Exploring Public Private Partnership Models for Funding of Universities in Nigeria

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ABSTRACT
The realization of university programme depends on adequate funding. Adequate funding is the life wire of the university system. No any meaningful development can be achieved in the universities education without adequate funds. Recently, the Nigerian universities have been experiencing problems of financial shortage. Many universities administrators in Nigeria cannot execute programme of the universities because of scarcity of funds. This paper explores various public-private partnership funding models options for the funding of universities in Nigeria. Secondary data collected from both print and online publications were used for the paper. The paper concluded that there are various Public-Private Partnership Funding Model options available for the funding of universities in Nigeria which include; Build, Operate, Transfer (BOT), Design, Build, Finance, Own (DBFO), Design, Build, Operate and Transfer (DBOT), Build, Own, Operate and Transfer (BOOT), Rehabilitate, Operate and Transfer (ROT), Joint Development Agreement (JDA), Operation and Maintenance (OM), Management/Lease Contract, Outsourcing, Leasing Contract, divestiture and concession.. The paper also established that universities in Nigeria can adopt public-private partnership funding models available to increase funds availability in the universities system, fund

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infrastructure facilities projects, increase research funding and increase communities services to the host communities across Nigeria. The paper recommended that the federal and state government should direct universities administrators to adopt the various Public Private Partnership (PPP) funding models available in the country to enhance implementation of teaching, research and community service programme and fund infrastructure facilities projects in the universities.

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Introduction

Public-private partnership is an agreement between governments and private partners that may include the operations and financiers, according to which the private partners deliver the service in such matter that the service delivery objectives of government are aligned with the profit objectives of the private partners, and where the effectiveness of the alignment depends on a sufficient transfer of risk to the private partners.” (Lawal, 2023)

Public Private Partnerships (PPPs) is a much contested concept. It is not only hard to define the concept, since it can take many forms, but opinions differ whether they are a wishful development. Proponents and critics of PPPs agree on a loose concept of PPPs, namely a public and private interaction to deliver a service. Yet providing a clear definition turns out to be challenging. The term is a sort of an umbrella notion covering a broad range of agreements between public institutions and the private sector, aimed at operating public infrastructures or delivering public services (Education International, 2009).

Public Private Partnership accord to Lawal, (2023) is a set of arrangements in which the private sector carries out the role of the supplier of infrastructure of assets and services that have traditionally been provided by the government. This agreement involves pooled public and private resources; shared responsibilities; complementary efforts; equity sharing (if there is government organ investment); formation of special purpose vehicles to develop, build, maintain and operate for the contracted period.

Public Private Partnerships (PPPs) according to Ogunode, Edinoh & Okolie (2023) is an official agreement between two or more parties on the provision of a services or projects with a defined operational, profit sharing ratio, terms and conditions and ownership tenure. Public Private Partnerships (PPPs) can be seen as a formal arrangement and agreement between public institutions and private individual on funding of infrastructure, provision of services and donation of facilities with a defined and spelt out policies on sharing formula of assets, profits and ownership. The objectives of Public Private Partnerships (PPPs) accordion to Ogunode, et al (2023) include; to ensure provision of quality services to the citizen, to ensure accountability and transparency in resources utilization, to improve business efficiency and effectiveness in public sector service delivery; to reduce and avoid the full privatization of public service and goods, to allow governments to retain ownership while contracting the private sector firm to carry out a specific function such as designing, building, maintaining and operating infrastructures like roads, bridges and ports, or providing basic services like health, water, waste disposal and electricity.

In the area of tertiary education, the objectives of Public Private Partnerships (PPPs) includes; to ensure provision of quality tertiary education, to ensure provision of quality teaching through provision of adequate infrastructural facilities, to ensure provision of quality research programme; to ensure
provision of effective community service to the host communities and international communities, to ensure provision of conducive teaching and learning environment, to ensure accountability in the system, to ensure effectiveness and efficiency in tertiary education system and to ensure sustainable development of the tertiary institutions (Ogunode, et al 2023).

**Literature Review**

There are different Public-Private-Partnerships funding models available. Oyedele in Hassan & Fatile (2022) identified the following types of PPP model:

**Build, Operate, Transfer (BOT):** Here the private investor faces the challenge of construction risk, operating risk and social, and environment risk, endeavors to make profit, and thereafter transfer ownership to government at the expiration of the time stated in the contract. Under this model, the contractor may be a developer and financier who will build and own the property with the agreement that the client will possess the property in the future. This model is usually used for specialized facilities like hospitals, schools and housing.

**Design, Build, Finance, Own (DFBO):** Under this model, the venture is 100% private sector owned. The challenge here is that of regulatory risk, project risk and creeping taxation. It is a Public Finance Initiative (PFI) in which a private sector firm conceived a development idea, design, construct it, operate it and own in perpetuity.

**Design, Build, Operate and Transfer (DBOT):** In this model, the private investor is charged with the responsibility to design a project, build it, operate within an agreed period of time, and thereafter transfer ownership title and operations to the government.

**Build, Own, Operate and Transfer (BOOT):** This is similar to DBOT model however the private sector partner will have a complete ownership for a given period of time, during which it directs the affairs of the enterprise with interference from the public sector.

**Rehabilitate, Operate and Transfer (ROT):** This is an agreement to rehabilitate existing public infrastructure, operate it for an agreed period of time and transfer ownership to government at the expiration of the contract.

**Joint Development Agreement (JDA):** This model encourages the private and public sector to come together and sponsor the development of a project from scratch. At completion, both parties maintain the stakes in the management and running of the venture.

**Operation and Maintenance (OM):** Under this model, the operation and maintenance function of the project, usually existing, is contracted to the party that has the experience, resources and technology to carry out the function ownership and management remains with the initiator.

**Management/Lease Contract:** Management contract and lease contracts involve a private firm taking over the management and control of a public enterprise for a given period of time although the facility continues to be owned by the public sector. The public sector may retain the responsibility of financing the investments in fixed assets. In the case of management contracts, the public sector also finances working capital. In this plan, it is 100% Public sector owned.

**Outsourcing:** This is where government outsources some supporting services to the private sector such as billing, postage, stationary supplies, metering, transport, or cleaning.

**Leasing Contract:** In Lease Contract, the private investors build the infrastructure and lease it to government under finance or operating lease. Greenfield projects: With Greenfield projects a private
entity or a public-private joint venture builds and operates a new facility for the period specified in the project contract. The facility may return to the public sector at the end of the contract period or may remain under private ownership.

**Divestiture:** Another form of private participation in infrastructure is divestiture where a private entity buys an equity stake in a State-Owned Enterprise through an asset sale, public offering or mass privatization. For a country where the majority of the citizens is stricken by poverty, whatever model is adopted should place the benefit of citizenry at top most priority.

**Concession:** This is a collaborative agreement between a government and private developer(s) to design and develop facilities through combination of participants which include the financiers, contractors and consultants. The developers may not necessarily be the financiers of the project.

Public Universities in Nigeria are facing a lots of problems (Ogunode 2020a). Ogunode (2020) defined public universities are universities owned by the government. Public universities are universities established to provide post-secondary schools for Nigerian. Public universities are universities established by act of parliament to serve the interest of the general public. Public universities deal with the provision of teaching, research and communities services. The objectives of the universities in Nigerian Higher education, including professional education has the following aims: the acquisition, development and inculcation of the proper value orientation for the survival of the individual and societies; the development of the intellectual capacities of individuals to understand and appreciate environment; the acquisition of both physical and intellectual skills which will enable individuals to develop into useful members of the community; the acquisition of an overview of the local and external environments (Sarkinfada, 2016; Ogunode & Lawan 2020; FGN, 2014).

Lawal (2023) observed that Nigeria has at least 50 Federal Government-owned and 60 state government-owned universities, has not been able to meet the United Nations Educational, Scientific and Cultural Organisation’s (UNESCO) standard of 15% to 20% per cent budgetary allocation for the funding of education. The highest allocation so far recorded was eight per cent, yet, 60 per cent of that funding for universities goes into recurrent expenditure. In its wisdom, to complement the funding, the Federal Government’s agencies such as the Tertiary Education Trust Fund (TETFund) and the Central Bank of Nigeria (CBN), intervene in infrastructural development in the institutions. The reality remains that funding has not been adequate for Nigeria’s tertiary institutions especially the universities.

According to the World Bank, higher institutions in sub-Saharan African countries like Nigeria face the formidable policy challenge of balancing the need to raise educational quality with increasing social demand for access. It adds: “The task of funding these institutions will become increasingly difficult in the years ahead; as the youth population continues to grow, each country will have to devise a financing approach to higher education development that enables it to meet the challenge.” Udida, Bassey & Udofia, in Ogunode, Onyekachi & Ayoko (2023) noted the major issue in educational development is shortage of funds. One of the most serious problems threatening the survival of the educational systems is that of dwindling level of public funding in the face of rising demands and hence rising cost of higher education. This shortage of funds affects job performance and the growth of the institution. Higher educational institutions cannot perform optimally without funding. This situation calls for increased fund initiative from both the government and educational stakeholders so as to sustain the tempo and growth of education industry. The inability of the Nigerian government to objectively accept and implement the 15% to 20% funding formula for education recommended by the UNESCO impact negatively on the performance and sustainability of higher education. Thus, it has become obvious that Nigeria’s neglect of the funding formula is detrimental to higher educational institution performance.
and development aspiration as quality performance is the veritable instrument for sustenance of education system. This neglect has further precipitated crises in the entire higher educational systems as effective teaching, research and service are no longer taking place seriously (Udida, Bassey & Udofia; Obadara & Alaka, 2013; Ifeanyi, Ogunode & Ajape 2021).

On this note, Akinola (1990) was worried about the funding situation and commented thus: “Our higher institution education systems are in dire need of money.....to cater for both their capital and recurrent needs. For a few years past, the budget have been cut back from year to year by the federal government. This cut back has affected both capital and recurrent expenditures. In many higher institutions capital projects embarked upon are few years ago, are yet to be completed due to lack of adequate funds”. Ogunode & Mcbrown, (2022) and Ogunode & Ahmed (2022) lamented that the situation of poor funding in the universities system is worse to the extent that some universities administrators now have to into obtaining banks loans to funds the universities programme.

Methodology
This paper explores various public-private partnership funding models options for the funding of universities in Nigeria. Data from different secondary sources were employed for the paper. The paper used content analysis to analyze all literatures collected. Only those relevant to the topic were systematically selected. Exploratory method was adopted in the analysis. To ensure the reliability and validity of the study, multiple secondary sources were used to minimize the risk of error. The secondary data were collected directly from textbooks, journals, articles, newspapers and other local and international publications on sexual harassment in tertiary institutions.

Discussion
Public Private Partnership Funding Model Options for the Funding of Universities in Nigeria

Public Private Partnership funding model can help to solve the problems of inadequate funds in Nigerian universities. Public Private Partnership funding models can help the universities to increase funds availability in the universities system, fund infrastructure facilities projects, increase research funding and increase community’s services to the host communities.

Increase Funds in the system
Universities in Nigeria can use Public Private Partnership to raise more funds into the universities system. According to Ogunode, Attah & Ebute (2023) and Tunde & Issa (2013) inadequate funding is one of the greatest problems facing the administrators of higher institutions in Nigeria. Higher institutions administrators do not have access to adequate funding for effective running. The revenue collected through fees constitutes an insignificant proportion of the revenue of the institution. Fund allocation has not been much during the last decade. The poor funding of higher educational system in the country has rendered the higher education system incapacitated. The higher education system has not had the financial resources necessary to maintain educational quality in the midst of significant enrolment explosion. Udida, Bassey, & Udofia, (2009) in Ogunode, Atobauka, & Ayoko (2023) concluded that universities there is scarcity of funds in the universities system. This problem of funds scarcity can be solved if universities can embrace public private partnership options to raise funds into the universities system. Ogun dare, (2023) pointed out that the future of education requires private sector involvement. According to him, strategic partnerships with private investors are vital in promoting excellence in tertiary education. In the same vein, Prof Esther Nwosisi of faculty of education, Tai Solarin University of Education, noted that private sector involvement in tertiary
education has the potential to improve the sub-sector in a number of ways by enhancing and supplementing existing public sector investments.

**Fund Infrastructure Facilities Projects**

Universities in Nigeria can adopt the option of public private partnership to raise funds and funds infrastructure facilities in the universities. Infrastructure facilities, as observed by Atobauka & Ogunode (2021) are major resources the university system needs to realize its objective. Infrastructure facilities support effective delivery of teaching, researching and the provision of community services. Infrastructure facilities are among the greatest materials resources that the universities system cannot do without them. The quality and quantities of infrastructural facilities available in the universities determines to some extent the level of quality of education outcome of the universities. Okebukkola, (2018); Ahaot & Ogunode (2021); Ogunode, Haliru, Shehu, & Peter (2023); Ogunode, Ezema & Olugbenga (2021) maintained that as important as infrastructure facilities to the development of higher institutions that many higher institutions especially the universities in Nigeria are faced with the problem of inadequacies. Ogunode & Adihikon, (2023) acknowledged that inadequate infrastructural facilities are major challenges facing administrators of higher institutions in Nigeria. Higher institutions across the country do not have adequate infrastructural facilities to use for teaching and learning in their universities. This problem of shortage of infrastructure facilities can be fixed through adoption of PPP. According to Raji, (2023) common models of the PPP adopted in some Nigerian universities include design-build or turnkey project; management contract; lease and operate contract; design-build-finance-operate; build-operate-transfer; buy-build-operate; build-own-operate; build-own-operate and transfer; donor-financed/funded-transfer. Lawal, (2023) observed that more can be achieved in terms of funding through the public-private partnership initiative, as long as the institutions are creative, credible and projects are laudable. Lawal noted that Nnamdi Azikiwe University (NAU), Awka, University of Ibadan (UI), University of Nigeria, Nsukka, and Fountain University, Osogbo, are among the few that illustrate the success stories of public-private partnership. Also, NAU has projects like the Chike Okoli Centre for Entrepreneurial Studies (a Design-Donor-Fund-Build and Transfer project); JUHEL Building housing the Faculty of Pharmaceutical Sciences; ELMADA International Hostels (a Built-Operate and Transfer project); Chisco Institute of Transportation Studies; and Gauze Pharmaceuticals Ltd Pharmacy. At Fountain University, there are the IBB Students’ Centre; Hall EasyPlace Properties Accommodation Project (under Build-Operate and Transfer); College of Natural and Applied Sciences in partnership with Al-Jaiz Bank, Nigeria (a Design-Finance/Fund project); Hajia Amina Namadi Sambo Multipurpose Hall (a Design-Build-Transfer project); and Adegunwa Hall of Residence is another Design-Build-Transfer venture. Universities can fund their infrastructure facilities projects through Public Private Partnerships (PPPs). Ogundare (2023) pointed out that the future of education requires private sector involvement. According to him, strategic partnerships with private investors are vital in promoting excellence in tertiary education

**Funds Research Programme**

Universities administrators can explore public-private partnership option to increase research funding and development in the universities across the country. Ogunode, Jegede, Adah, Audu, Solomon (2020) and SarkinFada (2013) noted that research programme in Nigerian universities are underfunded and this as affected research development in universities while Ogunode & Ade (2023) research programme of the universities has the second most important of the universities programme. Musa (2017) and John (2019) asserted that the best alternative to the development of research programme in Nigerian tertiary institutions is through private partnership with investors. Adoption of public private partnership in the
tertiary institutions in Nigeria will enhance research development because PPP has different model of operations. Mark (2019) concluded that PPP in tertiary institutions will help in transfer of knowledge from research output. Many research laboratories have been donated by private institutions. Public Private Partnership can be involved in establishing national or international research centre in tertiary institutions. Public Private Partnership can finance the establishment of modern laboratories for practical field work. Ogunode, et al (2023) submitted that public-private partnership (PPP) in tertiary institutions will help in the development of research through adequate funding. Private investors can invest hugely in the researches in tertiary institutions and use the funding to improve their production and services. Ikwuakor and Akunna (2022) opined that industry/business support of research in Nigerian universities is relatively non-existent, compared with the level of partnership between industry/business and universities in developed countries. The oil and gas industry, however is an exception, as it provides support in the form of technical workshops, buildings, vehicles, computer hardwares and softwares to affiliated departments of Nigerian universities. But the oil industry can do better by sponsoring and facilitating intentional and strategic research projects that develop local technologies. For instance PPP in tertiary institutions can help in the provision of modern laboratories and research facilities that will support development of academic programmes.

Increase Communities Services

Public private partnership can be used by universities in Nigeria to increase community services. Ogunode, Aude, & Olatunde-Aiyedun, (2022) asserted that community service programme is the third cardinal programme of the tertiary institutions. Community service programme is an organized and planned service programme of higher institutions for the benefit and betterment of their host community. Community service programme of higher institutions are community inclined services initiated by the institutions to develop the communities. Community service of higher institution are services provided by institutions to benefits the community people. Community service of tertiary institutions involve all organized services provide by the institutions to the host communities with the aim of improving their communities positively. Ogunode, et al (2023) asserted that public private partnership in the tertiary institutions will increase the provision of community services because of increment in the social responsibilities of the private firms partnering with the tertiary institutions. Peter (2017) observed that the adoption of public private partnership in the tertiary institutions is another way of increasing the provision of community service to host community. All private investors partnering with the institutions have social responsibilities to the host communities. For instance PPP in tertiary institutions will help in the provision of extension services to farmers in the communities. Public Private Partnership (PPP) in the health care services sector in tertiary institutions will support implementation of community service to host communities through provision of health care services through their medical facilities in the institutions. These free medical services may include; free eye screening, diabetes and high blood pressure checks. They also organise medical outreaches towards sensitising the public on prevalent diseases like STDs, diabetes, hepatitis, high blood pressure and awareness on sickle cell disease. Furthermore, the Public Private Partnership (PPP) medical centres may be used as vaccination centres for host communities. The Private Partnership (PPP) medical centres will provided sanitation services to host communities.

Findings

The paper revealed that there are many public-private partnership funding models options for the funding of universities in Nigeria which includes Build, Operate, Transfer (BOT), Design, Build, Finance, Own (DFBO), Design, Build, Operate and Transfer (DBOT), Build, Own, Operate and
Transfer (BOOT), Rehabilitate, Operate and Transfer (ROT), Joint Development Agreement (JDA), Operation and Maintenance (OM), Management/Lease Contract, Outsourcing, Leasing Contract, divestiture and concession. The paper also disclosed that universities in Nigeria can adopt public-private partnership funding models to increase funds availability in the universities system, fund infrastructure facilities projects, increase research funding and increase communities services to the host communities across Nigeria.

**Conclusion and Recommendations**

The paper concluded that there are various public-private partnership funding model options available for the funding of universities in Nigeria which include; Build, Operate, Transfer (BOT), Design, Build, Finance, Own (DFBO), Design, Build, Operate and Transfer (DBOT), Build, Own, Operate and Transfer (BOOT), Rehabilitate, Operate and Transfer (ROT), Joint Development Agreement (JDA), Operation and Maintenance (OM), Management/Lease Contract, Outsourcing, Leasing Contract, divestiture and concession. The paper also established that universities in Nigeria can adopt public-private partnership funding models to increase funds availability in the universities system, fund infrastructure facilities projects, increase research funding and increase communities services to the host communities across Nigeria.

Based on the above findings, the paper recommended that the federal and state government should direct universities administrators to adopt the various Public Private Partnership (PPP) funding models available in the country to enhance implementation of teaching, research and community service and fund infrastructure facilities projects in the universities.

**References**


initiatives/


