

# **GOVERNING PUBLIC SECTOR PROJECTS IN GILGIT-BALTISTAN: A MULTI-STAKEHOLDER ANALYSIS**

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## **ABSTRACT**

This policy paper aims to develop a project governance framework specifying the factors leading to success in planning, managing, and governance of public sector projects that call for participation by multiple stakeholders. It starts with a systematic review of the academic literature on public sector projects, project management and stakeholder management. This literature review will guide the collection of multiple forms of data. This study will review the official documents, planning manuals followed by focus group discussions with relevant officials, projects managers and relevant stakeholders to identify the gap in policy making. The paper will identify probable antecedents of project performance, characteristics of stakeholders and group dynamic processes that seem likely to affect success. The analysis will be used to develop a framework for project governance for improved performance of public sector project management. Empirical data for this study will be collected from “Ministry of Planning Development & Special Initiatives, Planning & Development Department Gilgit-Baltistan. This study will provide the required parameters to the policymakers and project managers to achieve their strategic goals and project outcomes. It will significantly enable the executing agencies to deliver the project in a better way.

## **PREFACE**

Public sector development projects contribute to the national economy at a high magnitude, but these projects are not managed well in Gilgit-Baltistan (GB) even after following the existing governance structure. These projects are likely to have a long life cycle, over-budgeting, multiple stakeholders and uncertainties that make them challenging to plan, execute, and manage effectively. In GB, public sector development projects are distinctive to that particular setting, i.e., numerous stakeholders, weak procurement systems, complex processes, lack of resources & skills, and bureaucratic red tape. Like the rest of the country, GB is also facing serious issues related to project management. The key reasons for the unsatisfactory performance of public sector development projects are ineffective governance and the conflict of interest among the stakeholders, i.e., consultants, project directors, contractors and sponsoring agencies. The existing studies show that appropriate planning, stakeholder management, and project governance have severe shortcomings. Similarly, there is a dire need for research on the customization of stakeholder management in public sector development projects due to the large number of internal and external stakeholders, weak procurement systems, complex processes, shortage of skills & resources, and bureaucratic red tape. Also, the factor of stakeholder management could have an impact on the relationship between project governance and project performance. Research on project management has been carried out in Pakistan, but unfortunately, research on project governance and stakeholder management in public sector development projects is unexplored. Therefore, this study aims to advance the contribution of project performance.

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## **LIST OF ABBREVIATION**

ADP	Annual development plan
FDG	Focus group discussion
GB	Gilgit-Baltistan
IMF	International Monetary Fund
PC	The Planning Commission of Pakistan
PG	Project Governance
P&D	Planning & Development Department
PP	Project Performance
PSDP	Public sector development program
PMBOK	Project Management Body of Knowledge
PMI	Project Management Institute

## **INTRODUCTION**

### **1.1 Background and Context of the Study**

Since the last century, organizations are using project management approaches to attain organizational goals. Projects are initiated by organizations to succeed, but due to challenges associated with governing projects, many projects fail, and the reasons are often unclear. Nowadays, project evaluations are being expanded to include their ability to achieve sustained performance in meeting operating goals over considerable periods. Despite great interest in improving the performance of large, multi-stakeholder projects, theories and models of project management have not adequately addressed the special need of mega-projects. Specifically, what is missing are frameworks and empirical reports that focus on the governance of these projects (Khan et al., 2019; Khan et al., 2021).

Public sector projects are influenced by complex sets of internal and external forces. Hence, managing projects through this mix of dynamic factors requires a lot from the project team and stakeholders. Developing more detailed and empirically grounded understandings will improve project outcomes and help the organization and executing agencies to better monitor and evaluate outcomes. Due to the isolation and vulnerable region, the organizations working in Gilgit-Baltistan are not compatible with the fundamental needs of the people. The failure to develop sound delivery of stakeholder management within public sector organizations is also one of the main reasons for poor project performance. Hence the issues of project governance, stakeholder engagement, and project management are interlinked. It is also important to note that the phenomenon of globalization has played a significant role not only in reshaping traditional public sector organizations but also in transforming local cultures.

In this context, there is a need for a better understanding of the governance of government-sponsored project management practices. The impact of stakeholder management on the initiation and implementation process of the project is underexplored in the literature. Specifically, what is missing are frameworks and empirical reports that focus on the governance and stakeholder management of these projects. Thus, there is a need for alignment in policies and strategies. The PSDP projects in Gilgit Baltistan require multi-stakeholder engagement, however, to the best of our knowledge, due to the lack of an integrated governance framework, the PSDP projects in Gilgit Baltistan have to face challenges, which ultimately affect the smooth implementation and desired outcomes of the PSDP projects. This research gap has triggered to development of an integrated project governance framework for public sector projects.

### **1.2 Purpose and Scope of the Study**

Public sector development projects contribute to the national economy at a high magnitude, but these projects are not managed well in Gilgit-Baltistan (GB) even after following the existing governance structure. These projects are likely to have a long life cycle, over-budgeting, multiple stakeholders, and uncertainties that make them challenging to plan, execute, and manage effectively.

In GB, public sector development projects are distinctive to that particular setting, i.e., numerous stakeholders, weak procurement systems, complex processes, lack of resources & skills, and bureaucratic red tape. Like the rest of the country, GB is also facing serious issues related to project management. The key reasons for the unsatisfactory performance of public sector development



projects are ineffective governance and the conflict of interest among the stakeholders, i.e., consultants, project directors, contractors, and sponsoring agencies. The existing studies show that appropriate planning, stakeholder management, and project governance have severe shortcomings. Research on project management has been carried out in Pakistan, but unfortunately, research on project governance and stakeholder management in public sector development projects is unexplored. Therefore, this study aims to advance the contribution of project performance.

The main research questions of the paper are as follows.

What are the current practices of project governance and stakeholder management in public sector development projects in GB?

What are the key challenges faced by project professionals governing the projects and managing the stakeholders?

While answering the above research questions, the overall aim of this study is to suggest a governance framework for the performance of public sector development projects.

## LITERATURE REVIEW

Previous studies have shown that public sector development projects are not performing well in terms of cost, schedule, and deliverable quality due to the structural complexity and interdependence of different elements. Researchers and professional organizations like Project Management Institute have put together an effort to improve the performance of governmental projects by developing the “Government Extension to the PMBOK® Guide” which is tailored for government projects (Patanakul et al., 2016). Müller et al., (2017) have proposed standardized approaches to project governance for the successful completion of the projects and the project-based part of the organizations.

Muller & Turner (2017) defined project governance as a multi-level phenomenon that encompasses the governance of the parent organization, any suppliers or contractors, and the project and the relationship between them. According to them, project governance explains the interaction between project participants and the mechanisms adopted can heavily influence the engagement of the stakeholders and their trust in the project. Project governance is considered as a significant component of the project management framework and a vital term used frequently in the literature of project management (Khan et al., 2021). McGrath & Whitty (2015) have discussed project governance concerning the systems approach where the authors consider it as a comprehensive system by which any particular project is governed, directed and controlled with a strategic vision. Bekker & Steyn (2009) explored that project governance refers to systematically connected management systems, systematic relationships/connections, structures, protocols, and policies in order to provide a decision-making framework for the execution of project to achieve the strategic goals. Ismail et al. (2019) have emphasized that project governance and stakeholder management has not been widely discussed in the Pakistan specific studies. Their study revealed that the main reasons of disappointing performance of governmental projects in Pakistan is due to ineffective stakeholder engagement and weak project governance beside other factors. Waris et al., (2022) has recommended project governance and stakeholder management as an integrated approach for public sector infrastructural projects and recommended comprehending the project governance mechanism while identifying the issues in the practices of project governance for successful completion of the projects. The poor performance of the infrastructure projects has been attributed to multiple stakeholders, lack of clear project governance structure, organizational structure, timelines, and communication issues with competing interests (Khan et al., 2021). While exploring the deficiencies in project governance pertaining to infrastructure development programme in Gilgit, Waris et al. (2017) suggests a mechanism of project governance to set the vision, project priorities, planning configuration, decision-making, and for defining the roles and responsibilities of all the stakeholders.

Stakeholders are organizations or group of individuals who have an interest in the project and also get benefit from the project. Therefore, stakeholder engagement is a process of identifying the interest of stakeholders and engaging them with the project, and dealing with the project to satisfy their requirements (Malik et al., 2023). Identifying the stakeholders’ interests is essential for estimating their involvement in the project. Conversely, engaging stakeholders in the project improves decision-making processes, indicating that stakeholder involvement is important for the project, which enhances the project’s success (Saad et al., 2022).

During project life cycle the lack of effective stakeholder engagement, especially at the earlier stages of implementation and planning usually impacts negatively the expected performance of projects. The lack of contextual knowledge from the stakeholders as well as the lack of their support in the field necessitates effective stakeholder engagement (Bahadorestani et al., 2020). There are five levels of stakeholder involvement 1) information 2) consultation 3) collaboration, 4) empowerment 5) co-decision—which should be a priority for implementation (Luyet et al., 2012). Information relates to

explaining the project to stakeholders. The consultation presents the project to stakeholders, collects their suggestions, and may incorporate stakeholder input into decision-making. Whereas, the collaboration refers a collection of their suggestions, and then decision-making, taking into account the input of stakeholders. The co decision relates to cooperating with a stakeholder to reach an agreement on solutions and execution. The empowerment delegates decision-making regarding project development and execution to a stakeholder (Nguyen et al., 2021). Malik et al. (2023) while Investigating the Impact of Communication Factors and Stakeholders Engagement on Renewable Energy Projects in Pakistan found that effective engagement of stakeholders increases the success rate of energy related projects in Pakistan. Similarly, Saad et al. (2022) while investigating the Role of awareness in strengthening the relationship between stakeholder management and project success in the construction industry of Pakistan found that better stakeholder management is essential for increasing the success rates of projects. de Oliveira & Rabechini (2019) found significant impact of Stakeholder management influence on trust in a project. similarly, Nguyen et al. (2021) found positive impact of Stakeholder management on qualitative Project performance. Pedrini & Ferri (2019) have systematically reviewed existing literature related to Stakeholder and concluded that Even though the concept of Stakeholder has been around for a long time yet the development of literature is still at an early stage. The number of published articles is still limited therefore, calling for a growing commitment of academics.

## RESEARCH METHODOLOGY

Since little prior research has been done on public sector multi-stakeholder project management and project governance, an initial exploratory study will be carried out. The research will be based on the analysis of 20 public sector development projects (Power sector) in Gilgit-Baltistan. Data collection methods to be used in the study will be the academic journals, interviews with the key informants i.e. Project Directors of mega projects power and infrastructure projects, expert group discussions (Physical and online), studies of official documents of the Ministry of Planning Development & Special Initiatives, Pakistan and provincial P & D department. The research will investigate the underlying issues inherent in the successful delivery of supply and services.

The methodology employed will be mixed methodology and both primary and secondary data will be collected from the projects related to the mega projects of power sector and infrastructure projects in Gilgit-Baltistan. The interpretative approach will be used, which offers an inclusive summary of the topic area (Grant & Booth, 2009). Thematic analysis of the data will be carried out to evaluate, classify and report the hidden and apparent patterns in the content (Vaismoradi et al., 2013). Data analysis will start by conducting within-case analyses that provide detailed write-ups for each project studied (Eisenhardt, 1989). There will be content analysis of the cases, in search of cross-case patterns. Comparison between more and less successful projects will be figured out, although many other dimensions of comparison will also be used. Also, the analyses will be carried out to combine the within-case analyses, the cross-case comparisons, and other observational data to identify “tentative themes, concepts, and possibly even relationships between variables”.

To propose a framework, documents and studies conducted of similar nature in the neighbouring countries will be analysed and benchmarked. The researcher will analyse, how our development framework differs from the existing development framework of neighboring countries. Detailed interviews will be conducted with project managers and different stakeholders to capture lived experiences, perceptions and challenges faced during the executions of PSDP projects in Gilgit-Baltistan. The discussions will revolve around the exploration of themes related to project governance, stakeholder management and project performance.

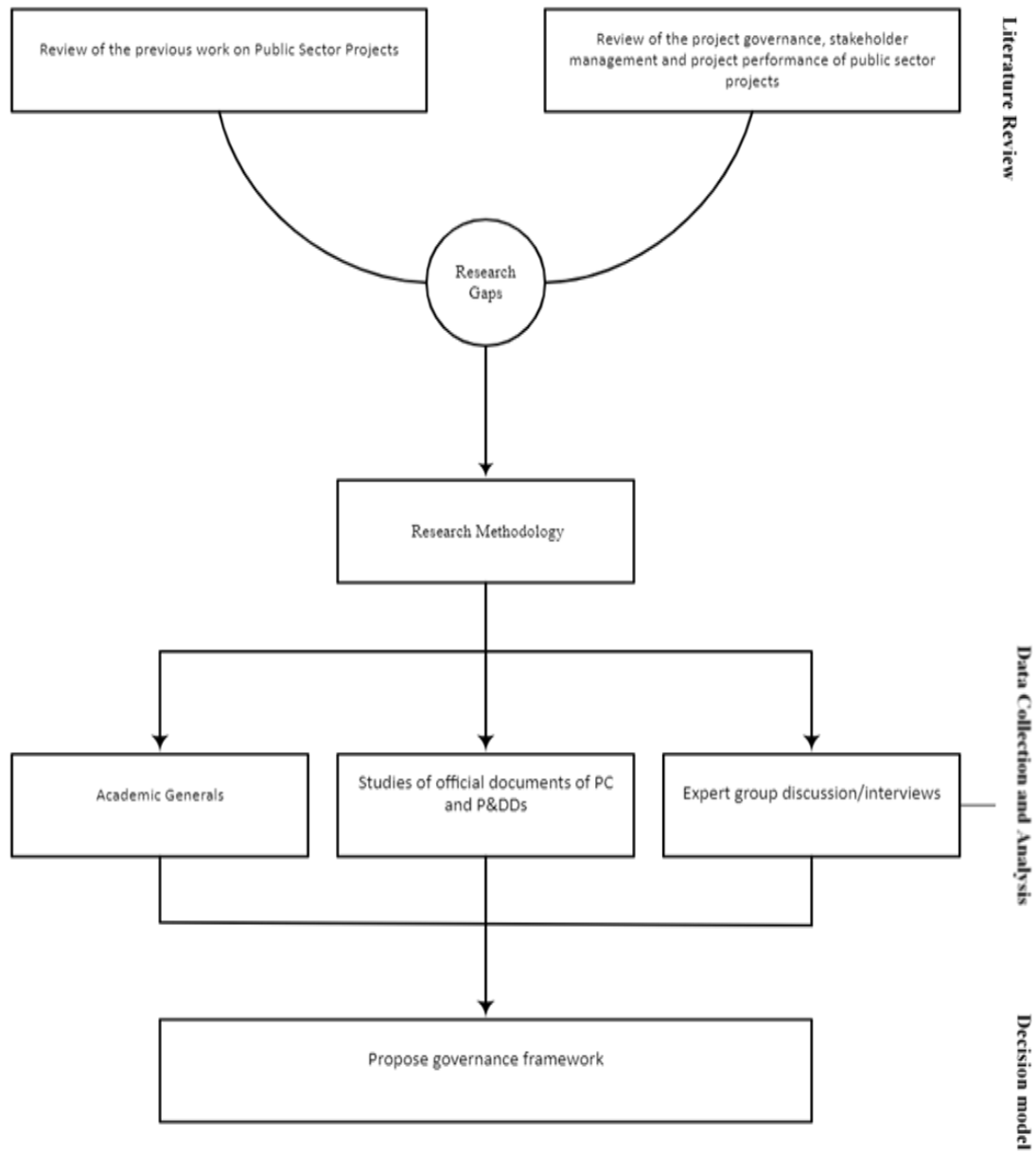
Focus group discussion (FGDs) plays an important role by providing a platform for diverse audience engage in open and structured discussions. It offers an environment for participants to share perspectives, experiences, and their insights. Participants will be selected purposefully to ensure a diverse representation which includes government officials, politicians, community leaders, project managers, and other stakeholders involved in PSDP projects. The topics during the discussion will revolve around project governance challenges, stakeholder management/expectations, and strategies for improving project governance and stakeholder management. Moderators will facilitate a balanced discussion and guide participants to remain focus on predetermined topics. FGDs will undertake thematic analysis to extract key insights and recurrent themes that contribute to the overall understanding of the challenges faced by PSDP projects in Gilgit-Baltistan.

The analysis of official documents, reports and manuals will identify gaps between documented procedures and actual practices observed through interviews and observations. Academic literature, case studies related to Pakistan and Gilgit-Baltistan will be reviewed to compare the findings with broader trends in public sector project governance.

This research method provides a rich dataset that forms the basis of this policy paper. This multi-faceted methodology aims to capture the complexities of project governance, stakeholder management and project performance within the unique context of PSDP projects in Gilgit-Baltistan.

The below Figure 1 demonstrates the methodological framework to address the main concerns of the study.

Figure 1: Methodological framework



## FINDINGS AND DISCUSSION

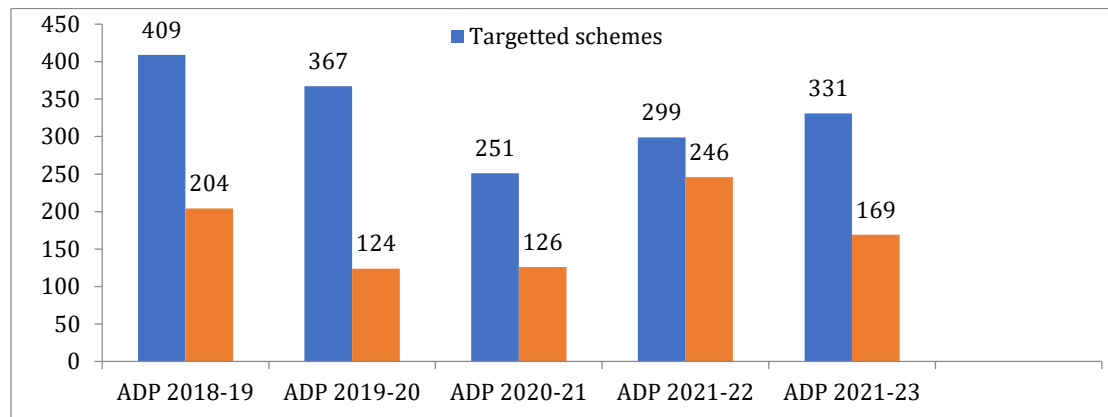
Table 1 shows the summarized findings of the literature review of the last five years which shows that the researchers have not extensively discussed the theme of project governance and stakeholder management in studies related to Pakistan in general and in Gilgit-Baltistan in particular. The findings further reveal that these important themes have not been addressed by the policymakers and professionals as well, which is one of the causes of the unsatisfactory performance of public sector development projects. Thus the main reasons for the unsatisfactory performance of governmental projects are due to ineffective stakeholder management, weak project governance mechanism, and bureaucratic style multi-layered organizational structure.

*Table 1: Summarized findings of the literature*

Year	Studies (GB, Pakistan focused)	Stakeholder management	Project performance	Project governance
2023	(Malik et al., 2023)	✓		
2023	(Nisar & Asif, 2023)	✓		✓
2022	(Ilyas et al., 2022)	✓		
2022	(Saad et al., 2022)	✓		
2021	(Khan et al., 2021)	✓	✓	✓
2021	(Ali et al., 2021)		✓	
2020	(Ali et al., 2020)		✓	
2019	(Khan et al., 2019)	✓	✓	✓
2019	(Memon et al., 2019)		✓	

*Source: Government of GB. (various issues). Annual reviews of ADPs.*

*Figure 2: Last five year's data (ADP)*



*Source: Government of GB. (various issues). Annual reviews of ADPs.*

Figure 2 shows data for the last five years indicating schemes targeted to be completed during ADP formulation and actually completed schemes at the closing of the Financial Year. During the Annual Development Plan preparation in June of each year, specific schemes are earmarked for completion, taking into account their financial phasing outlined in Project PC-I. Graph 1 illustrates that at the commencement of the Financial Year 2018-19, 409 schemes were slated for completion by year-end, yet only 204 projects were successfully concluded. Examining the data over the last five years reveals that, on average, only 50% of the targeted schemes were accomplished.

This discrepancy has far-reaching implications, particularly in terms of time overrun, which adversely impacts both the project cost and the quality of work. The evident gap between projected and actual completion rates suggests underlying issues in project governance, execution, and stakeholder management. These challenges have led to deviations from the approved scope, cost estimates, execution time frames, and quality standards.

In essence, the table highlights the critical need for addressing deficiencies in project governance and management to ensure a more accurate alignment between targets and outcomes, ultimately fostering improved efficiency and effectiveness in project delivery through proper management and engagement of project stakeholders.

Lack of proper planning, unclear scope, procurement leakages/issues and poor governance are some of the major reasons for public sector development projects failure. Similarly, the tenure of project director is also crucial for the success of the project. Continuity of the project director is also crucial for stability and continuity of the project at least for three years. Similarly, majority of the projects are being delayed due to change in the scope, specifications and timelines and delay in release of funds (GOP, 2011).

Inadequate Procurement practices coupled with inequitable tender documents and inefficient bid evaluation are some of the serious barriers for development of construction industry of Pakistan as indicated in World Bank (2007).

Table 2: PSDP projects in GB with indicating issues

S.#	Name of scheme	Inception and completion year	Actual Completion Date	Actual cost	Revised Cost	Status of schemes with Reasons for Revision and delay
	3.2 MW HPP at Batote Nomal Gilgit. (M)	2017-2020	2024	384.100	628.771	Detailed feasibility of the project was not conducted that is why quantum of work increased as per site requirement. Tender cost was at higher site. Dolor parity for purchase of TG set and escalation cost due to inflation. Funds are not released as per financial phasing <b>(Governance Issue)</b>
	Const. of 3.5 MW HPP Hamaran Bilchar Bagrote (Revised)	2014-2017	2024	774.338	999.000	Detailed feasibility of the project was not conducted that is why quantum of work increased as per site requirement. Tender cost was at higher side. Dolor parity for purchase of TG set and escalation cost due to inflation. Funds are not released as per financial phasing. Site selection was wrong. New side has been identified after laps of four years and project get delayed.
	Const. of 06 MW HPP Kargah Gilgit (Revised)	2017-2020	2024		999.400	Detailed feasibility of the project was not conducted that is why quantum of work increased as per site requirement. Tender cost was at higher site. Dolor parity for purchase of TG set and escalation cost due to inflation. Funds are not released as per financial phasing. Site selection was wrong.



						New side has been identified after laps of four years and project get delayed. Land compensation issue and litigation. <b>(Governance and Stakeholder Management issue)</b>
	Const. of 0.5 MW HPP Chamogarh Gilgit. (Revised)	2017-2020	2024	253.632	378.916	Proper feasibility was not conducted at initial stage that is why cost enhanced as per site requirement. <b>(Governance and Stakeholder Management issue).</b>
	01 MW HPP at Manikal Darel, Diamer	2012-2015	2024	195.780	442.289	Site issue and litigation in court of law to the end of concerned community. <b>(Lack of Stakeholder Management and engagement)</b>
	Const. of 0.5 MW Hydel Power Project at Khinner.	2008-2010	2024	78.000		Site issues and litigation in court of law. People are very much concern regarding the disaster in case channel gets damaged. <b>(Lack of Stakeholder Management and engagement)</b>
	20 MW Hydro project Hanzal Gilgit	2021-24	2028	12921.66	20000.000	Capacity Enhancement from 20 MW to 40 MW that is why cost and time revision required. <b>(Governance and Stakeholder Management issue)</b>
	Establishment of Poly Tech Institute at Skardu	2018-21	2024	601.000	978.93	BoQ increased and price escalation on the account of equipment resulting in revision of project's cost and execution time frame. <b>(Governance)</b>
	Establishment of Regional Grids in GB Ph-I	1019-22	2026	5000.000	9000.000	The outdated feasibility study conducted in 2010 resulted in a significant underestimation of costs of equipment. As the project began, equipment prices

						soared, necessitating a thorough revision of the project plan. <b>(Governance Issue)</b>
	Sanitary and Sewerage System in Gilgit city (Revised)	2019-22	2027	3363.000	4797.000	After approval from CDWP the project remained abandoned due to communication gap between federal government and Gilgit Development Authority. The PMU was established after laps of 19 months. Bidding process has taken 8 months due to application of contractors to re-dress the grievances before Grievance Redressal Committee. The bidding cost comes 39% above the approved PC-I cost due to time delay in execution of civil work. The revised PC-I was delayed for 9 months to get approved from various development forums. <b>(Governance and Stakeholder Management issue)</b>
	Up-gradation of Provincial Headquarter Hospital Gilgit based on Master Plan	2021-24	2026	3000.000		Delay in execution due to procedural documentations i.e. establishment of PMU, delay in hiring of consultant and civil work contractor. <b>(Governance issue)</b>
	Inter Regional connectivity between Baltistan Division and Diamer Astore Division (Construction of road from	2021-24	2027	5274.000	12000.000	Faulty feasibility, resulting in underestimated quantities as compare to compared to the actual quantities as per site requirement. <b>(Governance issue)</b>

	Gorikot Astore to Shagarthan Skardu.					
	Inter provincial connectivity Economic Corridor Through Gb and AJK (Construction of Road from Thalichi via Shonter AJK	2021-24	2027	19000.000	0.000	Delay in preparation of bidding document to the end of consultant that is why instead of 2024 the project will be completed in FY 2027. It is also predicted that time delay also triggers cost overrun in long run. <b>(Governance and Stakeholder Management issue)</b>
	Establishment of 50 Bed Cardiac Hospital Gilgit	2015-19	2025	1300.000	4006.000	The PC-I was approved by CDWP during 2015, but the execution was started after laps of 3 years during 2019, due to necessary approval from concerned ministries and lack of coordination between various stakeholders. Due to Covid-19, execution got delayed. Quantum of work and original rates were unrealistic that is why project was revised during 2021. Due to Dollar parity the rates of bio medical equipment become invalid. Some essential items were missing in original PC-I. Necessary approval from concern provincial and federal ministries take too much time i.e. revised PC-I approval from various ministries get delayed for one year. <b>(Governance and Stakeholder Management issue)</b>

	Establishment of 250 Bed Hospital at Skardu	2018-21	2025	3000.000	6000.000	The project missed its execution time frame due to procedural delays in bidding process. Due to delay in execution and dollar parity the cost of Bio Medical equipment enhanced 300%. <b>(Governance issue)</b>
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Source: Government of GB. (various issues). Annual reviews and monitoring reports of PSDP projects (GB).

Table 2 shows fifteen major infrastructure projects sponsored under the PSDP. After the discussion with the Project Management Unit (PMU) teams and evaluating the official documents, it was observed that all projects have undergone revisions, resulting in an extension of the execution timeframe. Several reasons for these revisions have been identified:

- Insufficient feasibility studies conducted during the initial stages led to a significant increase in the scope of work during execution to meet site requirements.
- Discrepancies in the financial phasing resulted in delays in fund releases.
- In the power sector projects, the costs of turbine-generator (TG) sets escalated due to fluctuations in currency exchange rates.
- Incorrect site selection contributed to project setbacks.
- Legal challenges, including court cases and litigation, arose during land acquisition processes.
- Lengthy tendering and documentation procedures, coupled with delays in contractor procurement, resulted in civil works at the site commencing much later than planned.

To unveil the issues in project governance and stakeholder management, official P&D documents have been analyzed (Farman et al., 2023; Nazeem et al., 2021; Shah, 2023). It was observed that in the context of GB, 95% of PSDP-sponsored projects get revised. The region's unique geographical characteristics pose distinct challenges when it comes to executing development initiatives in comparison to more accessible areas in the country. There are numerous challenges in connection with the execution of developmental activities in GB due to its harsh climatic conditions/short working season and dependency on the federal government to meet the development expenditure.

According to IMF (2023), the issues in the planning phase, allocation, and implementation phases are as under :

1. The unavailability of a medium-term planning document weakens the link between economic development and its achievement viz public infrastructure Projects. Vision 2025 is a decade-old document and does not identify the main investment projects, costs, and their contribution to the goals. However, the CPEC Authority plans and manages several projects Under the 2017-2030 Plan for CPEC.
2. The appraisal process can be strengthened, and larger projects must receive greater scrutiny than small projects by incorporating in-depth examination and evaluation. Moreover, making feasibility studies and ex-post reviews public are conducive to improving the quality of these documents and particularly for major projects.

3. Unrealistically large ongoing projects in the PSDP create delays in project competition and increase costs. The large stock of approved and ongoing projects as compared to available funding indicates that projects cannot be completed in due course of time. As per Planning Commission estimates projects are delayed and costs increase by 2 to 3 times the original plan. Removing low-priority projects will create a strong basis for planning future delivery and create space for new-priority projects.

4. Strengthening procurement and monitoring would improve the outcomes of investment projects.

IMF (2023) has suggested the following recommendations:

1. A new five-year plan is required to identify major projects covering all sectors and funding sources for the development of sectoral investment plans.

2. Specific guidance must be developed concerning key appraisal issues i.e. shadow pricing standards, choosing appropriate discount rates, and foundational inputs to ensure comparability across all projects in the appraisal and selection stage

3. Independent scrutiny of major project proposals including cost estimation must be obtained and ensure transparency of project appraisal documents.

4. Developing a criterion for selecting projects to obtain funding in the PSDP is recommended. The Planning Commission may develop this criterion reviewed by the various fora up to the NEC, to guide preparation of the 2025-26 PSDP.

5. A one-time review of all approved projects while reducing the set of active projects to high-priority projects must be conducted for the timely completion of projects. This must be carried out by the Planning Commission following a review by various fora up to the NEC. This may be completed by the end of 2024, in time for the 2025-26 PSDP.

6. The government should adopt e-procurement for development and non-development expenditure. The management of time, quality, and money is more important. During the implementation stage which must be addressed at the beginning of the project to draft the goals and scope for the project.

An in-depth examination was undertaken with 15 PSDP projects in GB to uncover the underlying factors contributing to delays, revisions, poor quality, and outright failure of these initiatives.

A focus group discussion (FGD) was organized in the Planning & Development Department of Gilgit Baltistan. In FDG, the participants were the professionals from the Planning & Development Department, Project Directors of various Federal PSDP projects, Engineers from different sectors (Communication, Works, Power, Local Government), and representatives from Civil Society, Academia, and the Contractor Association. Six heterogeneous groups were formed to ensure a mix of perspectives and expertise. Each group was assigned a moderator to guide the discussion and one note-taker to document key points and insights.

The findings from the FGDs on issues about approval processes, project teams and coordination, project justification, political interference, project initiation, planning, execution, monitoring and control, and project completion have been categorized and summarized. This approach will help to identify patterns, correlations, and overarching themes from the discussion.

In FDG the participants highlighted the following key issues under different key areas:

### ***Approval Processes***

- Complexity and delays in approval from various development forums and lengthy bureaucratic approval procedures.
- Projects are often politically driven without proper planning or studies e.g. project initiation without site selection or feasibility studies.

### ***Project Teams and Coordination***

- Insufficient capacity and coordination from project inception to completion.
- Lack of coordination among stakeholders.
- Qualified human resources (HR) missing in both approving and executing agencies.
- Projects lack proper justification and are not based on immediate, mid-term, or long-term needs.
- Primary data to justify needs is often missing.
- Lack of integrity and honesty among staff affects project processes

### ***Project Initiation***

- No proper studies or site selection before project reflection in PSDP/ADP.
- Lack of coordination among various stakeholders during initiation.
- Political influence heavily impacts project initiation.

### ***Project Planning***

- Issues with PC-I preparation, drawing, design cost estimates, appraisal, and approval.
- Timelines for submission and approval are not adhered.
- Projects are often split into small components.
- Compromising on project components due to cost constraints.
- No provision for cost escalation for fixed-rate contracts and unrealistic estimates and improper timelines.
- Delays in fund releases, particularly in the first quarter.

### ***Project Execution***

- Insufficient trained HR and lengthy procurement processes and lack of skilled labor, machinery, and resources with contractors.
- Issues with land acquisition and non-harmonious site selection boards.
- Delays and insufficient fund releases as per financial phasing and improper bidding documents, feasibility studies, and planning.
- Scarcity of funds and undue delays.
- Litigation and low bid dilemmas due to competition.
- Lack of proper punishment and reward systems.

### ***Monitoring and Control***

- Lack of internal and external monitoring systems.
- Non-existence of M&E cells in P&DD and executive agencies.
- Ignoring development-based M&E.
- User and beneficiary involvement in M&E is lacking.

### ***Project Completion***

- Projects face delays due to insufficient funds, litigation, and scope creep.
- Proper fund allocation and project closure processes are missing.

- Enhancements in scope and quality are often required but not planned.
- Short working seasons and insufficient fund releases impact completion.
- End users and contractors are not adequately involved in decision-making.

### ***Stakeholder Management & Engagement***

- Primary and secondary stakeholders are not identified and engaged at an early stage.
- Contractors are not involved in decision-making.
- No rigorous stakeholder management and engagement strategy.
- The end users/communities are not involved in projects at various levels.
- Weak media communication (Internet, postal services, etc.).
- Missing project-specific communication channels.
- No stakeholder negotiation mechanism.
- Unavailability of a grievance redressal committee.
- No single body for coordination.
- No strategy in place to build Positive Relationships and Maintain Stakeholder Support.
- Behavioral issues while communicating and poor communication with relevant stakeholders.

The experts gave the following recommendations to improve procedures and project performance.

### ***Project Initiation Process***

- Conduct thorough need analyses to ensure projects are justified based on actual needs rather than political influence and involve secondary stakeholders to gain broader support.
- Identify projects based on comprehensive short and long-term development plans involving departments and political representatives.
- Evaluate project costs through detailed field surveys and site conditions before finalizing ADP/SDP and ensure that projects are approved and reflected in ADP/PSDP only after proper site selection and feasibility studies.
- Provide adequate resources at the initial phase and conduct third-party feasibility studies and conduct market ratio-based cost estimates before preparing PC-1 to ensure accurate financial planning.

### ***Approval Process Improvement***

- Simplify and expedite the process to reduce delays and bureaucratic hurdles and establish a *Project Coordination and Implementation Team (P.C.I.T)* to facilitate communication and coordination among stakeholders (clients, consultants, contractors, and community).
- Ensure that pre-feasibility studies are conducted before project initiation.
- Assign dedicated project teams from the preparation of PC-1 until project completion to ensure accountability and continuity.

### ***Project Planning***

- Coordinate with departments and incorporate current inflation rates, future projections, environmental considerations, and land acquisition with all compulsory certificates in PC-1.
- Train and hire professionals in executing agencies for project appraisals.
- Issue a development calendar timeline for project proposal preparation, submission, and approval.
- Ensure project costs in PC-1 match site/project requirements.
- Include provisions for cost escalation in contracts beyond two years.
- Mitigate political influence and ensure appraisal-based approvals.

### ***Execution Process***

- Establish reliable testing labs for construction materials in GB.
- Employ well-versed project teams to execute projects as per scope and ensure timely fund provision.
- Review contractor registration processes based on technical and financial capabilities.
- Develop policies for land acquisition at market rates.
- Accelerate site selection board processes and ensure financial phasing as per approved PC-1.
- Improve communication about contract term variations to avoid project delays.
- Form evaluation committees with technical experts and well-versed officials in the grievance redressal committee (GRC).
- Select contractors based on third-party evaluations rather than solely PEC criteria.

### ***Monitoring and Control Systems in Projects***

- Set up a robust monitoring and control system to keep projects on track.
- Establish proper monitoring units in P&D and executive agencies.
- Provide resources for monitoring teams and establish MIS systems for project tracking

### ***Project Completion Process***

- Ensure financial allocations are based on project progress.
- Engage stakeholders at all stages to mitigate litigation risks.
- Adopt alternative techniques for work execution in different seasons.
- Conduct third-party evaluations for project completion and ensure timely submission of PC-4 and PC-5.

### ***Stakeholder Management & Engagement***

- Identify stakeholders based on their influence on the project and engage stakeholders through consultations, involving community and government entities.
- Ensure a Stakeholder Management Unit (SMU) is in place.
- Actively engage the community throughout the project and provide timely administrative support to stakeholders.
- Engage a diverse range of stakeholders.

#### ***Engaging Stakeholders throughout the Project Lifecycle***

- Identify potential stakeholders before project conceptualization.
- Maintain close liaison with community members, politicians, and government entities.
- Ensure timely engagement with stakeholders for administrative support
- Engage contractors as major stakeholders.

#### ***Communication Channels & Tools***

- Use social media, websites, and newspapers to keep stakeholders informed.
- Engage local leaders (Lumberdar), community members, elders, and hold regular meetings, correspondences, and site visits, and make timely site decisions.
- Ensure robust communication media for successful project completion.
- Establish a single body for project implementation and coordination to address issues during project execution.

#### ***Addressing Conflicting Interests or Expectations among Stakeholders***

- Engage in stakeholder negotiations and conduct meetings to address conflicts.
- Address conflicts in strict adherence to pre-agreed contract clauses.



- Generate win-win situations to satisfy all stakeholders and establish a grievances redressal committee in the executing agency.
- Ensure timely administrative support to resolve disputes by involving community stakeholders and contractors.

***Strategies to Build Positive Relationships & Maintain Stakeholder Support***

- Develop a strategy to sensitize stakeholders to own up to the project without vested interests in long-term relationships.
- Implement a competent Project Management Unit to handle matters timely.
- Foster early project implementation through coordination rather than authoritative control.
- Enhance communication through councils and representative bodies.

## **RECOMMENDATIONS /POLICY IMPLICATIONS**

By underpinning the existing literature, official documents, and expert group discussion, we recommend that the policymakers emphasize particularly on following key areas:

### ***Project Identification & Planning:***

Projects and programs may be identified based on reliable data and detailed surveys or research studies. Each project should have clear objectives aimed at addressing specific gaps or issues and improving relevant indicators. Projects and programs must be included in the Annual Development Plan (ADP) and Public Sector Development Program (PSDP) only after securing financing for a minimum of three years.

### ***Cost Estimation & Building Codes***

The GB government must publish scheduled rates for at least three years to ensure market-based and accurate cost estimates. Additionally, the GB government should develop a comprehensive building code and mega infrastructure code/minimum standard to guide the preparation of PC-I documents.

### ***Risk Management & Planning Manual***

A robust risk management strategy may be included in the Planning Manual to address various types of risks that may arise during project execution. Relevant modifications must be made in the Planning Manual to ensure compliance with these processes in letter and spirit.

### ***Project Documentation & Approval Process***

A specified timeframe can be established for the preparation and submission of PC-I documents to relevant development forums for detailed appraisal and approval. Policies must be devised to ensure cost estimates and feasibility studies remain valid for six months to one year. Clear guidelines for revision, modifications, and time extension are provided in the Planning Manual. Revisions to project scope, cost, and time extensions will be restricted to prevent frequent changes.

### ***Project Execution***

Proper Project Management Units (PMUs) may be established to execute projects and programs. These PMUs will include procurement and contract management specialists to ensure professional handling of the process. Contractors involved in civil works will be required to hire qualified engineers for accurate payment estimates based on completed work.

### ***Work/Cash Plan***

According to the approved PC-I scope, a comprehensive work/cash plan is needed. Funds must be released as per the cash plan. Land, contractors, and equipment procurement will be conducted through PPRA rules using IT-based systems to avoid delays.

### ***Monitoring & Control***

Dedicated M&E cells would be established at the sponsoring, executing, and Planning & Development Department (P&DD) levels to ensure the quality of work aligns with the approved PC-I scope, cash, and work plan. The executing agency will conduct daily monitoring, the sponsoring agency will conduct monthly monitoring, and the P&DD will conduct quarterly monitoring. A software application will be developed to vigilantly assess data and alert relevant authorities in case of deviations from the scope.

### ***Alignment with SDGs and Vision 2025***

The Five-Year Plan should be developed in alignment with strategic goals such as the Sustainable Development Goals (SDGs) and Pakistan's Vision 2025. The plan will set clear targets to enhance progress across various indicators.

### ***Stakeholder Engagement & Management***

Upon project identification, all relevant primary and secondary stakeholders will be identified and engaged from the project's inception. A comprehensive management and engagement strategy should be developed with clear communication channels. Meetings to engage stakeholders at various levels should be convened, considering the importance of each stakeholder.

By addressing the above recommendations, the Planning and Development Department can significantly improve its project management processes. These measures will help ensure that projects are well-planned, efficiently executed, and effectively monitored, leading to better outcomes and reduced delays.

## **CONCLUSION**

The overall findings of this policy paper indicate systemic issues across various stages of the project cycle. Addressing these issues will improve coordination, capacity building, reducing political interference, streamline approval processes, enhancing planning accuracy, and establishing robust monitoring and evaluation frameworks. Involving all stakeholders, including end users, and contractors in the decision-making process is also crucial for successful project execution and completion.

There is limited guidance on selecting projects in the PSDP, project rate of return, regional distribution, environmental impact, risk, obligations under international and provincial agreements, foreign currency impacts, and current government priorities is limited. The criteria must be there to address limits on starting new projects, considering ongoing projects and available funding.

Focusing on these concerns and implementing the proposed strategies will help in identifying, engaging, and maintaining positive relationships with stakeholders throughout the project lifecycle. This will ensure better project planning, execution, monitoring, and completion, leading to more successful and sustainable projects. These measures can ensure public sector development programs deliver on their promises, maximize return, and ultimately serve the public good.

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