Net Journal of Agricultural Science
Vol. 4(3), pp. 50-55, September 2016
ISSN: 2315-9766
Review

Public-private partnership as panacea for effective extension service delivery: Review of experience and potential in Nigeria

Mwada M. Gwary[1]*, Zamdai Asindaya[1] and Makinta A. Abba[2]

[1]Department of Agricultural Extension Services, University of Maiduguri, Nigeria.
[2]Department of Agricultural Economics, University of Maiduguri, Nigeria.

Accepted 5 September, 2016

ABSTRACT

One of the key challenges of the Nigerian agricultural extension and advisory services has been grossly inadequate and untimely funding. This paper presents a review of the experience with public-private partnership (PPP) and private extension provision in Nigeria as well as presenting a typology of PPPs that can be explored for infrastructure development and effective extension provision. PPP arrangement had become pertinent, especially in recent times where government's financial budgets and support for extension programmes have dwindled in the face of reduction in financial resources accruing to government especially from oil revenue. The exposition clearly indicated that the success of effective agricultural extension service delivery is dependent on partnership and complimentary actions of public and private sector. It became evident that PPP has the potential to make agricultural extension less burdensome to government and more relevant to farmers. Recommendations include: private sector investment and capacity development through PPP arrangement; sustainability of private sector participation in extension through new staff orientation and training and the need for a sound legal, regulatory and institutional PPP framework in Nigeria.

Keywords: Public-private partnership, private extension, PPP typology, potential, Nigeria.

*Corresponding author. E-mail: mwadagwary@yahoo.ca.

INTRODUCTION

The term "public–private partnership" describes a range of possible relationships among public and private entities in the context of infrastructure and other services (Baker et al., 2000). Public-private partnership (PPP) came into being as a result of the continued budgetary constraints faced by the various governments and the exhaustion of opportunities for outright privatization of public infrastructure (Jones, 2002). Moreover PPP has become necessary as a result of the desire to create favorable conditions to attract promising projects in various sectors of the economy at any stage of the implementation of such projects, including, at the initial stage. Government agencies began to explore more subtle alternatives for accessing private sector resources in the delivery and operation of public facilities including agricultural extension service delivery for the emancipation of agricultural sector in most developing countries. Policy discourse turned away from emphasis on public sector restructuring towards the search for innovative solutions and a more precise analysis of exactly how governments can most effectively meet infrastructure requirements (Yahaya, 2008). These therefore brought about the involvement of the private sector in the provision of infrastructure and agricultural extension services in developed and developing countries in partnership with government. The provision of adequate and reliable physical infrastructure is important given the role it plays in supporting the growth of industry, delivery of social services, including effective agricultural extension as it enables the movement of people and goods, amongst others, (Akampurira et al., 2008).

Public–private partnership (PPP) describes a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies (Johnson, 2010). It is essentially a partnership between public sector organizations and private sector investors and business for the purpose of designing, planning, financing, constructing, providing and/or operating infrastructure, facilities or related services to rural and urban dwellers. Successful PPPs build on the experience of each partner to meet clearly defined needs and provide a net benefit (or value for money) to the general public through the appropriate allocation of resources, risks and rewards (Leiringer, 2003). The potential of PPP to improve extension service delivery cannot be overemphasized as both the government and the private sector can collaborate by providing resources and expertise to improve and manage extension activities.

In Nigeria, governments at various levels (that is, federal, state and local) are increasingly utilizing the PPP methodology owing to the realization in government circles that the private sector is better able to operate and manage businesses, provide infrastructure and agricultural extension services and the need for government to utilize its scarce resources in other areas (Global Legal Group, 2007). For instance, in the State, the Public Private Partnership (PPP) procurement method has been used in the generation of power, management of waste disposal, highway and street cleaning and maintenance, among others. This method can also been employed in the provision of agricultural extension services and infrastructure in Lagos State. This paper provides an overview of PPP addressing specific issues such as rationale and types of PPP. Experience with private extension sector service delivery, potential and implications of PPP in improving agricultural extension in Nigeria were reviewed and conclusions drawn.

RATIONALE FOR PUBLIC PRIVATE PARTNERSHIP

In an increasingly competitive global environment, public sectors around the world are focusing on new ways to finance projects, build infrastructure and deliver services. PPPs are becoming a common tool to bring together the strengths of both sectors. In addition to maximizing efficiencies and innovations of private enterprises, PPP can provide much needed capital to finance public programs and projects, thereby freeing public funds for core economic and social programs (Chan et al., 2008). PPP evolved due to the capital restrains on the side of government in supplying and providing the needed infrastructure with the objectives of achieving better efficiency in the management and procurement of these needs (Johnson, 2010).

The benefits and advantages of PPP to government and private entities have been recognized and acknowledged by several authors. With respect to the public sector, PPP are characterized by the sharing of investment, risk, responsibility and reward between the partners (Aderibigbe, 2008). The reasons for establishing such partnerships vary but generally involve the financing, design, construction, operation and maintenance of public infrastructure and services (Batley 1996). Partnership British Columbia (PBC, 2003) highlighted some possible non exhaustive benefits of public private partnerships to Government to include:

1. **Improve service delivery:** By allowing both sectors to do what they do best. Government designing policy and serve the public while the private sector takes responsibility for non-core functions such as operating and maintaining buildings.
2. **Improve cost-effectiveness:** By taking advantage of private sector innovation, experience and flexibility.
3. **Increase investment in public infrastructure:** Investments in hospitals, schools, highways and other provincial assets have traditionally been funded by the government and, in many cases, have added to levels of overall debt. PPPs can reduce government's capital costs, helping to bridge the gap between the need for infrastructure and the Province's financial capacity.
4. **Strategy to reduce public sector risk:** Transferring to the private partner those risks that can be better managed by the private partner. For example, a company that specializes in operating buildings may be better positioned than the government to manage risks associated with the changing demands of commercial real estate.
5. **Deliver capital projects faster:** Ensure use of the private partner's increased flexibility and access to resources.

The benefits that could accrue to the private sector are multifarious. PPP gives the private sector access to secure, long-term investment opportunities. Private partners can generate business with the relative certainty and security of a government contract. Payment is provided through a contracted fee for service or through the collection of user fees – and the revenue stream may be secure for as long as 50 years or more (Partnership British Columbia (PBC), 2003). Many developing countries have now adopted this route also based on a perceived benefit of dependable service delivery through innovative solutions. In Nigeria, PPPs have been used to fund several projects including roads (the Lekki Expressway), The District infrastructure developments (FCT, Abuja), and the new Lagos domestic terminal (Ogunbameru, 2005). Private sector partners can profit from PPPs by achieving efficiencies, based on their managerial, technical, innovation and financial capabilities. They can also expand their PPPs capacity and expertise – or their expertise in a particular sector

which can then be leveraged to create additional business opportunities. Generally under PPP, the private sector can look forward to providing a wider range of services and over a longer contract period, usually between 15 and 30 years (Harris, 2003).

TYPES OF PUBLIC PRIVATE PARTNERSHIPS (PPPs)

According to Kwak and Chinyere (2012) as collaborated by Chinyere and Lin (2011), there are different types of PPPs depending on objectives and requirement. The partnership arrangements in most cases differ in terms of both the private and public entity involvement as well as the riskiness of both parties involvement. The various types of PPP are:

Build-operate-transfer (BOT)

This is a type of PPP, where the private entity has the sole responsibility for funding, designing, and operating the project. The project is finally transferred by way of ownership to the public entity after a concession period.

Build-own-operate (BOO)

In this type of PPPs, the private entity funds, builds, owns, and operates an infrastructure in perpetuity, while the public entity provides avenues for delivering the facility/project.

Build–own-operate–transfer (BOOT)

In this method of PPPs, the characteristics of BOO and BOT comes to play. But in this case, the private entity introduces a service charge throughout the concession period, before the facility is handed over to the public entity in perpetuity.

Design-build-finance-maintain (DBFM)

The DBFM type of PPPs is similar to the BOOT. In the DBFM method, the private entity designs, builds and funds a project and there after carry out maintenance works as part of the contractual obligations before transferring it to the public entity.

Design-build-finance-operation (DBFO)

In this type of PPPs arrangement, the private entity funds the project by way of debt financing or lending while operating the facility during the concession period before transferring it to the public entity.

Build lease or own operate (BL)

In the BL method, the private entity possesses land through lease and goes ahead to build and operate the facility.

Buy-build-operate (BBO)

In this type of PPPs, an already existing public asset is transferred from the public sector entity to the private entity under a contract and then stipulating that the asset by upgraded and operated for a specific period.

Operation license (OL)

In this type of PPPs, the private entity is granted license under an agreement to operate a public service for a specific period.

Finance only (FO)

In a FO PPPs arrangement, the private entity usually in the form of a financing company is granted rights to finance a project by way of long term leasing or bonds.

Design build (DB)

In a DB arrangement, the private entity designs and builds an infrastructure to meet the need of the public entity for a fee which on completion the public entity assumes full responsibility for the operation invariably transferring the risks of cost overruns to the private entity.

In the context of research partnership for agricultural and rural development Spielman et al. (2009) classified PPPs into five functional categories:

1. Resourcing partnerships: Public research centres receive funding from philanthropic foundations associated with private firms or they receive scientific expertise from private firms.
2. Contracting partnerships: Public research centres contract their facilities or expertise to private firms or contract private firms to conduct portions of their research.
3. Commercializing partnerships: Public research centres transfer research findings and materials to private firms for commercialization, marketing and distribution.
4. Frontier research partnerships: Public research centres and private firms jointly undertake research

activities characterized by some unknown probability of success.

5. Sector/value chain development partnerships: Public research centres collaborate with networks of public, private and civil society partners to develop a commodity subsector or its associated value chain. It is also imperative to note that such partnership arrangements can be utilized in the operation and improvement of extension service delivery activities.

EXPERIENCE WITH PRIVATE SECTOR INVOLVEMENT IN EXTENSION SERVICE DELIVERY IN NIGERIA

For quite some time now, the private sector has actively participated in the provision of extension services in Nigeria. Saliu et al. (2009) reviewed private sector involvement in extension service delivery in Nigeria. The findings indicated that the foremost participants in private extension services are United African Company (UAC), John Holt, Nigerian Tobacco Company (NTC) and Diocesan Agricultural Development Programme of the Catholic Diocese of Ijebu-Ode are among several others who became involved in agricultural production, processing and marketing some decades ago (Adedoyin, 1995). A research conducted by Okoro et al. (2006), in Abia State, Nigeria comparing the effectiveness of agricultural extension services between Independent Private Sector (IPS) providers and Public Extension Services, revealed that most of the IPS practitioners are retired agricultural officials and or self-employed graduates with few staff strength. Inputs are sold along with extension services. Relationship between the IPS operators and farmers is mostly on individual basis. Ninety eight point five seven percent (98.57%) of the farmers got gift like crate of eggs from the IPS as a kind of public relation services. About 85% of the farmers got extension information from IPS while 71.4% of the respondents attributed growth in farm size to the effort of the IPS.

A major feature of the Nigerian agricultural extension service in is the entrance of Non- governmental Organizations (NGOs) in extension delivery in Nigeria. These NGOs fall into two major groups, viz: The non-profit, charity or faith-based NGOs or community/commodity - based NGOs and the private commercial organizations, which have, profit motive associated with their activities. These NGOs in the agricultural and rural development sector provide a wide range of extension education and technical support services including micro-credit financing and supply of essential inputs in several communities in the country. It is interesting to note that the sectoral disparity in terms of focus and emphasis in the public extension service (crops Vs the others) is also reflected in the private NGO extension service (56% NGOs in crops, 14% in livestock and 10% in fisheries). However, studies have shown that farmers are willing to pay for extension services. There is informal commercialization in Delta State, Nigeria where farmers pay indirectly for extension services. These they do by paying for transportation, feeding and other expenses as pronounced by extension agents (Uzokwe and Ofuoku, 2006). According to Farinde and Atteh (2009) in their study of arable crop farmers of Niger State, indicated that farmers are willing to pay for extension services the sum of ₦15,133.84 ($48.28) per farmer per year through the yam grower association, cooperative societies and the service providers themselves. Bawa et al. (2009) identified private commercial organizations providing extension services in Adamawa state, Nigeria to include: the Shell Petroleum Company (Shell Petroleum Extension Project), the British American Tobacco (BAT), and African Cotton (AFCOT) Nigeria Plc. While Shell and other Petroleum Companies, particularly in the Niger Delta Oil exploratory areas are community–development oriented, public relations outfits, those of BAT and AFCOT are principally commodity-targeted out growers' schemes to ensure adequate raw materials for their companies. Non-profit NGOs include: the Development Education Centre (DEC) which provides extension support to women to organize themselves into grassroots level self-help associations in South-Eastern Nigeria; the Women's Advancement Network (WOFAN) in the North-West, promoting income generation activities among rural woman; the Farmers Development Union (FADU) and the faith- based Diocesan Agricultural Development Project (DADP) in South-Western, Nigeria which aims at poverty alleviation among small-scale farmers (Arokoyo et al., 2002). Unique in this group is the international Non Governmental Organizations (NGOs), Sasakawa-Global 2000 which not only works in very close collaboration with the Agricultural Development Programmes (ADPs), but actually uses the already established structures of the ADPs including selected staffs that are seconded to the organization.

The review on private sector involvement in extension in Nigeria revealed that it improves efficiency, improves public finance and encourages competition and private participation. However, poor road network, inadequate finance on the part of the private extension practitioners, farmers inability to buy inputs and poor educational status of farmers resulting in slow adoption of technologies are the constraints affecting private extension services. It is important to point out, that, privatization of extension services in Nigeria is still in the form of increased private sector participation in provision of agricultural extension services and not a transfer of state owned assets to the private sectors. The rationale for private sector provision of agricultural extension services is generally based on an expectation of increased efficiency with the operation of private markets and with the resulting efficiencies contributing to the growth of a country's Gross National Product (GNP) (Rivera and Cary, 1997).

POTENTIAL AND IMPLICATIONS OF PPP FOR EFFECTIVE AGRICULTURAL EXTENSION SERVICE DELIVERY

In Nigeria the success of effective agricultural extension service delivery is dependent on partnership and complimentary actions of public and private sector. Public-private partnership will make agricultural extension less burdensome to government and more relevant to farmers (Berhanu et al., 2006). Increased involvement of the private sector either in delivery, funding, or management of agricultural extension broadens the focus of extension personnel and makes extension services more responsive to client needs and changing economic and social conditions (Madukwe, 2006).

Most countries have a nationwide publicly-funded and delivered extension services. However, as farms and rural enterprises become more diverse, blanket recommendations approaches which characterizes these public institutions become less relevant as the experiences of farmers are changing. They are confronting change that, in terms of their own experience and those shared with publicly funded extension services, are rapid, substantial and novel (Loevinsohn et al., 2002). The sort of decision support extension service that is required under these dynamic conditions requires a rethinking of extension practice from a generalist and supply-driven approach to a more responsive and demand-driven one (Walker, 2002). Traditionally, extension has been linked with production objectives. More recently, food security, improved nutrition, equity and poverty alleviation have become part of the agenda of organizations providing extension services. In this respect the actors involved in establishing a creative partnership in providing the extension services include government, private sector, civil society, and NGOs. In general the creation of the public-private partnership (PPP) is the key under any extension policy reform process (Garforth and Jones, 1997). The goals of extension system should encompass transferring knowledge from society, NGOs and the other partners. In general, the creation of public-private partnerships (PPPs) is the key under any extension policy reform process. The goals of the extension system should encompass transferring knowledge from researchers to farmers; educating and advising farmers on their decision making; enabling farmers to clarify their own goals and possibilities; and stimulating desirable agricultural development (Berhanu et al., 2006).

The arrangement for both public and private collaboration however raises some fundamental questions, for example, how is the partnership going to be done? What is the ratio of their participation in terms of the magnitude of fund expected of the two sectors to contribute? What will be the measure of commitment of the duo? Unless these questions are addressed, no meaningful collaboration between the public and private in delivering extension services can successfully take place (Nnaemeka et al., 2006). It needs to be stressed that such basic issues need to be addressed in order to match the expectations of the actual results from the use of public-private partnership methods.

CONCLUSION AND RECOMMENDATIONS

It is clear from this paper that PPP is an important tool that is being used worldwide by government agencies and private partners for the delivery of goods and services with both parties sharing the risks and rewards which may include both financial risk and responsibility. It became explicit from the review that PPP is a panacea to effective, efficient and financial sustainable agricultural extension system in the country. The following recommendations are germane to sustainable development and improvement in public sector extension service delivery through PPP:

1. Leveraging on private sector investment and capacity through PPP arrangement is not only desirable but necessary especially in the area of transportation which includes rural roads, rails, provision of electricity and water, and environmental and natural resources projects. It can also be used in the execution of educational projects such as agricultural extension service delivery.
2. The sustainability of private sector participants in extension requires a new orientation and training. Any staff who delivers a service needs to have appropriate expertise, knowledge and skills if they are to be effective and remain credible in the eyes of their clients (farmers).
3. One of the popular farmers' organizations that could be used to promote and regulate in collaboration with government private extension activities in the country is the Apex Farmers' Association of Nigeria (AFAN).
4. There is a need for a sound legal, regulatory, and institutional PPP framework which inspires confidence an integrated and coherent infrastructure development plan. The framework should ensure capacity to identify, prioritize, and develop projects which are bankable and attractive to private investors. There should be open, competitive and transparent procurement process.

REFERENCES

Adedoyin SF, **1995**. Non-Governmental Organizations in Agricultural Development: The Experience of the Diocesan Agricultural Development Programme of the Catholic Diocese of Ijebu-Ode, Nigeria. Paper Presented at the Second Annual National Conference of the Agricultural Extension Society of Nigeria (AESON), held at NAERLS/ABU, Zaria Nigeria. pp. 97-109.

Aderibigbe A, **2008**. Procurement Methods – Procurement of goods/Works. Basic procurement course for procurement officers, 11 – 15. Abuja.

Akampurira E, Root D, Shakantu S, **2008**. Factors Constraining the Implementation of Public Private Partnerships in the Electricity Sector in Uganda. Available at:www.cib2007.com/papers/CIDB2008%20

Final%20Paper%20No27.pdf (Accessed 6 September 2011).

Arokoyo T, Chikwendu D, Ogunbameru K, **2002**. A study of the Access of Rural Women to Public and Private Extension Service in Nigeria. Report of a study commissioned and funded by CTA.

Baker B, **Tremolet** S, **2000**. Utility reform—Regulating quality standards to improve access for the poor. World Bank Viewpoint Note No. 219. Washington, DC: World Bank.

Batley R, **1996**. Public private relationships and performance in service provision. Urban Stud, 33(4-5): 723-751.

Bawa DB, Ani AO, Nuhu HS, **2009**. Perception of privatisation and commercialization of agricultural extension services in Adamawa State, Nigeria. Eur J Sustain Agric, 3(3): 375–380.

Berhanu G, Hoekstra D, Tegegne A, **2006**. Commercialization, of Ethiopian agriculture: extension service from input supplier to knowledge broker and facilitator. ILRI, Nairobi, Kenya.

Chan APC, Lam PTI, Chan DWM, Cheung E, **2008**. Application of public private partnership (PPP) in Hong Kong special administrative region – the critics' perspectives. Proceedings of the First International Conference on Construction in Developing Countries (ICCIDC-I) – Advancing and Integrating Construction Education, Research and Practice, Karachi, Pakistan, 4-5 August, pp. 302-11.

Chinyere II, **Lin** XX, **2011**. Understanding the Risks of Public Private Partnerships in Construction and Infrastructure Development before the 2008 Global Financial Crisis. Proceedings of AABRI Conference, Las Vegas, October 6-8, 2011.

Farinde AJ, **Atteh** AP, **2009**. Tending towards extension privatization in Nigeria: An assessment of arable crop farmers' willingness to pay for extension services in Niger State of Nigeria. J Agric Food Informat, 10(1): 63–75.

Garforth C, **Jones** GE, **1997**. The history, development, and the future of agricultural extension. In: FAO (1997). Improving Agricultural Extension. Food and Agriculture Organization of the United Nations, Rome.

Global Legal Group, **2007**. The International Comparative Legal Guide to PFI/PPP Projects: A Practical Insight to Cross-Border PFI/PPP Projects Work. Available at: www.iclg.co.uk/ khadmin/Publications/pdf/1027.pdf. Accessed 17 December 2010.

Harris S, **2003**. Public private partnerships: delivering better infrastructure services. http://www.alide.org/DataBank2007/RecInformation/2APP_Infraestructure/41PublicPPharrisBID.pdf.

Johnson W, **2010**. Public Enterprises, engine of development. Int J Sustain Dev, 4(2): 51-59.

Jones D, **2002**. Policy development in Australia for public private partnerships. Paper presented at a Seminar on Providing Value for Money Through Public Private Partnerships: The Lessons Learnt So Far from Economic and Social Infrastructure Projects. Available at: www.claytonutz.com/downloads/PPP%20paper%2026%20June%202002.pdf. Accessed 2 July 2010.

Kwak YH, **Chinyere** YY, **2012**. Towards a comprehensive understanding of public private partnerships for infrastructure development. California Manag Rev, 51(2):51-78.

Leiringer R, **2003**. Technological innovations in the context of public-private partnership projects. Unpublished PhD thesis, Royal Institute of Technology, Stockholm. Accessed 5 February 2010.

Loevinsohn ME, Berdegue JA, Gujit I, **2002**. Deepening the basis of rural resource management: learning processes and decision support. Agric Syst, 73:3-22.

Madukwe MC, **2006**. Delivery of agricultural extension services to farmers in developing countries; Issues for considerations. "Knowledge for development" Observatory on Science and Technology.

Nnaemeka AC, Agwu AE, Nicholas O, **2006**. Constraints and strategies towards effective cost-sharing of agricultural technology delivery in Nigeria: Perception of farmers and agricultural extension personnel. J Int Agric Extens Educ, 13(1): 29–41.

Ogunbameru BO, **2005**. Funding Agricultural Extension Services in Nigeria. In: S. F. Adedoyin (Ed). Agric. Extension in Nigerian. pp. 177 – 188.

Okoro BO, Chukwu GO, Onumadu T, Okoye BC, **2006**. Sustaining Agricultural Extension through informal private sector Participation in Abia State. In. Asumugha GN,

Partnerships British Columbia (**PBC**), **2003**. An introduction to Public Private Partnerships. www.partnershipsbc.ca.

Rivera WM, **Cary** JW, **1997**. Privatizing Agricultural Extension: A Reference Manual. Food and Agriculture Organization of the United Nations, Rome.

Saliu JO, Obinne PC, Audu SI, **2009**. Trends in agricultural extension services in Africa. Options for new approaches. J Agric Extens Rural Dev, 1(3):71-78.

Spielman DJ, Harwich F, von Grebmer K, **2009**. Public-private Partnerships and Developing-country Agriculture. In: Ian Scoones and John Thompson (eds). Farmer First Revisited: Innovation for Agricultural Research and Development. Practical Action Publishing Ltd, UK. pp. 116-124.

Uzokwe UN, **Ofuoku** AU, **2006**. Farmers' perception on privatization and commercialization agricultural extension services in Oshimili North and South Local Government Areas of Delta State, Nigeria. Agricultural Journal of Science, 1(4): 258–261.

Walker DH, **2002**. Decision support, learning and rural resource management. Agric Syst, 73: 113-127.

Yahaya AD, **2008**. New mission and role of the state (public sector) in relation to the private sector and civil society. Pan African Conference for Chairmen of National Commissions for Administrative Reform s, Tangier (Morocco) 25-27 February, pp. 1-22.

Citation: Gwary MM, Asindaya Z, Abba AM, 2015. Public-private partnership as panacea for effective extension service delivery: Review of experience and potential in Nigeria. Net J Agric Sci, 4(3): 50-55.