Assessment of Factors Limiting Uptake of Project Financing in Infrastructure Development in Kenyan Public Universities

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Abstract
Developing countries all over the world continue to experience challenges in provision of sound infrastructure. While traditionally the role of infrastructure development vested with the government, recent years have witnessed a shift from this trend. This has led to the government appealing for private sector participation in infrastructure development. In Kenya, increased demand for higher education has caused pressure on existing university facilities thereby compromising the quality of education. In order to bridge the gap in provision of sound infrastructure, private sector participation is needed. Given the enormous amounts of money required, private sector individuals and firms may find it prudent to opt for project financing. Despite the apparent advantages of project financing, this means of funding remains largely underutilized in provision of infrastructure especially in Kenyan Public Universities. The study assessed factors that limit use of project financing in infrastructure development. The study also identified areas where project financing is appropriate. The study gives recommendations that lead to increased uptake of project financing in infrastructure development thereby enhancing economic growth in the country. The study adopted a census research design. Data collected was analysed using both descriptive and correlation analysis

Keywords: Project financing, Infrastructure, Project parties, Special purpose Vehicle, Sponsor and Project Lenders