



## CAUSES OF PROJECT FAILURE AND ABANDONMENT OF PROJECTS DELIVERABLES IN AFRICA

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Madam Chair (Prof. Dr. Mrs. Goski Alabi), the Council Chair of IPMP (Prof. Dr. Allan Kwesi Asante-Yeboah), Member of Parliament, Minority Spokes Person on Finance, and former Deputy Minister of Finance (Hon. Cassiel Ato Forson), Council Members of IPMP, Presidents from other Professional Bodies, Government Officials, Organizational Representatives, Project Management Professionals, All protocols observed, Ladies and Gentlemen, I am humbly to be honoured as one of the speakers of 2017 Project Management Professionals Annual Conference dub “**INFRASTRUCTURE PROJECTS ON SOCIO-ECONOMIC DEVELOPMENT IN GHANA**” to speak on the topic “**CAUSES OF PROJECT FAILURE AND ABANDONMENT OF PROJECTS DELIVERABLES IN AFRICA**”

Madam Chair, before I go on to speak on the topic, I want to take this opportunity to thank all who have supported IPMP both in cash, kind and advice to ensure the institute survives, we currently have over 200 members with 50 member candidates and still counting, hoping that by the close of this year we would have increase in numbers, built more capacity to take up projects and all related endeavours to change and enhance the development of this country and beyond Africa and the world at large.

Madam Chari the topic causes of project failure and abandonment of projects deliverables has for time now received much media attention in time past and even now, yet no concrete solutions has been provided. I will first of all highlight on the abandonment of project deliverables.

Madam Chair, there are quite a few projects that have been completed successfully and formally handed over to the stakeholders or sponsors and don't last the original length of period of use, end up failing and abandoned, a typical examples in our country Ghana is the construction of major and minor roads that lacked maintenance policies, and projection.

Majority of these abandoned projects are financed by the tax payers money of the country, the UN, the World Bank, International Agencies and Communities and in all these cases so much millions of dollars are lost annually, what more is that a lot of developing nations are economically retarded, leading to poverty and in human living standards.

Madam Chair How and Why? It is simply because 5 or 10 years national development plans are prepared by nations to help them climb up the “economic development ladder”. These plans include the projections and milestones of when certain projects, which are the building blocks and components of the development plans, will be implemented. When implemented, they help to enhance and facilitate the economy and industrial infrastructure of the nations. The operation of the deliverable could constitute a base, “steps or rungs of ladder” on which other new projects can be implemented. In the event of the failure of the first project, the implementation of the second and subsequent projects cannot happen.

Abandoned deliverables and projects are not strange to nationals of developing countries. Indeed, our industrial landscape is littered with abandoned project deliverables in various stages of disrepair. The common trend running through each of them is that they cannot be repaired and therefore abandoned for good.

To reduce abstract consider a project implementation of an electricity generating power plant of 6 x 250 megawatts. When it is completed, it will feed 1500 megawatts into the national grid. This will help enhance the national power supply, especially its stability since the voltage and frequency can become stable at the rated values. Power supply



capacity is increased high enough to feed many users, businesses, and organisations. With such stable power supply, Broadband Internet system can be introduced. Web hosting application in the Cloud can be used by businesses and companies. However, if the power plant is commissioned into operation within six months, and most of the units fail and are abandoned, the power situation in the nation cannot improve. The introduction of Broadband Internet, web hosting and Cloud cannot take place. The nation is back to its pre-power project implementation condition. Progress and economic development are not just at a standstill but are being retarded because of much money that has been invested in the failed power plant to no effect.

Again to be more specific in this scenario, it is the case that at this point of writing, web hosting and Cloud Computing cannot be used in most African countries because the power supply infrastructure to support the technology is not available. It is only in multinational or large organisations, which have their own power supply and not dependent on the national power supply, that such technology is in use. In preparing this write-up, research has been carried out, on some African countries, on some failed and abandoned project deliverables since the objective is to discover the causes of failure of already completed and handed-over deliverables. Some of the findings will be listed and later discussed in depths. This is because it may be relevant to highlight the importance of the project deliverable and then present actual, real-life events that led to their failure and consequent abandonment. At the end of the presentation, an analysis and summary of causes of failure and abandonment of the deliverables will be made. These will constitute lessons learned for our education as investors in developing nations. Hopefully, they could provide guidelines for future investments such that lessons from past failures could help prepare investors and planners for success of new projects.

***Madam Chair, now let focus on failed project in Africa.***

### ***1. Failure of the Boreholes and Wells Project, a \$360Million Developing Community Water Sources Project***

Madam Chair, One of the UN's Sustainable Development Goals (SDG's) is to increase access to clean water and sanitation facilities for communities that currently lack such facilities. In many rural areas of sub Saharan Africa, it is not uncommon to walk a few miles to the nearest borehole to get clean water for daily consumption. International donor agencies are responding in good measure and although many positive strides have been made, reports indicate that as much as \$360 million USD have been spent on building boreholes and wells that quickly became inoperative (and in some cases irreparable). Reasons cited for about 50,000 non-functioning water are amongst others; poor construction, lack of expertise and experience, poor supervision, failure caused by well users, and poor technology choice. "People tend to make assumptions about why water sources fail and blame associated with lack of spare parts, financing, maintenance problems or climate change, for example. But often, the cause is not clear" those reasons for failure make sense but may not tell the full story.

The UN's 2030 SDG goals call for local community level participation in water and sanitation management projects. Funding initiatives from donors are commendable, however they sometimes fall short where it matters most. Establishing borehole and well infrastructure requires more than just implementation, it requires post project support. In many cases the implementation of water infrastructure projects is a battle half won because the donors/sponsors fail to consider elements that guarantee that projects deliver long-term value. The scope of such projects needs to consider not only the installation, but also the capacity building activities that ensure the infrastructure receives the appropriate servicing and levels of support needed to ensure its long-term viability.

Lack of capacity building underlies many failed donor funded projects. To overcome the problem, sponsors need to direct their efforts and advocate for mandatory project skills related capacity building at local authority level to increase chances that projects deliver on the value they were intended for in the first place. National agencies in respective countries who receive funding and tasked to implement national initiatives, should insist on skills development to ensure sustainability is an integral part of the funding proposition.

Project management training from reputable organizations can increase the financial investment value to establish clean water infrastructure, and more importantly add to the sustainability that will guarantee that borehole and well users can benefit over the longer term from clean water.

### ***2. Failure of Egypt's Toshka, New Valley Project, Egypt's \$90 Billion South Valley Project***

Madam Chair, the Toshka New Valley project was planned to develop agricultural production and to create new jobs away from the Nile Valley by creating a second Nile Valley. The project was meant to help Egypt deal with its growing urban population and was described as the "New era of hope for Egypt". It was intended to house more than three



million residents and to increase Egypt's arable land area by 10%. The justification is that about 83 million Egyptians are densely packed into just 3 percent of the land which is arable. Therefore, Egypt's planners are undertaking many projects to redistribute the population by creating new areas that can sustain life by diverting the Nile to the Sahara Desert, in effect, creating new oases. The South Valley Development project, an attempt to relocate up to 6 million Egyptians was started in the 1980s to convert one million "feddans" (1.038 million acres) of the Sahara Desert into land for agricultural and industrial development and secondarily to promote economic activity that would reduce high rates of unemployment amongst Egypt's youth.

However, it appears that not everything was taken into full consideration during planning. For one, the Western Desert's high saline levels and the presence of underground aquifers in the area act as a major hindrance to any irrigation project. As the land is irrigated, the salt mixes with the aquifers and reduces access to potable water. In 2005, the government announced that it was abandoning the second phase entirely and that the deadline for the project's completion was extended to 2022. It is observed that canceling the second phase did not increase the project's chances of success, because so many initial targets had not been met. "(Toshka) was failing so badly in the first place that it didn't make a difference to cancel the second phase," observes Conservationist Mindy Bahaa Eddin. She considers Toshka an example of "disaster planning" in Egypt. She said that there is a greater need for stakeholder consultations when working out details of such large-scale projects, so that potential problems can be understood and resolved ahead of time. For example, she said, Toshka would have caused great damage to the many ancient sites found in Kharga Oasis, in a similar way that water is currently creating problems for sites in Fayoum.

Madam Chair, Toshka has failed in the sense that the original plan is no longer being implemented and probably cannot be implemented and now abandoned. However, it has been modified and is still being implemented.

### ***3. Failure of the Ghana-STX Building Project, a \$10 billion housing project***

Many Ghanaians were shocked when they heard in December 30, 2011 about the failure and abandonment of the \$10-billion housing project between the Government of Ghana and STX Engineering & Construction Limited of South Korea. The project was supposed to lead to the construction of 200,000 houses in Ghana in five (5) years. The agreement was signed in 2009 and hailed by some as "the best thing that ever to happen to Ghana". A 12-member government delegation led by then Minister of Water Resources Works and Housing signed the STX Housing Project deal in 2009. Information on its failure and abandonment was disclosed on Friday, December 30, 2011, by then government. Madam Chair, the causes of failure of the project included the following:

Haphazard management of the project by the Ghanaian Government. Effective governance apparently was missing as disunity and quarrels were reported between the Ghanaian and Korean partners of STX Engineering & Construction Ghana Limited, the local subsidiary of STX Korea.

Corruption was probably a contributory factor. For example, the consulting architectural concept design allegedly prepared by a professor at the Kwame Nkrumah University of Science and Technology (KNUST), on the orders of CEO of Ghanaian subsidiary, cost the company about \$21 million, when the Koreans claimed they could do it for only \$5 million. Poor planning and absence of credible feasibility studies.

Madam Chair, this failure was just one of many failed major projects, not only in Ghana, but also in other countries in the developing world.

### ***4. Failure of the South Africa Integrated Public Transport System (IPTS) Project, \$130 Million Metro Bus Purchase project***

Madam Chair, the purchase of 60 buses at a cost of \$130 Million has left the Nelson Mandela Bay Metropolitan Municipality publicly embarrassed. The buses were purchased in 2009 as part of a program to refresh municipal bus service in Port Elizabeth, South Africa. Although the fleet was used during the 2010 Soccer World Cup, they were parked as soon as the tournament was over. Six years down the line, they remained idle and gathering dust. The bus purchase was part of a larger \$130M USD push to implement a Bus Rapid Transit system in Port Elizabeth. The project started in 2008 but unfortunately, 8 years later, there is still no operational system in place. Reports from Port Elizabeth indicate that flaws in the design process had resulted in bus lanes that are impractical, zebra crossings that obstruct traffic flow and design flaws that represent a danger to users of the system.



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The busses themselves typify the types of mistakes made. A faulty specification process resulted in the purchase of buses that were too big for the driving lanes. In addition, the failure to identify the need to drop passengers off on “central islands” resulted in the doors ending up on the wrong side of the bus. With funds appropriated by the South African government for the purchase of the buses, the NMBMM failed to ensure that the investment satisfied its intended long-term purpose of providing a more efficient public transport system to Port Elizabethans.

Challenges in the project had also resulted in significant turnover in key resources working on the project. Local news reporters noted that from 2008 to 2013 the project had been through five different Engineering companies and four Project Managers. Such turnover compounds the problems in a project as decision-making gets reset each time a new person or organization joins the team. The challenges the project has encountered also raises serious concerns over the governance process in use. How could a project go for so long with so much dysfunction?

Madam Chair, the causes of failure of the project included the following: lack of oversight (six years after fact the matter is being pursued); poor requirements management and a lack of attention to detail (resulting in faulty requirements); dysfunctional decision-making; failure to engage stakeholders; and high staff turnover levels.

Madam Chair, there are many and various causes of project failure and every failed project will have its own set of issues. Sometimes it is a single trigger event that leads to failure, but more often than not, it is a complex entwined set of problems that combine and cumulatively result in failure. Generally these issues fall into two categories. Things the team did do (but did poorly) or things the team failed to do.

- Failure to understand the why behind the results in a project delivering something that fails to meet the real needs of the organization, failure to document the “why” into a concise and clear vision that can be used to communicate the project’s goal and vision to the organization and as a focal point for planning.
- Failure to establish a governance structure appropriate to the needs of the project, appointing a Sponsor who lacks the experience, seniority, time or training to perform the role effectively and fails to take ownership of the project seriously or who feels that the Project Manager is the only person responsible for making the project a success.
- Failure to identify or engage the stakeholders, and viewing the project through the eyes of the stakeholders results in a failure to appreciate how the project will impact the stakeholders or how they will react to the project, imposing a solution or decision on stakeholders and failing to get their buy-in.
- Lack of clear roles and responsibilities result in confusion, errors and omissions, there are insufficient team members to complete the work that has been committed to, projects are done “off the side of the desk” (i.e. team members are expected to perform full time operational jobs while also meeting project milestones).
- Lack of formality in the scope definition process, address excessive scope volatility or uncontrolled scope creep, fully understanding the operational context in which the product being produced, and requirements results in vagueness and different people having different understandings of what is in and what is out of project scope.
- Those who will actually perform the work are excluded from the estimating process, estimates are provided without a corresponding statement of scope and estimation is done based on insufficient information or analysis (rapid off-the-cuff estimates become firm commitments)
- Failure to plan or diving into the performance and execution of work without first slowing down to think, working under constant and excessive schedule pressure, assuming effort estimates can be directly equated to elapsed task durations without any buffers or room for non-productive time, failure to manage management or customer expectations and scheduling the projects.

Madam Chair, I am therefore requesting current and future government of Ghana to treat all policies and endeavours as projects to ensure success, also engage the services of expertise project management professionals as well as disallowing political interferences in all project that will emanate into growth and development of the nation, I will





and by quoting from an article published this year “Any Project that does not meet the project requirement has failure as its other name”.

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