

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

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INTRODUCTION

Since the last century, organizations have been 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.

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.

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.

RESEARCH METHODOLOGY

The research is based on the analysis of 15 PSDP 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 supplies and services.

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.

FINDINGS AND DISCUSSION

Findings of the literature review of the last five years 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.

Issues in the planning phase, allocation, and implementation phases are as under :

- 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.
- Unrealistically large ongoing projects in the PSDP create delays in project competition and increase costs. As per Planning Commission estimates projects are delayed and costs increase by 2 to 3 times the original plan.

Following are recommendations:

- 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.

- The government may adopt e-procurement for development and non-development expenditure.

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. After the discussion with the Project Management Unit (PMU) teams and evaluation of the official documents, it was observed that all projects have undergone revisions, resulting in an extension of the execution timeframe. The following 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. 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.

A focus group discussion (FGD) was organized in the Planning & Development Department of Gilgit Baltistan. In FGD, 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. The findings from the FGDs on issues & recommendations 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.

CONCLUSION

The overall findings of this policy paper indicate systemic issues across various stages of project management in the Planning and Development Department. Addressing these issues requires a comprehensive strategy focusing on improving coordination, capacity building, reducing political interference, streamlining 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.

Addressing these issues and implementing the recommended strategies will help in identifying, engaging, and maintaining positive relationships with stakeholders throughout the project lifecycle.

In conclusion, by employing the following recommendations, we can foster a culture of effective public sector project governance, which will ensure projects delivery on time, within budget, and achieve their intended public benefit.

- Projects and programs may be identified based on reliable data and detailed surveys or research studies.
- The GB government must publish scheduled rates for at least three years to ensure market-based and accurate cost estimates.
- A robust risk management strategy may be included in the Planning Manual to address various types of risks that may arise during project execution.
- Proper Project Management Units (PMUs) be established to execute projects and programs.
- According to the approved PC-I scope, a comprehensive work/cash plan is needed. Funds should be released as per the cash plan. Land, contractors, and equipment procurement may be conducted through PPRA rules using IT-based systems to avoid delays.
- Dedicated M&E cells should 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 Five-Year Plan should be developed in alignment with strategic goals such as the Sustainable Development Goals (SDGs) and Pakistan's Vision 2025.
- Upon project identification, all relevant primary and secondary stakeholders must 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.