

**APPLICATION OF PUBLIC-PRIVATE
PARTNERSHIPS MODEL AND EFFECT ON
PUBLIC INFRASTRUCTURE CONSTRUCTION
PROJECTS IN SRILANKA**

**MASTER OF SCIENCE
IN
CONSTRUCTION PROJECT MANAGEMENT**

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December 2021

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PROJECTS IN SRILANKA**

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“This dissertation was submitted to the Department of Civil Engineering of the University of Moratuwa in partial fulfilment of the requirements for the Master of Science in Construction Project Management”

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December 2021

DECLARATION OF THE CANDIDATE & SUPERVISOR

I certify that this thesis does not incorporate without acknowledgement any material previously submitted for a degree or diploma in any university to the best of my knowledge and believe it does not contain any material previously published, written or orally communicated by another person or myself except where due reference is made in the text. I also hereby give consent for my dissertation, if accepted, to be made available for photocopying and for inter-library loans, and for the title and summary to be available to outside organizations.

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ACKNOWLEDGEMENTS

First, I express my immense gratitude to my thesis Supervisor Dr. Chandana Siriwardana for his valuable guidance during the planning and implementation of this research work and the Staff of University of Moratuwa for guiding me in completing this study.

Also, I wish to express my great appreciation to my wife, and family for the encouragement they gave and for bearing with me during the rough periods.

Further, I am grateful to my Employer, Sri Lanka land Development Corporation and the General Manager Mrs Eng. Srimathi Senadhera for creating a decent working environment for me during the course.

A special word of gratitude is due to all the respondents took part in the questionnaire survey.

Finally, I would like to acknowledge all who helped me in numerous ways in completion of this work.

ABSTRACT

Public Private Partnership is defined as a long-term contract between a private party and a government Agency, for providing public infrastructure and services, in this concept, there is an appropriate risk will be to the private party and where the private party bears investment and management responsibility on a long term basis .it reflects a continued collective effort between the public sector and the Private sector to achieve common objectives while both parties track their own individual goals.

The government of Sri Lanka will require to think about substitute financing options to look over the monetary limitations and inadequate capital to develop infrastructure projects such as the Public Private Partnership financial model. However, the application of a centralized procurement model such as public-private partnership to develop infrastructure in Sri Lanka, trends to create financial implications attitudinal problems in government officers, control issues and difficulties in the management of contracts at the execution stage of the development project which needs to be completely understood by stakeholder institutes and strategy makers. Therefore, this study intended to identify the above consequences, barriers and the critical success factors that influence for application of the PPP model to develop infrastructure in Sri Lanka.

The main objectives of this study were, Explore and study the critical factors identified in previous research for the successful delivery of PPP projects internationally. Identify current deficiencies and barriers in PPP practices and the critical factors that affect the Successful delivery of that model for infrastructure development projects in Sri Lanka and propose, areas to be addressed the identified issues for the successful implementation of the PPP model in Sri Lanka by consolidating the above objectives 1 & 2.

Information and the data for the study were gathered by reviewing various types of literature, conducting questionnaire surveys among professionals and semi-structured interviews with the ten selected industrial experts for the PPP procurement method.

Identification of critical success factors of the international concept was done considering the identified critical factors by the ten studies carried out in the different regions of the world related to the same topic of this study. Used frequency of occurrence method to identify the most critical factors under the above research studies

and ten factors were selected as the most critical factors for successful application of the PPP model to the international concept. These factors were incorporated into the questionnaire survey to analyze the effect of those factors on the Sri Lankan concept

Delphi method and the average ranking method were used to analyze the responses received through the questionnaire survey. Ten critical success factors were identified as the most critical success factors that affected the application of the PPP model to develop infrastructure in Sri Lanka and validation of these factors was carried out by conducting interviews with the selected ten experts in the industry.

Ranking of the above critical factors was done using the average ranking method .accordingly Project technical feasibility, Good governance, availability of financial market/viability funding, Sound financial package, effective negotiation between parties, political Support, the well-prepared contract document, competitive/transparent procurement process, Sound economic condition/ economic Viability, Appropriate risk allocation risk sharing. Between public and private parties were identified as the most critical factors that affect the application of the PPP model for the successful delivery of the infrastructure project under the PPP procurement model in Sri Lanka.

TABLE OF CONTENTS

1	INTRODUCTION	1
1.1	Background and Problem Identification	1
1.2	Problem Statement	5
1.3	Objectives	5
1.4	Research Methodology in brief.....	6
1.5	Limitations of the study	8
1.6	Chapters of the Research Study	8
1.6.1	Chapter 01 - Introduction.....	8
1.6.2	Chapter 02 – Literature Survey.....	8
1.6.3	Chapter 03 – Research Methodology.....	8
1.6.4	Chapter 04 – Data Collection and Analysis	9
1.6.5	Chapter 05 – Conclusions and Recommendations.....	9
2	LITERATURE SURVEY	10
2.1	Introduction.....	10
2.2	Infrastructure development of a country	10
2.3	Infrastructure development in Sri Lanka	10
2.4	Definition of the Public Private Partnership (PPP).....	11
2.4.1	What is not a Public private partnership projects	13
2.4.2	Key different between PPP and the traditional procurement system.....	13
2.4.3	Key benefits of the PPP approach to develop infrastructure.	14
2.4.4	Limitation of the PPP approach to develop infrastructure.....	15
2.4.5	Types of public private partnership Model	16
2.5	Application of public private partnership in world wide	19
2.5.1	Public private partnership trends in globally	19
2.5.2	Regulatory Frame work and the institutional Arrangement of PPP’s....	21
2.5.3	Requirement of a Public Private Partnership unit.....	23
2.6	Application of public private partnership for Sri Lankan context	23
2.6.1	Evolution of Public private partnership in Sri Lanka	24
2.6.2	Establishment of National PPP Agency.....	25
2.6.3	Current institutional issues for PPP in Sri Lanka.....	26
2.6.4	Public private partnership guide lines.....	27
2.6.5	Prominent features of the latest PPP Guidelines of Sri Lanka.....	27
2.6.6	Public private partnership previous experience and project in pipeline	30

2.6.7	Public private partnership frame work in Sri Lanka	32
2.7	Problem encountered in the application of PPP in the world wide.....	33
2.7.1	Critical factors that affect application of the PPP model to develop infrastructure in the international framework	33
2.7.2	Critical factors that affect the application of PPP model in Sri Lanka ..	38
3	RESEARCH METHODOLOGY.....	39
3.1	Introduction.....	39
3.2	Selection of study plan and the proposal	39
3.3	Method of data collection	40
3.4	Method of data analysis	42
4	DATA COLLECTION AND ANALYSIS	46
4.1	Literature review	46
4.2	Questionnaire survey	47
4.2.1	Outcomes of the different sections of the questionnaire survey	48
4.2.2	Respondent's Academic qualifications.....	49
4.2.3	Primary role of the respondents	50
4.2.4	Respondents general experience in the PPP procurement model	50
4.2.5	Respondents competency on PPP	51
4.3	Discussion on Results	61
4.4	Comparison of the research findings with the critical factors identified through the literature	66
5	CONCLUSION AND RECOMMONDATION	68
5.1	Conclusion	68
5.2	Recommendations.....	69
6	REFERANCES	73

LIST OF FIGURES

Figure 1: PPP Reference guide overview	2
Figure 2: Flow Diagram of Research Methodology	7
Figure 3: Degree of involvement of public party.....	17
Figure 4: type of institutional arrangement adopted to implementation of PPP internationally.	22
Figure 5: Government institutes and function of the PPP unit for PPP practices.....	23
Figure 6: Cross section of the respondent's (Profession wise).....	49
Figure 7: Cross section of the respondent's primary role	50
Figure 8: Respondent's awareness on public private partnership procurement model	51
Figure 9: Respondent's competency on the PPP Model.....	52
Figure 10: Respondent's experience in project wise	52
Figure 11: frequency distribution of the responses (project technical feasibility, good governance, shared authority)	57
Figure 12: Frequency distribution (political support, sound economic condition ,availability of financial market)	58
Figure 13: Frequency distribution (transparency, social financial package, social support)	59
Figure 14: frequency distribution (effective negotiation between parties)	59
Figure 15: Frequency distribution (skilled efficient parties, well prepared contract document)	60

LIST OF TABLE

Table 2-1: Different models of Public private partnership	16
Table 2-2: Description of the selected type of public private partnership	18
Table 2-3: Scattering of PPP- Countries in different region in the world	20
Table 2-4: Functions of PPP units	25
Table 2-5: Roles and responsibilities of key institution to implementing PPP in Sri Lanka.....	28
Table 2-6 : project completed using public private partnership.....	30
Table 2-7: PPP Project pipeline in Sri Lanka	31
Table 2-8: Critical factors that effect for success of PPP project in the world	34
Table 2-9: Critical factors that effect for success of PPP in Sri Lanka.....	38
Table 3-1 : Weightages for Likert scale of the questionnaire survey	43
Table 4-1: Most common critical factors for successful delivery of infrastructure through PPP in the international frame work.....	46
Table 4-2: Practicing discipline of the respondents	48
Table 4-3: Education qualification of the respondents	49
Table 4-4: Practicing discipline of the respondents (Sector wise).....	50
Table 4-5: Critical factors for successful delivery of PPP model in Sri Lanka	53
Table 4-6: Ranking of criticality for identified critical factors	55
Table 4-7; Ranking of criticality for identified critical factors (Cont.)	56

LIST OF ABBREVIATIONS

Abbreviation	Description
AHP	Analytic Hierarchy Process
ADB	Asian Development Bank
AR	Average Ranks
BOO	Build Own Operate
BOT	Build Own Operate
BOOT	Build Own Operate and Transfer
BII	Bureau of Infrastructure Investment
BOI	Board of Investment of Sri Lanka
CANC	Cabinet Appointed Negotiation Committee
CRF	Critical Risk Factor
CRF	Critical Risk Factor
CBSL	Central Bank Sri Lanka
CE	Chief Engineer
DPD	Deputy Project Director
EBRD	European Bank for Reconstruction and Development
EOI	Expression of Interest
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GOSL	Government of Sri Lanka
JV	Joint Venture
MMWD	Ministry of Megapolis & Western Development
MOF	Ministry of Finance

MS	Microsoft
NPC	National Procurement commission
NAPPP	National agency for Public private partnership
PPP	Public Private Partnership
RFP	Request for proposal
URA	Urban Redevelopment Authority of Singapore
USA	United States of America

LIST OF APPENDICES

Appendix	Description	Page
Appendix - A	Sample of the questionnaire	76
Appendix - B	Frequency of occurrence of identified critical factors in the world	86
Appendix - C	Details of the interview participant	88