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Conclusion: The Government Responsibility

This is the first book about Nigerian very large government ("mega") project management. It is, of course, not the first book on very large project management—we demonstrate that, in principle, the same 1000 things can go wrong in very large government projects in Nigeria as anywhere. From existing professional knowledge, we explicitly identify 80 success drivers, which are aggregated variables, each of which easily has 10 sub-dimensions—very large projects are complex beasts. Importantly, we are able to identify *which* of the many success drivers are failing in Nigeria, and why—in other words, how the context influences where changes must be made.

In short, the track record of very large government projects in Nigeria is lamentable. A total of 66% of very large projects since 1960 not only failed but abandoned (according to the government's own analysis) is worse than the track record in other countries; and not only has it wasted billions (not naira but dollars) of national wealth, but it has also failed to deliver the infrastructure services that the Nigerian citizens so desperately need.

With a population of over 200 million people and an annual population growth of approximately 5%, Nigeria needs infrastructure and services, enabled by large government projects, for sustainable growth. Unfortunately, with so many abandoned projects at federal government level, it is increasingly challenging to provide economic growth that will meet the global agenda of eradicating poverty in 2030 (just the four largest of the projects we have considered account for over 30% of the national debt). Slow-in-coming government services and increasing external debt increase the complexities of national governance.

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We are making the case for change to the government. Therefore, we have resisted the temptation to write captivating stories—our case studies demonstrate that we could have written a book with "juicy" stories. However, we decided to forego excitement for good reason: if we are to dare to ask civil servants—who are cautious all over the world because they are under public scrutiny to not waste taxpayers' money—for significant change, we must provide a well-argued rationale backed by solid evidence. This is what we have attempted to do.

We have assembled a unique data set, which has not been assembled before in Nigeria, because no reliable data was available at all. The respondents to our questionnaires gave their answers only because we promised anonymity and because they trusted the authors—academics and a well-known businessman with an honourable reputation. We are upholding that promise. Moreover, we obtained *three* responses per project (from a representative of the project-owning organization, a representative of the supervising organization, and from the contractor), in order to make sure that we did not get one biased view but multiple views from different perspectives.

What we found is very clear and robust. We have not seen sufficient preparation on the part of the Nigerian government to develop the considerable leadership and bureaucracy competence in addressing the problems created by troubled public projects. Nor have we seen the desire to change the causes of the problems. This would constitute a challenge even if Nigeria had sufficient funding to rescue the abandoned projects.

From econometric analysis of the questionnaire, we identified five key success drivers: the clarity and inclusiveness of the project goals; the professionalism of supervision and stakeholder management; the professionalism of contractor selection; and the availability of resources and professionalism of planning (especially risk planning). In addition, corruption stands out as a corrosive force that not only bloats budgets but also distorts decisions and can bring down a project all on its own (as one of the case studies clearly illustrates). The econometric (data-analysis-based) findings are clearly corroborated and illustrated in the 11 detailed case studies.

What we find is not comfortable—the core of the project problems lies in the way the government has initiated, designed, financed and overseen (with stable goals) projects. Chapter 12 has laid out these problems in detail: projects are initiated by one person (the president or governor) or a small group of people. These projects may well incorporate the best intentions (although not always, as they sometimes represent "political campaigning tools"), but as they lack broad discussion and commitment across political institutions, they are vulnerable to discontinuity in goals, as well as resourcing (by the next administration, who has no interest in supporting the previous administration). This is exacerbated by a lack of rigorous financial planning for the entire course of the project.

A key challenge with decisions revolving around one person (or a very small group of people) lies in the fundamental limits of rationality and knowledge that any one person can possess. Although the president understands, of course, the vision and strategic context of where the country can and should go, the president has limited understanding at the time of decision-making about feasibilities, trade-offs, risks and requirements that affect the outcome. One person simply cannot make such decisions. And yet, we have seen systematic exclusion of the Federal Bureau of Statistics in decision-making on large government projects. And even in selling troubled government assets, we have seen established institutions being pushed aside, such as the Bureau of Public Enterprise (BPE) (for instance, in the Ajaokuta case). Arbitrary "power grabs" in decision-making not only compromise the quality of the decisions but also damage institutions' legitimacy and stakeholders' buy-in. Then, political power-brokering creeps in, which exacerbates opportunistic decision-making and opens the door even wider to corruption or hijacking by pressure groups.

The Nigerian government's compromise over many domestic factors in the decision to site projects such as the Ajaokuta Steel Project and the Abuja National Library, to mention just a few, is regrettable. The president's one-person decision on matters relating to what large project to build, and where and when, compromises the domestic environment, such as the impact of pressure groups, social interactions, stakeholder engagement and national interest. In such an environment, any good intentions by the president will become compromised by political manoeuvring that undermines the project's success.

It is not the case that contractors were incompetent (yes, they have often taken advantage of the ambiguity caused by poor management by the government, but on the other hand, they were sometimes left little other choice because they had to defend themselves against capricious changes and unreliable payments by the project owners), or that project management execution knowledge was missing. Alongside unstable resourcing and goals (on one occasion, a former president admitted there was no financial plan for a project running into billions of dollars), the project supervision has also sometimes lacked effort and depth. In short, what was missing were direction and stability by the owners—the government.

Corruption creeps in anywhere, as we mentioned earlier. Whenever processes are not transparent and rigorous, with clear principles and criteria, and whenever projects are decided by small groups of people, the temptation becomes irresistible for cronyism and secret influencing by interested parties to creep in. This leads to goals being compromised or distorted, contractor choice and contract design being influenced by criteria that are not necessarily in the interest of the project, and, during execution, the project becoming vulnerable to mistakes, resistance and discontinuity. (This temptation is, of course, present not only in Nigeria but in all countries. Even in the most advanced economies, corruption creeps back in as soon as vigilance against it weakens.)

Our econometric analysis has been able to estimate the economic levers of making improvements—for instance, a one-point improvement in corruption (out of seven "quality points", in the estimation of our respondents) can reduce the abandonment risk of a \$1B project from 50% to 20% (based on the data in the projects in our sample). That represents an expected value of \$300M for one very large project alone! Even for the projects that were completed, the success drivers represent huge economic leverage: a one-point improvement (again out of seven "quality points", in the estimation of our respondents) in contractor selection and contracting can reduce budget overruns from an average of 700%(!) to 250%—again, on a \$1B project, a value of several billion dollars. The value of improving the identified problems is literally staggering and can make a significant difference to government budgets and to prosperity in Nigeria.

Readers who are familiar with project management methods may notice with some surprise that this book is not about the usual project management *methods*, such as strategy cascading, work breakdown structures, design structure matrix to handle interactions and complexity, critical path planning, risk management, stakeholder planning and management, earned value analysis, financing methods, contracting methods, milestone definition, agile methods, and so on. We are, of course, not implying that these methods of project planning and execution are not important—they are the basis of the "trade" (or "profession") of project management. The emphasis that we end up with in this book reflects our finding that the Nigerian project problem is, ultimately, about governance and not competence of execution—the bottleneck in Nigeria has been how projects were set up, funded and monitored. This contextual challenge is likely to be present in other African countries too.

The party that needs to make changes to address project performance in Nigeria is the government. From our diagnosis, we have made actionable recommendations in Chap. 12. First, there are short-term measures of identifying large troubled projects that are still recoverable, sharpening their mission, finding funding and executing them with appropriate oversight and accountability. Beyond these short-term measures, we propose six structural changes that may help the government to address the root causes of mega-project problems:

1. Projects should not be created based on single decisions by individuals, but the executive should provide high-level priorities and a stable framework budget (e.g. in the form of a percentage of the annual government budget) approved by the legislative.
2. The actual portfolio of projects should be developed by a Ministry of Large Government Projects, consistent with the priorities and within the framework budget approved by the legislative. The ministry would also consider execution modes, such as government-owned execution, in public–private partnerships (PPP) or through state-owned enterprises (SOEs).
3. The ministry would be responsible for detailed project goals and business plans, and it would own and supervise the projects. Ownership and supervision should be in the hands of one party in order to have integrated decision-making. The ministry would be accountable to the president and the legislative.
4. The ministry would also be responsible for training a cadre of competent project managers and developing them in their careers, and for developing and applying methods appropriate for large government projects in Nigeria.
5. An Audit Bureau would ensure that all project figures are transparent and shared with the public in an appropriate form.
6. An office of serious fraud would have the power to investigate inappropriate behaviour and bring it to the courts.

The government has the responsibility to set up a professional system that delivers the crucial value from major infrastructure development for its citizens.

Although we are highlighting huge problems in this book, considerable strengths and competencies are also clearly visible—we do not consider the situation to be hopeless, particularly when we consider the role of Nigeria in Africa and the possibility of a prosperous Nigeria supporting a prosperous African continent. We believe that our (high-level) recommendations are eminently feasible for implementation (and leave considerable flexibility in the details of implementation within the spirit that we propose), and their implementation can establish a roadmap towards wealth creation (rooted in infrastructure development in a broad sense) for the country. In the face of a national calamity in the form of 66% of large government projects having been abandoned since 1960, worth probably hundreds of billions of dollars, we suggest that every stakeholder in the federal state should offer legitimacy of acceptance and support for the government's new direction in implementing these recommendations. The current book lays out a feasible and realistic path to achieve this. Then the government has the responsibility to act.