which tends to look at the stakeholder group from a wider perspective, encompassing people or groups that have, or believe they have, legitimate claims against the substantive aspects of a project (Turner, 1999).

Winch's definition is closer to the way the concept is used in this paper. The author defines stakeholders as those actors, who will incur a direct benefit, or loss, as a result of the project Winch (2002). Winch goes on to classify stakeholders as either internal or external (Eesley and Lenox, 2006). The internal stakeholders are people who have access to the project proponent such as employees and financiers. External stakeholders are groups that are not formal members of the project coalition but may affect or be affected by the project (Aaltonen). External stakeholders have also been referred to as non-business stakeholders or secondary stakeholders (Cova, 2002) and can be either public or private. In the context of a PPP project, public stakeholders could be regulatory agencies and other agencies of government. The members of the user public can be classified as external stakeholders who may be in favour of, against or indifferent about the project. In a PPP, it the government may be classified more as an internal stakeholder since it has access to the project and is a partner in the delivery of the project.

The using the term ‘stakeholder’ in this paper, it is appreciated that the public *qua* citizens or end users of the services or project are the most important stakeholders under a PPP (Karlsen, 2002). However, it is also understood that the public interact within a social milieu and their roles take different shapes and forms during that interaction. These different roles of the “public” or citizens who are capable of influencing a project are users of the infrastructure, owners, ratepayers, NGOs, social institutions, environmentalists, community based organizations and even the media.

Consistently, project management literature have realized the link between the success of projects and the project managers' ability to forge a fruitful alliance between these stakeholders and the end product, which is the project (Jergeas, 2000b). It is understood that if stakeholders are not properly engaged, the promoters of the project will not have a comprehensive understanding of what is required to deliver the project. The project manager may therefore end up attaining project goals that were never intended by the stakeholders (Takim *et al.*, 2003) and this will inadvertently generate negative reactions to the project from the stakeholders (Black, 1996).

4. Stakeholder Theory and the Stakeholder Accountability Theory Approach

The theoretical foundations for stakeholder engagement in projects can be traced to the stakeholder theory. This is anchored on morality and pragmatism, i.e. that involving stakeholders in project decision-making is morally the right thing to do and that by doing this, the project manager is assured of success (Kevin, 2000). Stakeholder theory is predicated on the concepts of justice, equity and social rights having a major impact on the way that stakeholders exert moral authority over project development (Kevin, 2000). The stakeholder theory is founded on the idea that firms ought to be managed in the interests of their various stakeholders which include shareholders, employees, customers, suppliers and communities in contrast to the notion that managers are fiduciaries and therefore ought to manage corporations primarily in the interest of only shareholders (Marcoux, 2003).

The stakeholder theory itself assumes a dichotomy between the government as regulators and the corporations as private corporate citizens. The theory appeals to the moral values of corporations and encourages them to contribute positively to the society and somehow take some of the burden of 'social good' off the government. Whereas such level of separation between the government and the private sector does not exist in PPPs. Instead, the whole essence is to create a partnership between the government and the private sector corporation where both parties jointly work together to share risks and rewards in the delivery of projects. It is therefore evident that the conventional stakeholder approach would not fit within the PPP framework and that adjustments need to be made to take cognizance of the unique relationship between the parties. Also, because of the social services that are typically delivered under a PPP, it creates a special relationship between the project and the end user public.

Therefore, instead of leaving the stakeholder engagement process in PPP projects solely to the private sector, the public sector ought to also be an active participant in the process as joint project owners. It is in recognition of this need that the stakeholder theory is adjusted and a stakeholder accountability theory is proposed. The stakeholder accountability theory is derived from the stakeholder approach but is shaped by the unique interplay of relationships existing amongst the three parties involved in PPP relationship. The role of the government in the stakeholder engagement process is pronounced under this approach. This is because it remains the primary duty of government to provide the services delivered through PPPs, the resort to the PPP model does not excuse government from this responsibility. Some of these services like water, electricity and healthcare are so fundamental in nature in guaranteeing some of the fundamental human rights of citizens.

The provisions of these services therefore form the bedrock of the social contract between the government and its citizens.¹ The nature of representative democracy that is prevalent in most countries is predicated on elected representatives being completely representative of and accountable to the citizens. Since the provision of these fundamental services is one of the reasons for electing governments, they ought to be accountable to the people on how these services are provided. When the government decides to delegate these responsibilities to the private sector through PPPs, the government must also account to the people on how these services are delivered. An agent (the government in this case) cannot sub-delegate its responsibilities without the consent of the principal (citizens) and consent that is not based on full disclosure and understanding is not valid consent ([Stakeholder Accountability theory can also be explained using the Agency theory](#)). The stakeholder accountability theory differs from the conventional stakeholder theory because it is justified not just for moral and pragmatic reasons but also because it is legally or even constitutionally obligatory on the part of government.

5. Stakeholder Opposition Risk

According to John Ruggie, the UN Special Representative on Business and Human Rights, there are significant costs associated with stakeholder challenges and resistance to companies' operations. According to him, stakeholder challenges may lead to significant project delays, higher financing costs, and even project cancellations ([United Nations General Assembly, 2010](#)). This risk becomes further exacerbated under PPPs as these transactions also involve the public sector as partners of the private sector and therefore change the dynamics of public accountability in government decision-making and project delivery ([United Nations General Assembly, 2010](#)). Most times, the mere fact that private sector companies are taking over government functions may trigger public resistance. For instance, the Trans-Texas corridor transportation PPP project came under severe public opposition because of the equity involvement of foreign corporations ([Farrel, 2003](#)).

According to Chan *et al*, one of the most significant risk factors for PPPs in China is public opposition risk ([Chan, 2011](#)). The authors define public opposition risk as the various reasons leading to public interests being unprotected and damaged which in consequence causes the public opposition to the project success ([Chan, 2011](#)). According to Li *et al*, this risk should be allocated to the public sector. According to the authors, this is because the chances of the risk eventuating in the UK is more remote than in most developing countries ([Li, 2005](#)). Public opposition to projects has occurred in many other projects in several countries. For example, in Argentina, AguasdelAconquija, a subsidiary of Vivendi won a 30-year concession to run the water supply system in Tucumán in 1995. The private partner doubled water tariffs within a few months of taking over the concession in order to meet the aggressive investment requirements specified in the concession by the government. 80 percent of residents stopped paying their bills. In October 1998 the government terminated the concession ([The Encyclopedia of the Earth](#)).

In 1999, the Bolivian government granted a 40-year concession to run the water system to a consortium led by Italian-owned International Water Limited and U.S.-based Bechtel Enterprise Holdings. Rate structures were immediately modified, putting in place a tiered rate and rolling in previously accumulated debt. As a result, many local residents received increases in their water bills. The private sector company maintained that the rate hikes would have a large impact only on industrial customers; however, the poor peasants claimed that increases as high as 100 percent were experienced. In October 1998, groups gathered in protests from which an outbreak of violence followed. During the protests, the Bolivian army killed as many as nine, injured hundreds, and arrested several local leaders. Subsequently, the government cancelled its contract ([The Encyclopedia of the Earth](#)).

In Senegal, a national privatization programme came to halt in 1994 after meeting with considerable resistance from the society at large. Stakeholders were not properly informed and therefore had concerns about the

¹ Social Contract theory is based on the fact that government only exist to serve the will of the people and that the people are the source of all political power enjoyed by the government. The origin of social contract theory can be traced from the writings of Plato, Thomas Hobbes, Jean Jacques Rousseau, John Locke, John Rawls and more recently David Gauthier.

redistributive use of privatization proceeds amongst other issues (Oliver, 1998). In Bangladesh in 1990, the government neglected to involve local workers in the decision-making process to privatise a dockside warehouse; uniform workers who feared losing their jobs opposed this move vehemently. The government's first communication with the workforce came too late and this led to the entire transaction stalling for years (Calabrese, 2002).

It is evident from the mini cases discussed in the preceding chapters that the tensions and public protests across Africa, North and South America, Australia and Europe around PPP projects seems to be centred on the marginalisation of public stakeholders (Henjewe, 2013).

6. Prerequisites for Adequate Stakeholder Risk Management

Applying the stakeholder accountability approach, it is the position of this paper that since PPPs involve the ceding of rights which hitherto belonged to the citizens to private sector parties, the citizens have a right to be carried along. The most common of these rights include the right to tax citizens by collecting tolls. Citizens had hitherto transferred these rights to the government who hold these rights in trust on their behalf. It is therefore logical that governments do not have the legal or constitutional right to cede these rights to the private sector without any recourse to the public who actually in real terms own these rights.

It is on above premise that this paper argues that stakeholder consultation and involvement is not merely desired good governance or moral practice as advocated under the conventional stakeholder theory. Instead, it advocates that the requirement to be consulted is a constitutional right of the citizens as owners and ultimate users of the project. By its nature, PPPs entail a partnership. It is argued that this partnership is in real terms between the citizens (represented by their governments) and the private sector not between the government who are merely agents of the people and the private sector (Hayler, 2010). It is for this reason that the government must therefore ensure that it actively engages the citizens and keeps them informed.

It is also important that the stakeholders, however categorized, are properly managed. However, there is no uniform, formal, systematic stakeholder management approach discernible from available literature (Terje, 2002). What we have is a random affair, (Chinyio and Akintoye, 2008) characterised by spontaneity and causal action which usually leads to unpredictable outcomes (Karlsen, 2002). Several authors Terje (2002) have however proposed various models for managing stakeholders during projects. In summary, their suggestions range from identification, analysis of characteristics and influence of stakeholders on a project, developing an engagement strategy, communicating and sharing information with them to monitoring and evaluating the effectiveness of the engagement strategy (Nwangwu, 2016). Most of these models have been criticised for being based on superficial, rather than deep knowledge (Jepsen and Eskerod, 2009). The approaches seem also to have been designed for firms delivering traditionally procured projects and not therefore suitable for PPPs

If there is any coherent model discernible from the different stakeholder management approaches discussed above, it is that the stakeholder engagement process should involve a stakeholder participatory approach. This basically involves engaging, involving and communicating with stakeholders meaningfully at every stage of the project, from the project inception stage up to post project monitoring phase (Bakens). Also, capturing the inputs obtained from stakeholders as a result of that communication process and translating them towards the execution of the project is a crucial aspect of the project development process. It is important to note and integrate the concerns of stakeholders into the execution of the project to better facilitate the development of a project that will meet the needs of the stakeholders and not just to execute what the government or the private sector entity assumes the public desire.

It is also important that the public is assured that their concerns are taken seriously. Participatory decision-making has been found to generate better buy-ins, thereby limiting delays, mistakes and eventual lawsuits that delay the whole project (Moynihan, 2003). It helps create trust and there is evidence that stakeholders are more likely to accept a decision reached in a participatory manner even when it is not the individually preferred outcome, because they believe it was reached in a fair manner (Bies and Shapiro, 1988). Finally, it is evident from the literature discussed above that the particular method used to engage stakeholders depends of several factors including the nature of the project, the resources available for the project and the objectives to be attained from the engagement (Young, 2006). This is why PPPs deserve a different approach that takes into cognisance its unique characteristics.

From a project management perspective, It is essential that the stakeholder opposition risk be clearly identified very early in the project through the use of risk matrixes. The risk should also be shared in an appropriate manner between the parties and not just allocated to the private sector as has been the case in several PPP projects.

When PPP projects fail due to stakeholder opposition, it is usually because:

1. The public is unaware, fail to understand the reasons behind the project or don't completely understand the project.
2. No. (1) above happens because the public are not properly informed about the project
3. No. (2) above would most likely happen because the public are denied access to detailed information relating to the project (Young, 2006).

Stakeholders, however they are, typically have concerns that cut through every phase of the project cycle. It is good practice to actively keep them engaged and carried along during all the stages.

For cross boarder PPPs, it is important that the customs and traditions of the location of the project is taken into consideration. It might be better to build consortiums in which citizens of the country are members or investors. This would most likely reduce the likelihood of bias as the promoters of the project are thereby seen as one of them. Stakeholder risks are likely to metamorphose into political risk, whereby the government is compelled to take action like expropriating foreign investments where pressure of possible foreign capture increases.

An important resource for stakeholder engagement in PPPs is the Organization for Economic Cooperation and Development (OECD) Principles for Private Sector Participation in Infrastructure, (OECD, 2007). The principles were developed to provide a template for the improvement of governance in Private Sector Participation in Infrastructure as well as a tool for government assessment, action plans and reporting international cooperation and public private partnerships (OECD, 2007). Some of the principles that are worth considering are Principles 3, 9, 13, 23 and 24.

According to Principle 3: *The allocation of risk between private parties and public sector will be largely determined by the chosen model of private sector involvement, including the allocation of responsibilities. The selection of a particular model and an associated allocation of risk should be based upon an assessment of the public interest (OECD, 2007).*

In determining the nature, portion and quantity of the stakeholder opposition risk to be allocated to a particular party in a PPP project, the parties should pay attention to the chosen PPP model. This is because the different PPP models all have different characteristics and therefore demand different risk sharing formulas. For instance, Build Operate Transfer (BOT) projects demand a significantly different engagement strategy than Build Operate Own (BOO) project. It is vital that these nuances are taken into consideration. In line with the basic rule of risk allocation that parties should only be allocated risks which they can manage, different aspects of stakeholder risk should only be allocated to parties based on their ability to effectively manage that aspect of the risk.

According to Principle 9- *Public Authorities should ensure adequate consultation with end-users and other stakeholders including prior to the initiation of an infrastructure project (OECD, 2007).*

At the end of the day, PPPs are initiated and delivered for the benefit of the end user public who ultimately pay for the PPP project whether in the form of user fees or taxes. It therefore makes sense that the public should be consulted prior to the initiation of such projects to determine whether the project suits their needs and whether they are willing to pay for the projects. It is a fact that most projects that fail as result of stakeholder opposition do so because public authorities have failed to ensure beforehand that the projects are for the public interests and are acceptable to stakeholders but importantly, end users (OECD, 2007).

According to Principle 13: *To optimize the involvement of the private sector, Public Authorities should communicate clearly the objectives of their infrastructure policies and they should put in place mechanisms for consultations between the public and private sectors regarding these objectives as well as individual projects (OECD, 2007).*

It is good practice for countries to have long term and medium term infrastructure development plans which are published and circulated as widely as possible. These plans should indicate clearly the projects that are to be financed through the budget and those to be done through PPPs. If this is done, it puts everyone on notice regarding how particular projects are to be delivered and why a particular mode of delivery has been chosen. This ensures that there is less resistance to PPP projects when they arise.

According to Principle 23: *Private sector participants should contribute to strategies for communicating and consulting with the general public, including vis-à-vis consumers, affected communities and corporate stakeholders with a view to developing mutual acceptance and understanding of the objectives of the parties involved (OECD, 2007).*

According to the stakeholder accountability approach discussed in this paper, stakeholder engagement should not be left to only one of the parties. Different aspects of the consultation processes should be allocated to the party that is best suited to deal with that particular aspect of the process. Countries should put suitable disclosure policies in place that would ensure that citizens have access to financial and technical information on the project.

According to Principle 24: *Private sector participants in the provision of vital services to the communities need to be mindful of the consequences of their actions for those communities and work together with public authorities to avoid and mitigate socially unacceptable outcomes (OECD, 2007).*

Private sector participants should recognise the important role they play in the provision of public services. When private companies participate in providing services under PPP projects they transition into a public interest company, which is a hybrid between a private company and a company. It is for this reason that a higher standard of conduct is demanded of them as opposed to when they were operating mainly as private legal entities in the commercial space.

Finally, Partnership Victoria of Australia has a best practice procedure that is recommended by the Guidebook on Promoting Good Governance in Public- Private Partnerships ([The Guidebook on Promoting Good Governance in Public Private Partnerships Supra](#)). This practice is recommended as it captures the essential procedures that should be followed to ensure that stakeholder interests are taken into consideration in making the decision to commence PPP projects. According to Partnership Victoria, the question on whether or not a PPP project should go forward or otherwise can be answered in three simple steps:

1. Which if any part or parts of the proposed service is a service that the government itself should deliver to its citizens? (the core service question).
2. For all other aspects of the service and supporting physical infrastructure, what is the project model that delivers the best value for money? (the value for money question).
3. Do the outcomes of the value for money question satisfy the public interest criteria articulated in the policy? If not, can the public interest criteria be satisfied by either building safeguards into the contract or through regulatory measures (and at what cost), or should the project be reconceived to 'reserve' further areas of service for provision directly by the government? (the public interest question) ([The Guidebook on Promoting Good Governance in Public Private Partnerships Supra](#)).

Unless the public interest question is answered favorably, the project will not be delivered as a PPP project.

In conclusion, managing stakeholder opposition risk simply means putting people first in the PPP decision making process. The parties involved in the PPP delivery process must consider the best interests of stakeholders and ensure that they maintain constant communication and engagement with them. Firstly, this will ensure that they develop a mutual understanding of the project objectives and secondly that they jointly ensure that those objectives are consistently achieved. This is in the best interest of all parties. For instance, the private sector party benefits because stakeholders play a very important role in their success. They pay the user charges that ensures that the private sector corporation recovers their investments and make a profit for their shareholders (Nwangwu George, 2012). For the government, who represent the citizens in the project, it ensures that they fulfil their constitutional mandate. The citizens are responsible for putting the government in power and therefore the success of most governments depend on what the citizens perceive as the government's achievements (Nwangwu George, 2012). The project is also likely to gain from the involvement of the citizens in the governance process. For example, the end user public can play an active role in improving project accountability and service quality. This may be achieved when the service users are able to keep the service providers on their toes by demanding improved services. Therefore, users may not just play the role of service receivers but can also be active service partners (Ahmed and Ali, 2006). Citizens are only able to play this role effectively when they are properly engaged and understand the project.

7. Conclusion

This paper established that there is a correlation between the success of PPP projects and the proper management of stakeholder opposition risk. A review of how this important project risk has been managed in a number of PPP projects shows that it is not usually accorded the attention it deserves. Where it is considered at all, the stakeholder management approach has been applied as if the projects are conventionally procured projects rather than the PPP project that they are. This is not sufficient to deal with the unique sets of issues and responsibilities that arise under PPPs and this invariably leads to public opposition to projects and ultimately their failure.

To resolve this issue, the paper advocates for the extension of the stakeholder theory through adopting the stakeholder accountability approach as the theoretical basis for analyzing stakeholder opposition risk in PPPs. This theory is apposite because it ensures that both the private sector and the government participate in the management of stakeholders, each dealing with the area of engagement that suits their particular characteristics and skills. This is a departure from the common practice where stakeholder opposition risk is allocated and managed by only the private sector in most PPP projects. The public sector should also be accountable to its citizens because it is morally desirable, necessary for successful project delivery and also legally or even constitutionally obligatory on the part of government.

Stakeholders should actively be encouraged to participate in every step of the project especially from project conceptualisation to implementation and monitoring. The user public should be given the opportunity to have a say on whether projects should be initiated or not. If a decision is taken to go along with the project, the input of stakeholders ought to be taken on board and must be seen to have been incorporated into the final decisions taken with respect to the project. It is the responsibility of the government to bring the end-users and the private sector party involved in providing the service together as early as possible. That way, both parties are able reach a consensus early and their objectives, needs and concerns can be identified and addressed fully during project execution (The Guidebook on Promoting Good Governance in Public Private Partnerships Supra).

It is appreciated that due to differences in the motives and incentives of the different parties involved in the PPP project, there are bound to be disagreements. Therefore, it is essential to provide avenues to resolve differences in the PPP decision-making process. Building of these strong tripartite coalitions of the public sector, private sector and the external public stakeholders, provide the avenue for resolving disputes before they develop into full-blown crisis.

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