

Ascertaining governance challenges multifarious infrastructure projects (MIPS) encounter in the course of their delivery in Nigeria

Zarewa, G. A.

Department of Quantity Surveying, Faculty of Earth and Environmental Sciences, Bayero University Kano

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Abstract:

Multifarious Infrastructure Projects (MIPs) which belong to the class of large complex projects (LCPs) encounter different types of challenges which used to impact their delivery. This study ascertained governance challenges MIPS encounter in the course of their delivery in Nigeria through semi-structured interviews with key role players in the governance of the projects. It has been established by the study that MIPS do encounter many daunting governance challenges which included improper initiation; ineffective stakeholder engagement/management; lack of continuous funding and inadequate financing plan; complex governance structures; lack of clear and strong leadership; cumbersome governance policies; ineffective contractor selection processes; procuring authorities' (PAs') disregard for consultants' advice, due process and established procedures; ineffective communication systems; lack of authority to take decisions by many role players; change of government; mandatory requirements for PAs to comply with the provisions of Public Procurement Act (PPA), 2007 and Financial Regulations in the award of contracts for MIPS; and untimely honouring of contractual obligations. These challenges were found to have resulted in failure to achieve the projects' objectives; cost and time overrun; poor quality works; suspension of works and outright abandonment of the projects in some instances. There is therefore an urgent need for appropriate stakeholders to find ways of addressing the challenges in view of the importance of the projects to socio economic development of the country.

Corresponding author

Zarewa, G. A.

Email: galzarewa.gs@buk.edu.ng

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1. Introduction

Multifarious Infrastructure Projects (MIPs) belong to the class of large complex projects (LCPs) which had also been referred to as mega-projects, macro-projects and/or super projects. MIPS include physical assets and services such as roads, bridges, airports, seaports, hospitals, telecommunication, schools, factory buildings, etc. They are always in continuous demand due to increasing global population, aging infrastructure, increasing urbanization, etc [1].

Demand for MIPS has continued to be one of the greatest challenges of governments worldwide particularly those of developing countries like Nigeria. Apart from the need for new infrastructures, a lot of infrastructures across the globe have outlived their usefulness and therefore need to be replaced. The ever-increasing demand has resulted in continuous investment of huge resources in the procurement of infrastructural projects by governments worldwide. The projects which are mostly massive in size and complexity attract huge investment in their procurement [2].

MIP in the context of this study refers to a public or private sector single infrastructure project comprising more

than one type of project valued at more than N1 billion (One Billion Naira).

MIPs face daunting challenges [3] in the course of their delivery which range from building a viable business case, to securing adequate and continuous funding; to meeting aggressive development schedules that adhere to rigid budget limitations in the course of their delivery [1]. Some of the primary contributors to the projects' challenges included unclear project definition; absence of transparency into all phases of project delivery resulting from an inefficient or poorly-conceived governance and control structure; lack of internal accountability resulting from a poorly-defined organisational structure, including professionals with inappropriate skill sets; inappropriate or poorly-defined contracting and project delivery strategies; and absence of a robust approach to communication and reporting [4]. This discovery has shown that most of the contributing factors to the challenges of MIPS were in one way or the other associated with how the projects were governed.

Robinson, *et al.* [5] have identified some Project Governance (PG) components which included robust governance (reporting) structure, clearly defined responsibilities; strong leadership; good project

management skills; good communication strategy; and effective project controls and tools such as risk management systems as critical success factors for delivering complex projects such as MIPS. Garland [4] in his study identified effective stakeholder engagement as a key requirement for effective PG.

An analysis of eight causes of project failures identified by OGC [6] showed that six of the causes were related to PG. Case studies of two MIPS conducted by the same authors showed that the projects failed due to ineffective governance. Lack of governance mechanism with incorporated processes and standard guidelines that supports projects to achieve their objectives was also identified by Zoufa and Ochieng [7] among the main causes of project failure in Nigeria.

The foregoing discussions clearly showed that project governance influences project's outcome in addition to establishing that many MIPS and other projects' continuous failure despite efforts by stakeholders to improve their performance were due to ineffective PG and/or issues associated with it

Abdu Lawan [2] has observed that although previous studies have identified governance challenges as major causes of projects failure in Nigeria, not much effort appeared to have been made by both government and scholars to identify the challenges. Much of the efforts made by government in the country were limited to up-front project preparation mostly directed towards establishment of regulatory agencies and publication of regulatory documents. Scholars on their part centred most of their studies on abandonment of construction projects, review of causes and solutions of project abandonment, and impact of due process policy on construction projects delivery in Nigeria [2]. This development has therefore established the need to investigate the governance challenges MIPS encounter in the course of their delivery with a view to identifying their impact on the projects' performance. This study will, accordingly, address the following research questions in order to identify the challenges and their impact on the projects' performance.

- i. What are the governance challenges MIPS encounter in the course of their delivery in Nigeria?
- ii. How do the challenges impact the projects' (MIPS') performance in Nigeria?

2. Methodology

A combination of extensive literature review and semi-structured interviews was used to address the study's research questions in two phases. The first phase comprised of comprehensive literature review on procurement and governance of MIPS, PG, and PG Principles contained in books, journals, magazines, newsletters, conference proceedings, internet, etc. The review provided background knowledge to the study, made contemporary issues clearer while highlighting gaps in knowledge and practice; helped in the identification of possible data source and served as guide in the selection of possible data collection/analysis methods. Information sourced from the literature review was also used in the

articulation of the research questions and development of the study instruments.

The second phase involved data collection through semi - structured interviews which is a qualitative research approach. Semi-structured interview was used for the study because it enables a researcher to probe for further insights and clarification while maintaining some structure in the views collected and assisted in overcoming the problems of incomplete, restricted or often unavailability of data [8]. The method also offered considerable flexibility, allowed for preparation ahead of time and encouraged discussion of sensitive issues with the interviewees.

Purposive sampling was used in the selection of both the sample MIPS and key role players in the governance of the sample projects that provided information for the study. The samples were selected from MIPS executed by state and federal governments, educational institutions, private organisations, etc. in the country in order to obtain the broadest range of information and perspectives on the study in line with the views of [9] on the subject while data for the study was collected from key role players such as clients' representatives, project managers, consultants, contractors, etc. who participated in the procurement of the MIPS. The role players were selected because they were considered to be in a position to provide relevant information for the study. Twenty role players were requested to participate on the study but only seventeen (17) were able to do so. The list of the sample MIPS and role players interviewed is contained in Table 1 below.

3. Results and Discussions

Findings from the study revealed that various governance challenges were encountered by the MIPS in the course of their delivery. Major challenges discovered to have been encountered in the course of the MIPS' delivery were as contained in Table 2 while their impacts are in Table 3.

It can thus be seen from the above two tables that the studied MIPS encountered many governance challenges that mostly impacted their delivery negatively. Discussions with the study respondents on how the projects were initiated revealed that most of the projects were initiated more on the basis of political exigency rather than well-established initiation processes. One of the respondents opined that many of the projects were initiated on the basis of intuition. Processes such as development of business cases that would have provided the PAs with basic and sufficient information to justify the need for the projects and guide the PAs in taking objective decisions on the project's procurement were either not developed or not comprehensive enough to serve the desired purpose.

Improper initiation process which did not address the issue of compensation to farmers, and assigned responsibilities for project design and management to incompetent in-house staff challenge was pointed out by the interviewees to be a major governance challenge encountered by MIPS A, J and M. This development resulted in problems such as suspension of works for quite a long period due to protest by farmers for non-payment of compensation issues in the affected projects (which affected their completion periods).

Table 1: List of Sample MIPS and Role Players Interviewed from the MIPS Interviewees

S/N	Sample MIPS Title	Role Players Interviewed from the MIPS
A	Construction of 5KM Asphaltic Dual Carriage Way with Street Lights, Side Drainages, Concrete Medium, etc. at each Headquarters of Local Government Areas of a State	Managing Consultant and three Contractors
B	Construction of Senate Building for a University	Director Physical Planning of the University
C	Redevelopment of a Game Reserve	Project Manager
D	Construction of a new Government House complete with Infrastructure	Project Manager
E	Construction of 2 Schools for a Federal College of Education	Secretary, Procurement Planning Committee of the College
F	Establishment of a National Skill Acquisition Centre	Project Manager
G	Provision of Infrastructure for three new Cities	Managing Consultant & two Contractors
H	Establishment of new University	Project Manager
J	Construction of Head Office Complex for a Media House	Project Manager
K	Establishment of 3 new Housing Estates	Managing Consultant, PA's Representative on the MIPS and four Contractors

Source: Study Findings

Table 2: Major Encountered Governance Challenges

S/N	Governance Challenge
1	Improper Initiation Process
2	Assignment of Design and Management of Some MIPS to Incompetent In-house Staff
3	Ineffective Stakeholder Engagement
4	Lack of Continuous Funding
5	Inadequate Financing Plan
6	Untimely Approval of Budgets
7	Untimely and Irregular release of Budgetary Provisions
8	Lack of Clear and Strong Leadership
9	Cumbersome Governance Policies
10	Ineffective Contractor Selection Process
11	Requirement for Compliance with Public Procurement Act in the Award of Contract
12	Award of contracts on the Basis of Political Consideration Rather than Merit.
13	Disregard for Due Process, Consultants Advice and Established Procedures
14	Ineffective Communication Systems
15	Lack of Authority to take Decisions by many Role Players
16	Lack of Trust between Some Role Players
17	Change of Government
18	Untimely Honouring of Contractual Obligation
19	Rejection of Consultants Advice and Overturning their Decisions

Table 3: Impacts of Major Encountered Governance Challenges

S/N	Impact
1	Suspension of Works due to Protest for Non-Payment of Compensation by Some Farmers
2	Appointment of Consultants to Take Over Designs and Management of Some MIPS from Incompetent In-house Staff
3	Protest Against Two MIPS by End Users
4	Failure of Many of the MIPS to Meet Stakeholders' Expectations
5	Refusal to Allow one MIPS to Take Off by the Host Community Until their Demands are met
6	Suspension of Four MIPS and Abandonment of Another Four
7	Serious Cost and Time Overrun
8	Delay in Award of Contracts and Award of Contracts to Incompetent Contractors
9	Poor Quality Workmanship
10	Difficulty in Circulating and Receipt of Timely/Correct Information
11	Conflict Between Some Role Players with its attendant Consequences
12	Untimely Decisions and Duplication of Efforts by Some Role Players
13	Failure to Attract Buyers of Houses Built in One of the MIPS due to Non-Consideration of the Host Community's and other People's Culture and Traditions in the Design of the Houses

Appointment of Management Consultants to take over the responsibilities for the design and management of MIPS from the incompetent in-house staff at the execution stages of the projects. The change of the MIPS' design and management team resulted in excessive reviews with their

negative impact (cost and time overruns) on the performance of the affected projects.

Suspension of work and its attendant consequences due to protests caused by non-payment of compensation and excessive review also with their attendant consequences due to assignment of responsibilities of

MIPs design and Management to incompetent in-house staff could have been avoided if proper initiation procedures were followed because Garland [10] has discovered that proper project initiation results in a strong foundation for a project and sets it up for success in addition to ensuring that benefits of the project outweighs its cost.

Inadequate stakeholder identification and buy-in were other governance challenges discovered to have been encountered by some of the studied MIPs in their delivery. End users' identification and consultations to find out their expectations/influence and make provision that will ensure that the MIPs meet the expectations and deliver the desired benefits/outcome were not given much attention in the initiation of the MIPs. Stakeholder consultations and/or involvement were undertaken in the initiation of only six out of the twelve studied MIPs and even in those projects the consultations and/or involvement were mostly limited to only stakeholders that were directly involved in the procurement of the projects. Important stakeholders such as end users, the projects' host communities were not given the due considerations they deserved even though stakeholder identification and consultations should according to Lock [11] be inclusive of all stakeholders that can affect and/or be affected by the project including those who are supportive of the project and those who are likely to be resistant with a view to developing influencing strategy. The non-inclusive nature of the stakeholder consultations and/or involvement in the initiation of the studied MIPs resulted in protests against two projects by some end users, protests by some farmers for non-payment of compensation for their farmland which resulted in delay/suspension of works for over one year in three MIPs and refusal to allow one of the MIPs to take-off by the host community of the project until the community was settled. Prospective buyers of products of one of the MIPs refused to buy the products due to non-consideration of their culture and tradition in the design of the project.

Lack of adequate and continuous funding to ensure payment to appropriate role players as at when due was another major governance challenge encountered by some of the studied MIPs in their delivery which resulted in intermittent suspension of works in four and abandonment of four MIPs. This in turn resulted in serious cost and time overruns in the affected MIPs. Another governance challenge encountered by most of the projects was lack of clear leadership with accountability in five MIPs which made it difficult to identify who was responsible for key decisions and answerable for the success or otherwise of the affected MIPs. Decisions on issues that were supposed to be handled by project leaders had to be referred to the chief executive and/or management of the MIPs' PAs and this in many instances resulted in delays.

The study further discovered that Cumbersome Project Governance policies which made involvement of some statutory agencies in the governance of five MIPs mandatory caused untimely decisions and duplication of efforts by some role players in the MIPs. Findings from the study also revealed that cumbersome, ineffective and uncoordinated communication system which usually resulted in delay in receipt of information by some

stakeholders with its attendant negative impact in terms of delayed implementation of instructions, resolutions and decisions also formed part of the governance challenges encountered by the MIPs in their delivery. Ineffective and time-consuming contractor selection policies and procedures which caused delay in the appointment of contractors were additional governance challenges encountered by the studied MIPs in their delivery. Compliance with mandatory requirements for PAs to award contracts in accordance with the provisions of Public Procurement Act (PPA), 2007 resulted in delay in the appointment of contractors for four MIPs before approval for the award of the contracts was granted due to bureaucratic procedures involved while an MIP lost its one year budgetary allocation while trying to comply with the provisions of Financial Regulations (FR) which set spending limits (threshold) for various ministries, departments and agencies. This loss occurred while the MIP's procuring authority was waiting for approval for award of contract for the execution of project whose value exceeded its approved threshold from its superior ministry as a result of which the project's commencement had to be pushed forward to the following year.

It was also found that compliance with the provisions of Public Procurement Act which required all PAs to award contract to lowest bidder resulted in the appointment of incompetent contractor who created a lot of problems for the PM of the MIP in the course of the project's delivery. Another governance challenge that the projects encountered was award of contracts on the basis political consideration rather than merit. Some interviewees linked challenge to the appointment of incompetent contractors in five MIPs, and revocation of contracts in two MIPs due to non-performance by the affected contractors. The appointment of incompetent contractors and revocation of the contracts impacted negatively on the affected projects in terms of cost and time overruns as well as quality of works.

Disregard for consultants' advice, disregard for due processes and established procedures; rejection of consultants' advice and overturning consultants were identified as major governance challenges by almost all the study respondents. The respondents were unanimous in concluding that these challenges hindered smooth management of some of the MIPs, caused serious cost and time overruns, led to suspension of works in seven MIPs, dampened the morale of some of the consultants, and resulted in payment for some works twice in five MIPs.

The interviewees were also unanimous in identifying lack of authority to take decisions by many role players in most of the projects as a very serious governance challenge encountered in the course of the project's delivery. This challenge, according to the interviewees, caused suspension of works while waiting for decision from CEOs which at times took a long time to come and delayed decisions with their attendant consequences on cost and time. Another governance challenge discovered to have impacted some of the MIPs' delivery was lack of clear demarcation between the responsibilities of some roles players which stalled an MIP for sometimes, resulted in failure to forward variations to client for approval, resulted

in inability to take over some practically completed works for over one year, and caused conflict between some role players.

Governance Structures of some of the projects were also found to have posed serious governance challenges. The governance structure of five MIPS described as complex by respondents from the projects caused delayed decision, duplication of efforts, uncoordinated communication systems and lack of clear accountability among role players in the governance of the MIPS. Another challenge associated with governance structures identified in the course of the study was the use of one governance structure to govern both the MIPS and other activities of the organisations procuring the MIPS which in most cases resulted in considerable delays particularly with respect to processing and approval of payments, rejection of professionals' recommendations without valid reasons, reducing or taking over the authority of the MIPS' governance teams and unsound decisions because some of the people at the PAs' organisations may not have the prerequisite knowledge and experience for effective project decisions.

Change of governments which led to the abandonment of five MIPS also contributed to the numerous governance challenges encountered in the delivery of the projects. Ubani and Ononuji [12] had earlier discovered that changes of governments in Nigeria had on many occasions resulted in flagrant abandonment or neglect of projects initiated by previous governments without considering the importance of such projects to national development. Lack of trust between role players in the governance of some of the projects was also identified as a governance challenge that impacted the delivery of the projects. For instance, lack of trust between two key role players the PM of one of the MIPS resulted in serious conflict between them and delayed decisions which impacted negatively the delivery of the project.

Untimely passage of budgets by the National and State Houses of Assembly as well as irregular release of MIPS' budgetary allocations were identified as governance challenges their MIPS encountered in the course of their delivery by respondents from six MIPS which led to intermittent suspension of works and subsequent abandonment of two of the MIPS. Untimely humouring of contractual obligations of some role players particularly payment to contractors and consultants affected the speed of execution of ten MIPS as work in these projects had on many occasions been suspended due to this challenge while one of them had at the time of the interview with its PM been abandoned for the same reason. Other challenges closely associated with the former were unsound and timely decisions by many role players in the governance of the MIPS. Decisions by some role players were said to be alright but mostly untimely as was the case in two MIPS. A respondent from one of the MIPS expressed his worries on untimely decisions as follows. *My problem has always been with timeliness and that was because of government structure. You will send a correspondence to the PS but he will tell you to hold on because the Executive Secretary (ES) has travelled. This usually causes delay as all decisions have to wait till the ES returns,*" the PM

narrated. In some instances, the decisions were both unsound and untimely as was the case in another three MIPS due to the unconventional methods used to make the decisions. Both situations impacted negatively on the projects in terms of cost and time overrun [13].

4. Conclusions

This study which ascertained the major governance challenges being encountered in the delivery of MIPS in Nigeria was very apt considering the rate of failure of such projects due to governance challenges. The study discovered that MIPS in Nigeria encountered many governance challenges in the course of their delivery which impacted their performance negatively. Major impacts of the challenges included failure of the projects to achieve their set objectives, cost and time overrun, poor quality works, suspension of works and outright abandonment in some instances. The study recommends taking immediate appropriate measures to address these challenges with a view to improving the effectiveness of MIPS governance as effective PG is crucial to ensuring successful project delivery in terms of cost, time, quality and other objectives of the projects.

It should however be noted that the study has some limitations which included the problem of generalisation due to small sample size (twelve MIPS) and limited number of interviews conducted with key role players. The use of only semi-structured interview which is a qualitative method to conduct the study was another limitation that may be addressed by the use of quantitative or a combination of qualitative and quantitative methods to conduct future studies on the subject. Findings of the study have however in spite of the limitations brought out thought provoking issues that could serve as subjects for future studies in Nigeria and other countries experiencing similar challenges.

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