



**Uncovering Effective Practices for Improving Transportation Public-Private Partnerships in Member Countries of the World Bank Group**  
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**Introduction**

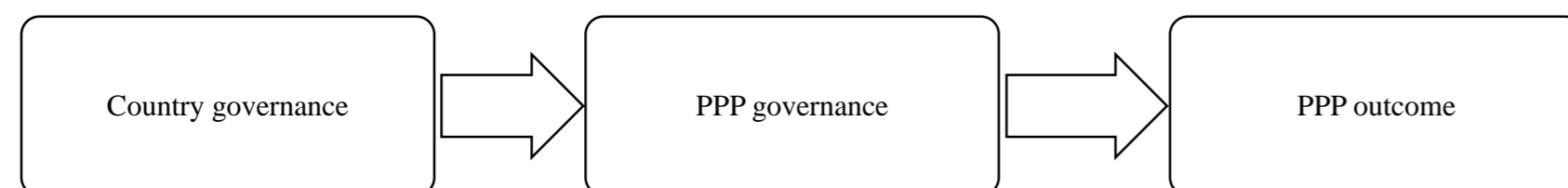
Public-private partnerships (PPPs) emerged as a cross-sectorial mechanism of potentialities and opportunities for governments to initiate or speed up the development of infrastructure. The Research argued that focusing on sub-categories of PPP stages will increase the governance and success of PPP projects.

**Objectives**

This research seeks to determine the relationship between country governance, PPP governance, and the PPP project outcomes. While PPP governance is key, the extant literature has not studied the mediator role that PPP governance plays between country governance and PPP outcome. This research goes deeper into understanding the impact of elements of PPP governance as well.

**Theoretical Framework: Good Governance**

**Figure 1: Relationship hypothesis**



**Methods and Analysis**

- Secondary Data for 102 countries: Procuring Infrastructure PPP Report 2018, the Private Participation in Infrastructure (PPI), and the Worldwide Governance Indicators (WGI) database.
- Analysis: Multiple regression and logistic regression in SPSS.
- $Y = b_0 + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5 + b_6x_6 + E_i$

**Results**

**1. Country governance had an effect on PPP outcome**

Political stability and voice and accountability are predictors of the PPP project outcomes with regards to “achieved objectives, the quality of bank entry, the overall performance of the bank, the implementing agency, and the overall performance of the borrowing country.”

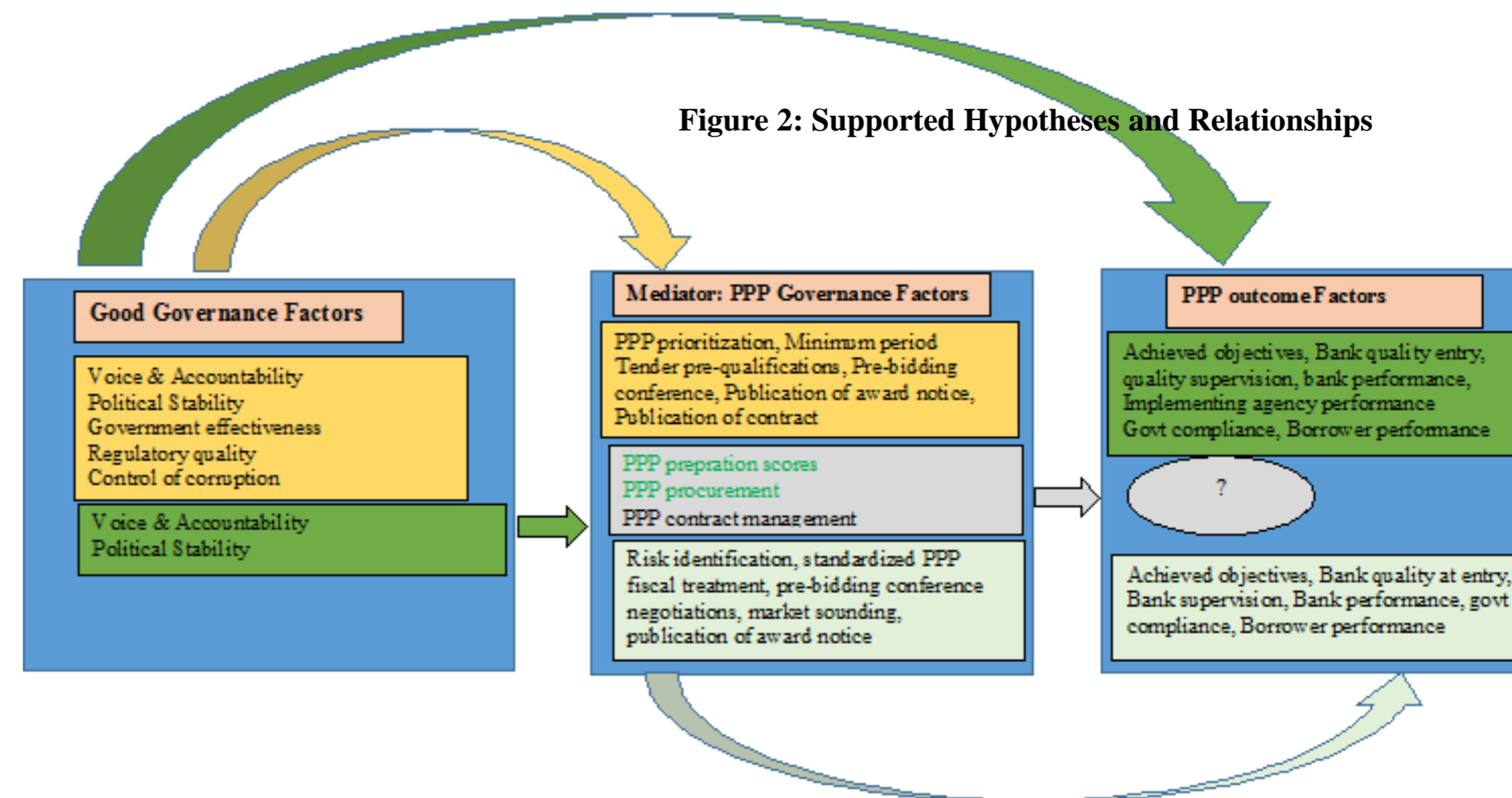
**2. Country governance had an effect on PPP governance**

- Main categories:** The research found that the variables voice and accountability and political stability are predictors of the effectiveness of PPP governance with regards to the PPP preparations and PPP procurement.
- Subcategories:**
  - Voice and accountability and political stability had an impact on PPP prioritization and publication of award.
  - Voice and accountability, government effectiveness, and regulatory quality had an impact on minimum period of time to submit the bids (>=30 days).
  - Control of corruption had an impact on pre-bidding conference.
  - Political stability had an impact on the publication of award notice and the tender documents specify prequalification criteria.

**3. PPP governance had an impact on PPP outcome**

- Main Categories:** None of the PPP governance scores were predictors of the PPP project outcome.
- Subcategories:**
  - Risk identification and standardized PPP had an impact on “achieved objectives, the bank quality at entry, and overall bank performance.”
  - Negotiations, pre-bidding conference, fiscal treatments, and risk identification had an impact on Bank quality of supervision
  - System to manage the implementation, publication of award notice, market sounding, and risk identification had an impact on government compliance.
  - Draft PPP contract included in the request for proposals had an impact on overall borrowing government performance.

**Figure 2: Supported Hypotheses and Relationships**



**Discussion and Implications**

First, country governance factors such as political stability and voice and accountability influence the outcome of PPP projects. These two factors allow the World Bank to provide quality assistance in the preparation process and increase the Bank’s overall performance. Country governance significantly influences the Bank performance and the borrowing country’s performance. Second, the country governance factors such as voice and accountability and political stability influence the effectiveness of PPP governance in the preparation and procurement categories. Five of the six country governance factors influence the probability of effective practices in the subcategories of PPP governance. Third, the research found that PPP governance plays the role of mediator in the relationship between country governance and PPP outcome. While the three main categories did not yield significant results, seven subcategories had a significant effect on six outcome factors. As expected, subcategories plays a significant role in PPP outcome. The results imply that effective PPP governance can lead to higher transportation PPP project outcomes. They also imply that good governance contribute to higher outcomes as it improves practices of PPP governance.

**Recommendation**

In addition to encouraging good governance as a condition of PPP awards, The World Bank should also encourage participating countries to improve their practices of PPP governance. The subcategories provided in Figure 2 should be considered. Most significant factors were elements of the early stage, that is PPP preparation. Thus, the latter needs more emphasis.

**Future Research**

The next step in this research is to understand why voice and accountability and political stability are so important in the decision making process of the World Bank. This research only used outcome data on transportation. The research can be conducted in other areas of PPPs.

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