

THE THEMATIC ANALYSIS OF THE PUBLIC PRIVATE PARTNERSHIP: A FOCUS ON THE BUS-RAPID TRANSPORT IN TANZANIA

Written by *Prof Handley Mafwenga*

Ph.d, MSc(fin), MBA(Mg.Econ), LLM(Taxation), LLM(Procedural LaW&Intern. Legal practice), LLB (Hons), Ministry of Finance and Planning, Dodoma, Tanzania

ABSTRACT

Defective infrastructures and transport challenges that hinder citizens in pursuing their urban livelihoods may even be interpreted as impeding justice relating to their “right to the city”, i.e., using their rights by accessing city resources through affordable and efficiently performing Bus Rapid Transport (BRT) servicesⁱ as they are constitutionally deemed as master of destiny in the countryⁱⁱ. This justice however, can be deprived by inability of the Government to run such services, therefore inviting the private partner through transparent procurement as it is assumed that by procuring private party, there are significant risks and responsibilities borne by the private agent under a long-term relationship which would enhance accessibility, affordability and efficiency in BRT services. This however, requires thorough structuring of government-pay PPP as the case may be user-pay PPP. This article explores as to whether, BRT has been a unique property to resolve transport challenges in urban cities and consequently depicts as to how such property could be accessible, affordable and efficient to swift justice relating to ownership of resources.

INTRODUCTION

Public Private Partnership under BRT in Brief

Public private partnership (PPP) represents an approach in procuring infrastructure services through BRT that is completely different to traditional public procurementⁱⁱⁱ. PPP procurement has been executed in many countries including Tanzania for the foremost purpose of improving delivery of required service outcomes from major infrastructure assets (see URT, 2009). A BRT system is a bus-based urban passenger transport system that enables fast, comfortable and high-quality passenger transit^{iv}. Typical features are the use of dedicated bus lanes and traffic signal priority, technology of intelligent transportation systems (ITS), and rapid and convenient fare collection. In a PPP model the cities build and maintain the infrastructure including stations and a fare collection system, while private operators own and manage the buses, hire staff and provide services on a long-term contract. Existing bus and taxi operators can be integrated into the BRT system and enter into long-term contracts with the relevant municipality.

However, contrast to conventional procurement methods, PPP under BRT would prevail only when it offers value for money (VfM) over the life of the project under whole life costs and appropriate risk transfer drivers rather than upfront costs^v. This has a positive correlation with the functioning of the Bus Rapid Transit (BRT) of a high-quality bus-based transit system that delivers fast, comfortable, and cost-effective services at metro-level capacities. It does this through the provision of dedicated lanes, with busways and iconic stations typically aligned to the Centre of the road, off-board fare collection, and fast and frequent operations^{vi}

In this category of mode of transport, the drivers have the key roles to ensure buses and pedestrians are protected from the accidents that would increase rate of mortality and increase the costs of buses' maintenance and loss of revenues. The duty imposed on a driver is not unlimited. The duty which the law imposes on BRT drivers is the duty to keep reasonable look out and not to anticipate unreasonable or dangerous behaviour on the part of other drivers or road users. This principle was pronounced in *Zarina A. Sharif V. Noshir Shetha*^{vii} where it was held by Newbold, J.A.;

"It is a duty of every driver to guard against the possibility of any danger which is reasonably apparent, but it is not his duty to proceed in such a way that he could avoid an accident no matter how reckless the other party may be"^{viii}

PPPs might help to spiral VfM in BRT so long as they are established in an environment rooted in long term cooperative relations among stakeholders because collaborating actors mutually agree to share risks, costs and benefits in the development of products or services^{ix}. In that regard, the public sector alone cannot efficiently provide public goods and services because it regularly lacks the technology, skills, and expertise^x. Hence, one of the roles of PPP is to transfer technology and skills not available to the public sector. Public-private partnerships ("PPPs") can be an effective way to build and implement new infrastructure or to renovate, operate, maintain or manage existing transport infrastructure facilities. In both areas PPPs can be a mutually beneficial way to solve critical transportation problems.

Hence, the PPP has the role of procuring private sector in the BRT including among others to finance the project. PPP projects comprise of the design, construction, financing and maintenance and, in some cases, the operation of public infrastructure or a public facility by the private sector commonly known as DBFOM under a long-term contract^{xi}.

Thematic issues are relevant to the BRT including transportation infrastructure is by its nature monopolistic assets. Accordingly, the regulation of competition and public access in respect of the infrastructure will have important economic implications; the private consortium's ability to impose tariffs on users of the infrastructure is another important structural consideration, as it directly impacts both public amenity and the private consortium's ability to recover its investment; and The allocation of revenue / demand risk for the infrastructure is another core negotiation point between the host government and private consortium in transportation sector PPPs.^{xii} public transport, especially in developing countries, has become the most viable service over non-motorized transport as it enhances accessibility to services that are beyond walking and cycling distances^{xiii} The BRT projects has been designed to enable more than 500,000 passengers to be accessible to the services.

THE HISTORICAL SETTINGS OF THE PPP FRAMEWORK IN TANZANIA AND BUS RAPID TRANSPORT

Public Private Partnership

During macro-economic dislocation in 1970s and 1980s, increasing concerns about level of public debts heightened pressure to change the standard model of public procurement^{xiv}. As a result, governments started encouraging private investments for infrastructure development, thereby giving a larger role to private sector taking responsibility for service provisions which can result in better risk allocation^{xv}. It is well renowned however that, the imperfect allocation of risks including legal risks constitutes one of the primary causes for the failures of private sector participation^{xvi} or for its success when it is done effectively^{xvii}. Hence, under PPP there must be just, fair and optimal allocation of risks.

In that vein, PPPs are nothing novel to Tanzania with the experience dating back to the 1990s when the privatization initiative started (Economist Intelligence Unit, 2015) starting with 20 PPP projects which included among others, Telecommunications where TTCL/SIMUNET^{xviii} decided to partner with the private sector with an investment to a tune of \$ 3,898^{xix}; natural gas with total investment of \$ 316 million concessions awarded to TransCanada Pipelines Ltd (TCP); now known as TransCanada Corporation in partnership with a Canadian developer, Ocelot International Inc. (Ocelot) for Songas^{xx}; the 20-year Power- Power Purchase Agreement (PPA) signed on 26th May 1995 between Independent Power Tanzania Ltd (IPTL)^{xxi} and Tanzania Electric Supply Company Limited (TANESCO)^{xxii} with a total investment of \$ 644million; City Water Service (CWS) PPP Project in the “Service Area” of the DAWASA that includes Dar es Salaam and part of the Coast region at the investment of USD 9million^{xxiii}; and Ports- International Container Terminal Services (TICTS) concession in the Port of Dar Es- Salaam was another PPP project with an investment to a tune of \$ 28million originally for 10 years and later extended to 2025 in the event of greater-than-expected traffic volumes.

Another PPP project was Rail-central corridor concession in 1st October, 2007 with an investment of \$ 139 million to a consortium led company Rail India Technical & Economic Services (RITES)^{xxiv} of India; Airports with total investment of \$ 12 million a 5-year Nyerere International and concession of 25 years in 1998 for Kilimanjaro International Airport (KIA)

granted to Kilimanjaro Airports Development Company limited (KADCO)^{xxv}. There were also PPP projects in roads infrastructure such as Chalinze super highway in Dar es Salaam, and Arusha to Moshi Toll Road^{xxvi}

Nonetheless, outcomes have not been efficacious, essentially due to the complexity of such projects and lack of vibrant guidelines on the criteria for public and private sector partnership^{xxvii}. Generally, the PPP projects practiced premature termination in railway, controversies about deregulation and lack of competition through exclusivity contracts in airports, and electricity generation and unfavorable contract terms for the contracting authority such as capacity charges in power generation^{xxviii}. The 2009 PPP Policy was adopted to address those challenges,^{xxix}

The Government enacted the PPP Act,^{xxx} introducing among others, fiscal checks and balances aiming at achieving VfM, and a project cycle model^{xxxi}. Amendments were executed through Public Private Partnership (Amendment) Act^{xxxii}. Later, the PPP framework incorporated the 2012/13-2017/18 National PPP Implementation Strategy and the 2012 PPP Operational Guidelines for Tanzania Mainland.

In that vein, the PPP Centre was established within the Prime Minister's Office, as a replacement of the PPP Finance Unit and PPP Coordination Unit. The PPP Technical Committee which currently is known as PPP Steering Committee, was recognized to be presided by the Permanent Secretary-Ministry of Finance and Planning (MOFP) with the mandate to approve projects submitted to it by the PPP Centre^{xxxiii}. Following the Ministers (Discharge of Ministerial Functions) Instrument, G.N. No. 144/2016 issued in 2016, the PPP Centre was transferred from the Prime Minister's Office to the MoFP. The PPP Act, Cap 103(R.E 2018) now streamlines the PPP identification and approval processes among others at the MoFP^{xxxiv}.

Suffice it to say that, frequent amendments of PPP Act and its Regulations had been to address the problems faced by the PPP framework. This involved to deal with corruption arising from unsolicited proposals which before the amendments were not mandatorily subjected to a competitive bidding process^{xxxv}. Local government authority (LGA) PPPs create a distinct tributary while a PPP Node within the Regional Administration and Local Government

Department of the President's Office (PO-RALG) is solely responsible for small scale PPPs with a total capital investment of less than \$20 million. PPP-Node therefore, critically analyses, approves, issue guidelines, and seek recommendations from the PPP Centre^{xxxvi}.

Most countries in the world apart from shifting from conventional procurement in 1980s to PPP procurement have not considerably been gifted to triumph the hoped-for advances, investments or spending efficiencies. This have however arisen questions as to whether PPPs are more effective than the traditional methods in providing VFM in terms of the ability to enhance infrastructure project risk management and implementation flexibility as well as time, quality and cost efficiency^{xxxvii}. PPP DBFOM, model involves the private sectors in the financing and constructing projects that can be affordable, commercially viable, fiscally feasible and technically capable and consequently signify VfM especially if the additional cost of finance is offset by benefits of risk transfer to that private sector^{xxxviii}. Private finance provides budgetary and cash flow flexibility, nonetheless the short-term cash flow benefit has to be assessed against the long-term commitment to repay capital and interest^{xxxix}. In that vein, a build only contract may involve an agency problem where the private partner may construct a poor project if it is expected to revert to the public sector immediately after construction^{xl}. This problem is avoided by the use of the PPP DBFOM model where the BRT operator is forced to have a long-term interest in the project which directly hedges against the moral hazard and agency conflict.

Bus Rapid Transport in Tanzania

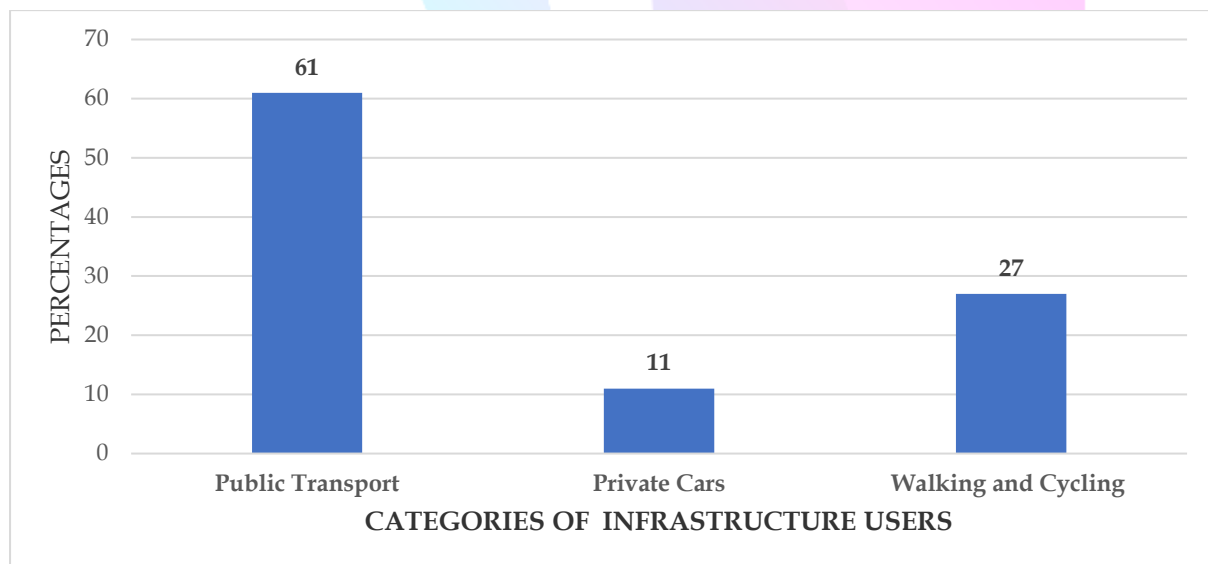
In Tanzania the BRT System in Dar es Salaam city started in 2012 in order to reduce traffic tardiness, unnecessary congestion and rate of traffic accidents^{xli}. In 2014 commuter buses operated in Dar es Salaam city were 5,200. Despite the big number of buses, motorcycle and tricycles in the city still traffic problems remain high. The routes had tremendous traffic accidents, waiting time for daladala due to traffic overcrowding were also high^{xlii}. Thereby the introduction of BRT System by government of United Republic of Tanzania (URT) was found to be practical solution to solve traffic problems in Dar es Salaam city^{xliii}

This fact is also found in the petition by Central Road research Institute (CRRI) and Nyay Bhoomi to the Delhi Court demanding smooth traffic movement and to opening up of the

reserved lanes for buses to other vehicles thinking to widen access to transport services, the court upheld BRT as a good concept and a solution to the growing car mania and congestion in the city. It stated that;

“.....If the city decides to buy cars, buy cars, buy cars and buy more cars... a day will come when nothing will move. Should planners allow that to happen?” Good planners have seen where the city is destined to go and are taking remedial measures when there is time. Justice Nandrajog likened the situation to a spoiled child who might in the future accuse his own parents for not curing him or disciplining him when he was being bad. “Swallow the bitter pill now if needed,” One generation will have to sacrifice for the good of the others. This will require attitudinal change”,^{xliv}

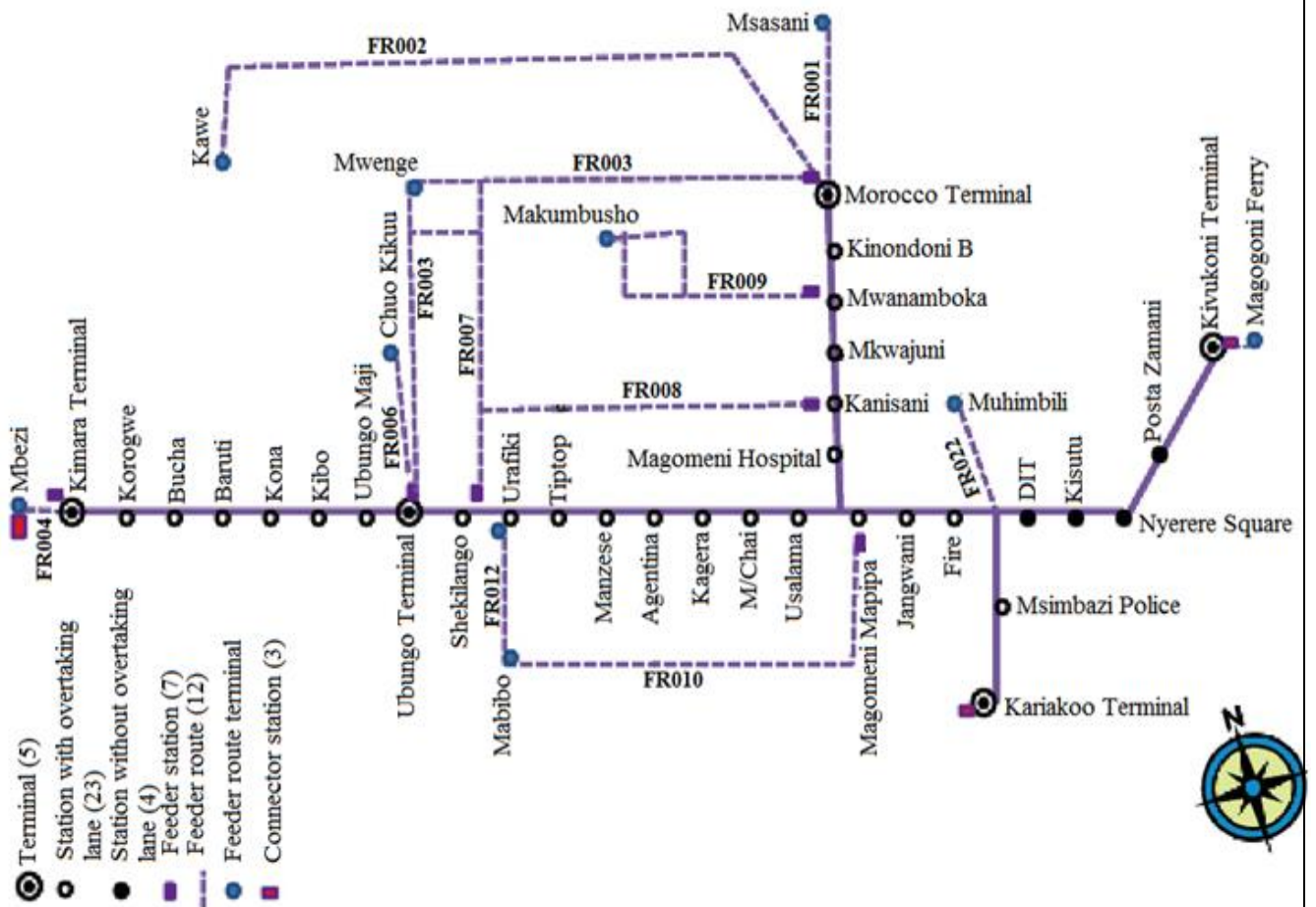
Table 1: Traffic Congestion By Private Cars as of Year 2007



Source: Author’s Findings (2007)

In that vein, there are key challenges that urban transport has been exposed with in Tanzania including rapid growth of population, insufficient infrastructure, expansion of urban areas, emission from vehicles, congestion and traffic jams, inadequate traffic management, low-capacity buses and air quality and health issues.

Table 2: BRT Phase 1 Network for Accessibility, Affordability and Efficiency Operation



Source: Dar-Es-Salaam Rapid Transport Agency (DART)

The BRT project in order to enhance accessibility justice, it has a feeder routes that enhances productivity... shown in Table

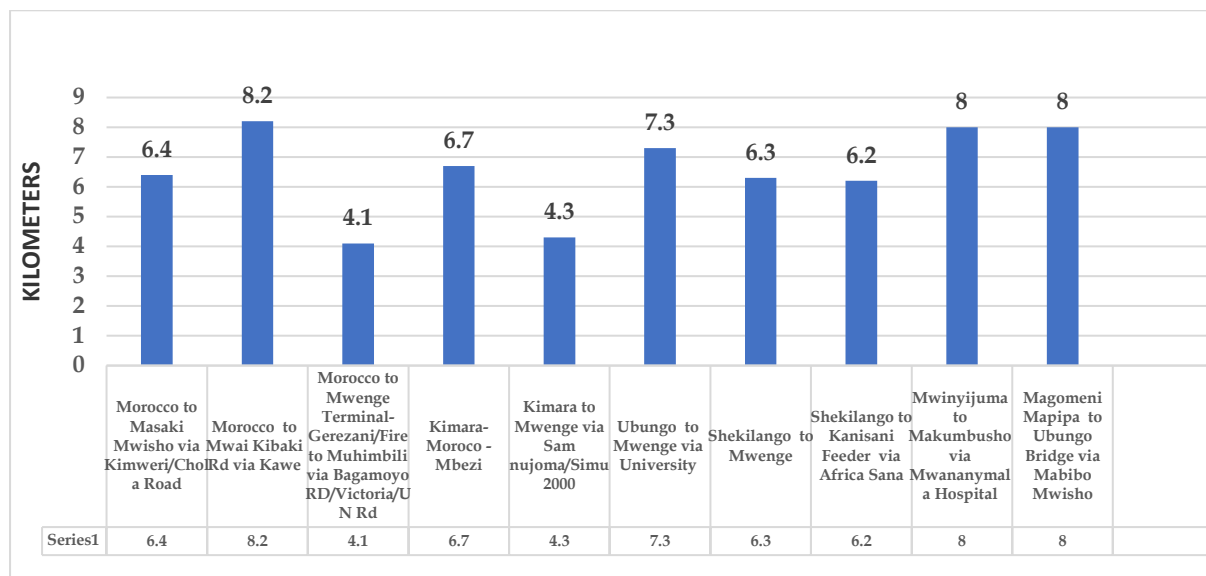


Figure 1: Feeders' Roads Map (Phase)

Source: Dar-Es-Salaam Rapid Transport Agency

Even though Tanzania has enthusiastically adopted PPP to deliver a variety of construction projects to promote service delivery in the country, questions on how effectively the goods and quality services can be accessible, affordable and efficiently delivered do still arise under PPP DBFOM arrangement model as compared to the conventional procurement.

Figure 2: Feeder Roads for The BRT Network in Tanzania (Phase 1)



Source: Author's Findings

The project is implemented under two lots: Lot 1 for roads works and Lot 2 for Building works. The project includes Sokoine Avenue, Gerezani, Bandari Street, South Kawawa road up to Mgulani JKT. LOT 1; Road works of Phase I comprise of 20.3km of dedicated bus lines and mixed traffic lanes, 2 fly-overs at VETA and Uhasibu and 28 Bus stations at the median of the corridor. The infrastructure construction started on 6th May, 2019 and to be completed on 5th May, 2022; LOT 2: Chang'ombe feeder station is 99%, Zakhem feeder station 97%, Mtoni Kijichi feeder station 99%, Gerezani terminal 97% and Mbagala terminal and Depot 96% . The overall progress is 99% by the end of July, 2021. The VAT exemption has been given to the project but this does not mean there is VGF, the VAT Act, provides as follows;

“.....whole of the Value Added Tax payable on the goods or services set out in part B of the Schedule to this Order, imported or locally purchased prior to clearance through customs by Contractors specified in part A of the Schedule to this Order for or on behalf of Tanzania National Roads Agency (TANROADS) to be used solely in the project of Construction of Dar Es Salaam Bus Rapid Transit Infrastructure Phase 2: Lot 1 Road Works 20.3 Km) including two Flyovers and 29 Bus Station along Kilwa Road (From CBD- Kariakoo to Mbagala is hereby exempted”^{xlv}

In that regard, if the phase 2: Lot 1 had it been the case that falls under PPP arrangement, it shall therefore, not be liable for VAT liability contrary to Section 26 of the PPP Act, 2018 which requires all projects under PPP to pay any tax.

Phase III TANROADS procured Consultants to undertake design review and supervision of works. Assignment has completed with the WB final report requesting for the no-objection to start the procurement of works.

Phase IV, V and VI the sub-component of the WB financing under DUTP project will support the design and construction of the 25.9km BRT Phase IV infrastructure from Maktaba/Bibi Titi Road junction at the CBD where it connects with BRT Phase III corridor through Ali Hassan Mwinyi Road to Morogoro existing BRT phase 1 terminal. From Morogoro to Mwenge, and ends to Tegeta. The Corridor has a branch at Mwenge connecting BRT phase I trunk route at the Ubungo terminal through San Nujoma Road. The DUTP will support the detailed infrastructure designs of DART system Phase V and VI

All these phases as it were to be constructed under PPP to deliver VfM should have been operated in line with the primary focus of the benefits and costs as shown in Figure 3.

Figure 3: Benefits and Costs on the BRT Planning and Operations under PPP

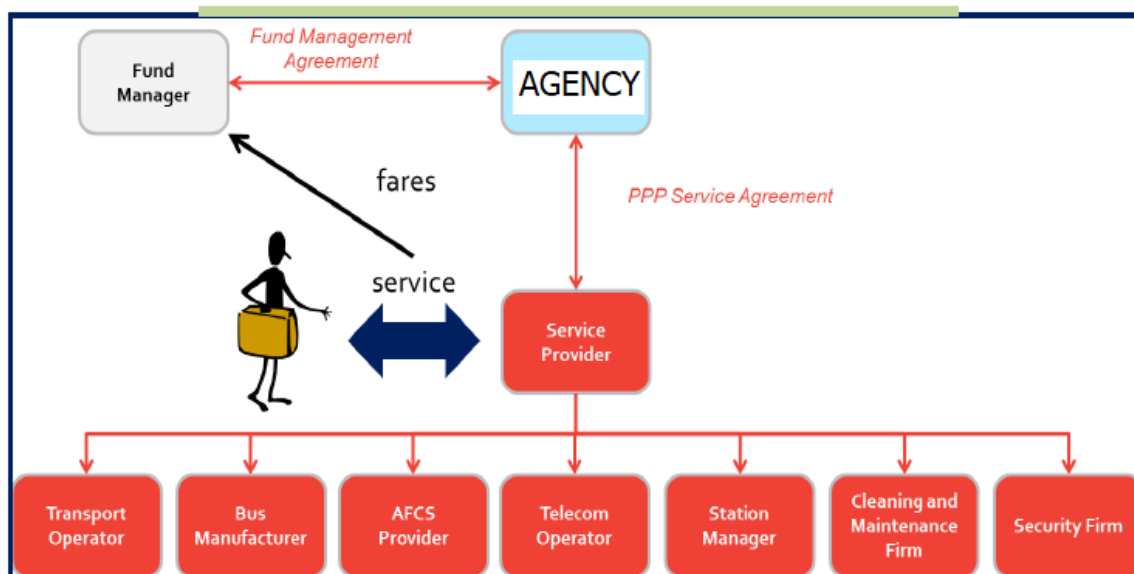
Topic	Well-designed BRT	Poorly designed BRT
Bus passenger trip time	Time saved, VfM and no VGF etc	Time lost (longer trip time): Demand risks, VGF demonstrated
Mixed traffic impacts	Time saved / congestion reduced, VfM and no VGF etc	Time lost / congestion worsened, Demand risks, VGF demonstrated
Bus operating cost	Cost saving / less fleet needed, VfM and no VGF etc	Cost increase / more fleet needed, Demand risks, VGF demonstrated
City image & replication potential	Better image, other cities copy	Worse image, other cities deterred
Land values	Higher - regeneration	Lower - blight

Air quality	Less air pollution, VfM and no VGF etc	More air pollution, Demand risks, VGF demonstrated
Road safety	Less people killed and injured	More people killed and injured
Public acceptance & support	Public strongly satisfied	Public strongly dissatisfied (worst case: civil unrest)
Employees involved in project	Promoted	Demoted
Government	More credibility	Less credibility. Possibly sued by operators.

Source: *As per Author Findings*

The question that arises from the different stakeholders is that, will the BRT project under PPP arrangement of PPP DBFOM model in the provision of accessible, affordable and efficiently delivered public goods and quality services in Tanzania yield more VFM as compared to the conventional procurement. This profile has to *ab-nitio* suffice 200,000 passengers BRT daily ridership as transformation of Interim Service Providers' agreement on Phase 1 signed in 2015 and commenced in 10th May, 2016 in which there were actual Supplied, 39 Trunk and 101 Feeders. The Phase 1 covers 20.9km Trunk Routes and One Feeder Route with 140 buses, 39 (18 metre articulated buses), 76 (12 metre hybrid buses), and 25 (12 metre feeder buses).

Figure 4: BRT PPP Operations under Multiple Service Providers' Option



Source: Dar-Es-Salaam Rapid Transport Agency

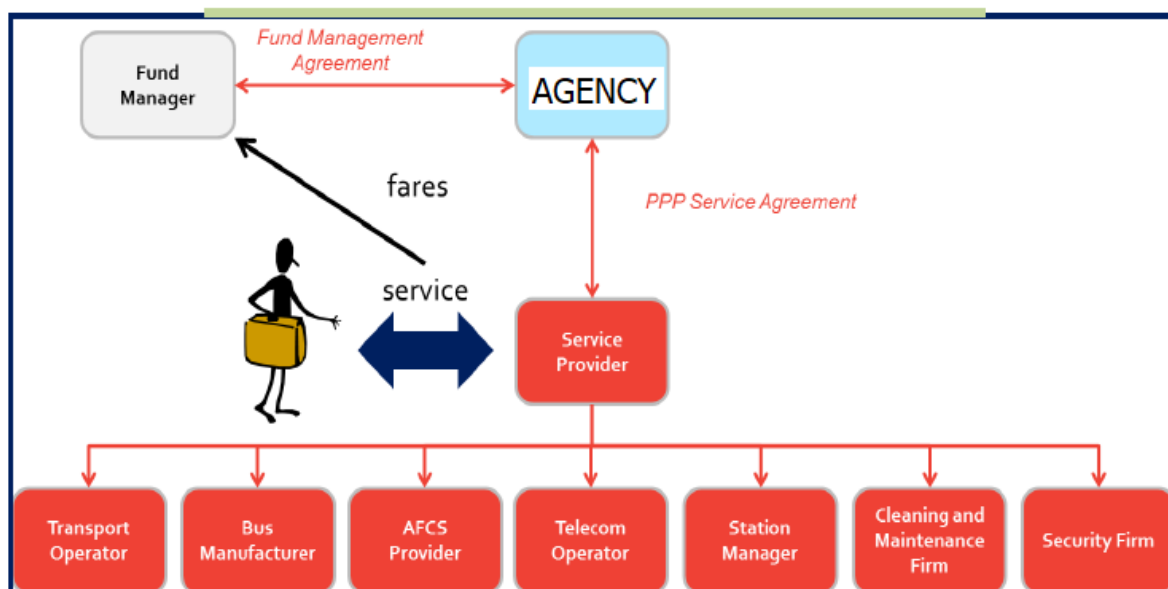
As shown in Figure 4, one of the challenges pertaining to the Multiple Service Providers is availability of short roads infrastructure that cannot accommodate adequate number of buses that ought to optimize revenues. Expectations from the Government and the community at large is to see BRT as PPP projects under PPP DBFOM model in terms of viability deliver goods and quality services that are accessible, affordable, efficiently delivered so as to guarantee VfM. Perceptions from the public is based on the allegation that BRT procurement process consumes more time than would be conventional procurement.

It should be known from the outset that; BRT infrastructure was solely financed by the Government through Conventional procurement rather than PPP procurement. This does not invalidate provision of service under service contract to be under PPP arrangement. For example, see the case of the State Committee of the Republic of Bashkortostan for Transport and Roads (the organiser of tender) and LLC Bashkirdorstroy (the winner of the tender). The appeal court said that:

“.....Unlike the capital grant, the grantor’s payment is not made for a particular purpose and may be used for purposes other than the compensation of the costs of construction and (or) reconstruction of the facility”^{xlvi}.

Including among others, BRT phase 1 experienced challenges such as; invasion to the busways by pedestrians, private cars, dala-dala and boda-bodas causing accidents; invasion of petty traders into DART infrastructure; scrambling of passengers boarding into buses in order to get seats; inadequate queuing; inadequate local expertise on the Intelligent Transport System (ITS) and Automated Fare Collection System (AFCS); unstable scheduling and peak hour congestion, traffic intersections, Resettlement Action Plan (RAP) associated with cancellation of some works; Court cases, construction contracts coupled with volatile quality of designs, and unmapped utilities and sub-standards deports unable to resist against environmental risks such as floods.

Figure 5: BRT PPP Process Under Strong Single Service Provider's Option



Source: Dar-Es-Salaam Rapid Transport Agency

As shown in Figure 5, one of the challenges pertaining to the Single Service Providers is inability to accommodate adequate number of buses that ought to optimize revenues due to short roads infrastructure.

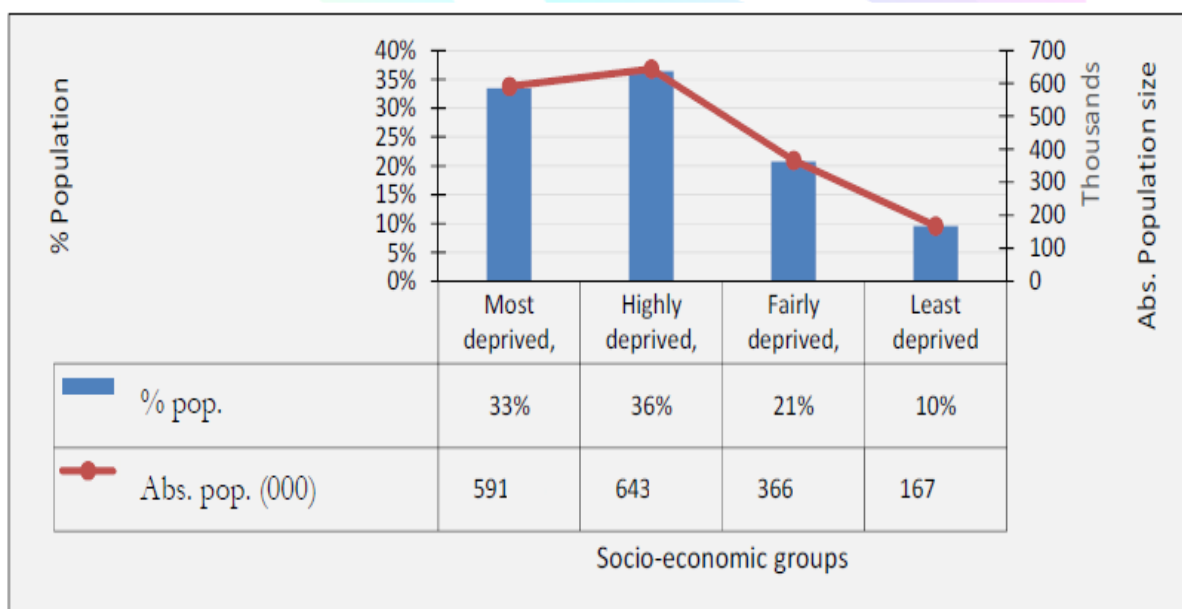
Private sector as an agent has incentives to abundantly enhance the operation and maintenance quality to considerably reduce costs and also certainly achieve higher social benefits and quality provisions (Dewatripont & Legros, 2005). In that regard, this theoretical framework consists the Design, Build, Finance, Operate and Maintain (DBFOM) model and involves

concepts together with their definitions, and agency theory that will precisely be used for the study.

On affordability toll, requires government to estimate a minimum toll rate which largely depends on the construction cost and traffic volume prediction, for example in the case of transport sector where there is a lower toll, the affordability would likely prevail^{xlvii}, (Figure No2). Therefore, it is very important to create balance between affordability and sustainability of project with its attractiveness among private investors^{xlviii}.

In that vein, the BRT PPP projects will demonstrate fair, equitable a just provision of service only if affordability correlates with social needs sustainability which fully justify social justice. The accessibility may not be possible or be possible due to the change in such factors as time in service delivery by busses, high-cost overruns and quality outputs. The efficiency may change due to the assets' durability and life cycle costs of the BRT projects. In that, the presence of assets durability during the entire life of the assets and the lower cycle costs, the efficient in the assets would likely exists.

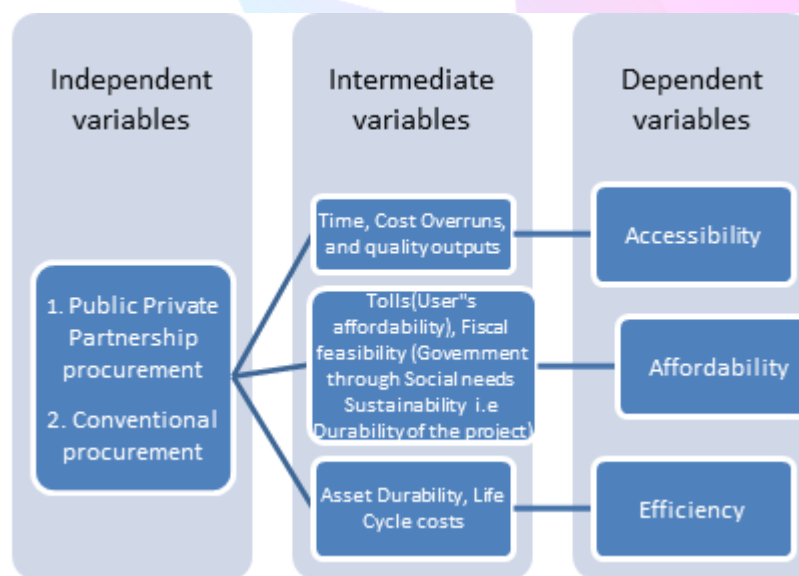
Figure 6: Population size (in percentage and absolute number) by socio-economic groups not served by the proposed DART system



Source: Emmanuel Maliwa (2009)^{xlix}

The key motive of the PPP delivery approach is to increase the life-cycle cost efficiency and the BRT services to accommodate socio-economic groups entitled to consume quality services, timely and at affordable fares as shown in Figure 6. It takes into account all costs, starting from construction costs and operational costs, and including the cost of capital return^l. Efficiency entails both technical and economic efficiency^{li} including legal credibility and accountability. Efficiency in that regard, is the extent to which an agency maximizes the outputs produced from a given set of inputs or minimizes the input cost of producing a given set of outputs^{lii}; in short where the BRT project delivers VfM.

Figure 3: Independent and Dependent Variables of BRT Services under PPP Arrangement



Source: Researcher's own construct (2022)

PPP models vary and are regularly influenced the project including but not limited to the risk tolerance of the partners^{liii}. Facility is designed by the private partner on the basis of output specifications determined by the public sector^{liv} where risks are transferred to the private sector. A user-pays PPP used to finance, deliver and manage infrastructure is a form of contract whose scope includes PPP DBFOM model in an integrated manner, in which the financing is private and usually regarded as private finance under national accounting standards where the source of revenue is mainly in the form of the right to commercialize the use of the asset: all or the majority of revenues exclusively come from the users as shown in figure 2^{lv}

DBFOM concessions can be awarded for the construction of new asset i.e., Greenfield assets or for the modernization, upgrade or expansion of an existing facility. Under BDFOM model when user revenues are significant but not enough to entirely fund the project, the project may be made viable by means of grants or complementary payments from the government commonly known as VGF. This is commonly known as government-pay PPP^{lvi}. In any disputes where PPP prevails, interests of parties are inextricably decided without discriminating interests of the private party^{lvii}.

The study of PPP is drastically made difficult by the disputed definition of the concept^{lviii}. It has faced several sources of objection, both conceptual and practical. PPP is a contract that a government makes with a private service provider to acquire a specified service of a defined quantity and quality at an agreed price for a specified period; this covers several different categories of contracts, which may procure different services^{lix}. PPPs entails the delivery of service by the private partners where objectives of the government are aligned with the profit objectives of the private partners. In that, the effectiveness of the alignment depends on a sufficient transfer of risk to the private partners^{lx}. This is possible only if the optimal risk allocation is one of the key VFM drivers in a PPP delivery model.

The choice between PPP and traditional contract turns on whether it is easier to write contracts on service provision or on construction quality. For the former, PPP is optimal which ensure that the private party is not exposed to negative cash flows; for the latter, the traditional (unbundled) contract is better^{lxi}.

Through PPPs the public sector establishes long-term partnerships which are essentially working arrangements based on a mutual commitment between public sector organizations with any organization outside of public sector^{lxii}. Generally, the private party bears significant risk and management responsibility while remuneration is solely and exclusively linked to performance. However, the definition of the long-term may depend on the jurisdiction and sector^{lxiii}. PPPs can enable the public sector to leverage more financial resources by using the private sector as an intermediary. In that regard therefore, the private partner has to establish the Special Purpose Vehicle “SPV”^{lxiv}.

PPP is a "co-operation of some durability between public and private thespians in which they jointly develop products and services and share risks, costs and resources which are connected with these products or services"^{lxv}.

A private partner is bound to have a faster recovery of their investment in larger and profitable market segments with considerable purchasing power than otherwise. A competitive market is central to ensuring effective PPPs. Theoretically, a competitive PPP contract model is superior in delivering infrastructure because it encourages efficiency stemming from the inherent competition among the market players^{lxvi}. Likewise, Section 3 of the PPP Act,^{lxvii} defines the concept of PPP.

Affordability assessment seeks to determine whether the project is affordable for the public authority to have fiscal feasibility or end-users for the project to demonstrate "user affordability" and can eventually be paid for. It therefore determines whether the project could be procured as a PPP. In that illustration, projects need to be bankable in order to invite private sector investment. Key aspects for project bankability are risk allocation, incentives and affordability^{lxviii}. The real major benefit of PPP is the improved VfM over conventional delivery on the provision of affordability, sustainability, and accountability, which was previously been lacking in the public sector, and it is based on risk allocation and transfer between PPP entities^{lxix}. Risks such as nationalization and land acquisition should be retained in the public sector, although the majority of risks should be borne by the private. Therefore, as risk comes from the complex nature of PPP^{lxx}, project risks should be identified, analyzed, and allocated adequately to justify the PPP option.

Viability is a broad term which denotes the capacity of PPP projects to succeed and the effectiveness of the asset or service delivered to end-users. In the same vein, Viability Gap Funding (VGF) means a grant to support projects that are economically justified but not financially viable and bankable. Projects may not be commercially viable because of long gestation period and small revenue flows in future which may not be able to significantly recover costs and amortize the capital costs because infrastructure projects require enormous and long-time investment^{lxxi}.

The public authority may contribute to the capital investment cost, if necessary, in the form of an investment “subsidy” (Viability Gap Financing) to achieve commercial viability of the concession^{lxxii}. Alternatively, the government can be compensated for its contribution by receiving a commensurate part of the tariff collected^{lxxiii}. Realization of stakeholders’ roles in the implementation of PPP projects and sharing concern developed during the implementation of the projects has significant effects on facilitating accountability for the PPP project between private and public organization^{lxxiv}.

CONCLUSION

PPP under BRT would prevail only when it offers value for money (VfM) over the life of the project under whole life costs and appropriate risk transfer drivers rather than upfront costs. In that vein, the project should be technically, environmentally, economically, financially viable and fiscally responsible. Under BDFOM model when user revenues are significant but not enough to entirely fund the project, the project may be made viable by means of grants or complementary payments from the government commonly known as VGF

It could be imperative if under PPP arrangement, risks associated with the BRT should be mitigated through; establishment of a strong foundation with an excellent BRT conceptual design, creation of awareness in terms of risks of BRT, the use of a long duration contract, avoidance in having bundle of the engineering design and BRT planning into one contract, ensuring time for refinement of the BRT design, recognition of the importance of the BRT corridor, setting up a core BRT working group early in the project, and selecting the right BRT planning team.

ENDNOTES

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- ^{viii} See also All Mpalilo Kailu (1980) TLR 170. Catherine Raid v. R Crim App. No. 71 1992 High Court of Tanzania Mbeya (unreported)
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