

Examination of private sector participation in urban development projects in Sri Lanka

Rangajeewa Ratnayake¹ and KS Shanaka¹

Planners responsibility with the urbanization is to ensure the quality of life of increasing urban population. The urban development projects play a vital role in improvement of quality of life of the people and to the country's economic growth and development. But as a developing country, the public sector (government) cannot individually manage the huge amount of investments require for large scale urban development projects. This situation will directly limit the country's economic growth and also the well being of the citizens. There are many ways to overcome the above situation (Loans, Grants, Privatization, Private Public Partnerships... etc) with different positive and negative benefits to all the stakeholders. At the moment, the most preferred and popular option for finding huge investments for development projects is Private Public Partnerships in all over the world. There are many public sector institutions which promote private sector participation for urban development projects in Sri Lanka. Also there are many private parties willing to invest in any development projects which meet their institutional visions. As a developing country Sri Lankan government have identified the importance of the Private public partnerships to facilitate the country's development. But most of the resent PPP urban development projects fail to achieve project objectives at the proposed time. Due to the absence of proper evaluation and feed back after project implementation, most of the projects do not reflect their actual success or failures. At present many researchers have studied on the importance of the Private Public Partnerships for financing urban development projects. The aim of this research is to find out reasons for success or failures in PPP urban development projects in Sri Lanka and to provide feedback for PPP urban development projects in Sri Lanka.

Key words: Public private partnerships, Urban development projects, Project financing options, Partnerships evaluation criteria, Sri Lanka

¹ Department of Town and Country Planning University of Moratuwa, Sri Lanka