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Introduction – Governance of Public Investment Projects

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1.1 Governance Arrangements for Project Development and Implementation

Major public investment projects (sometimes referred to as major government projects) are one of the key mechanisms for the implementation of government policies. Such projects can be found in various sectors, including infrastructure (transport, information, and communication technology [ICT], water, energy), defence, systems transformation, or organizational change, and they are often not only significant in terms of scale but also complex and politically significant. Major government projects must deliver on policy priorities and societal needs, but they have a poor track record of delivery. Cost overruns, delays, and failure to meet intended objectives are common, and this book aims to address some of these challenges from the perspective of project governance.

Governance, especially at the front-end of projects, has long been recognized as a key determinant of successful public investment projects. Project governance involves establishing and implementing arrangements, structures, and processes to facilitate decision-making, establish accountability, and ultimately align project delivery with the policy goals they are intended to deliver on (Samset and Volden 2016). Recently, a growing body of literature on project governance has emerged, accompanied by an increasing recognition of the role of governance in shaping long-term project outcomes. Nonetheless, much of this literature remains primarily directed at academic audiences.

Over the past two decades, several countries have also introduced practical project governance arrangements aimed at ensuring that large public investment projects are justified, well planned, and efficiently delivered. Frameworks from six countries were presented in a study by the Concept research programme 10 years ago (Samset et al. 2016, later published as an academic paper, Volden and Samset 2017). Many more schemes exist. They share similarities and differences, and together, they represent a wealth of experience that should be shared across countries.

This book aims to bridge the gap between policy intentions and project delivery. It builds on Samset et al. (2016) but expands the scope by including more countries

and their respective schemes, as well as more recent experiences. In contrast to the 2016 study – which was based on a desk review conducted by Norwegian researchers – this book is the result of a collaborative project involving experts from all the included countries. These contributors bring valuable, close-up knowledge of the schemes, enriching the analysis with first-hand insights. The book aims to bring recent research on project governance into the realm of policy and industry practitioners – those responsible for planning, sponsoring, and delivering major public investments. These practitioners often operate under time constraints and require insights that are both theoretically grounded and practically applicable. In this book, we aim to provide such applicable insights, informed by empirical research and experience across different countries.

The editorial team’s involvement in initiatives such as the Concept Research Programme in Norway and Project X in the United Kingdom has highlighted the importance of governance in improving project outcomes. These research initiatives have contributed to the ongoing development of governance models in dialogue with public sector project delivery practitioners. Drawing on this experience, the book offers a comparative perspective on governance arrangements across different country contexts to inform policy practice.

1.2 Governance Theory – Conceptual Foundations

This book focuses on the formalized governance frameworks introduced by the topmost level of government, that is the institutional frameworks and decision-making processes that guide project development and implementation. It involves the allocation of roles and responsibilities, the establishment of procedures for quality assurance (QA), and the creation of mechanisms for oversight and accountability.

Recent academic work has emphasized the importance of governance, particularly at the front-end of projects. This fuzzy phase begins with a vague idea about the problem to be solved and its solution (presumably in the form of a temporary project), and it ends with the decision to sanction the project for execution. Research suggests that this front-end phase of projects is essential to establishing the direction and long-term outcomes for the project. Similarly, strong governance at the front end can mitigate issues such as selecting the wrong projects for execution, biased cost estimates, and inadequate stakeholder engagement.

The literature on project governance is burgeoning, with more recent invaluable contributions from project management scholarship such as Müller et al. (2023), Williams et al. (2022), and Volden and Samset (2017). Such contributions (as elaborated upon further in Chapter 2) provide a theoretical and conceptual foundation for empirical analyses that highlight the role of governance, both at the front end of projects and during execution and handover. Governance also contributes to a more structured decision-making process, the delineation of organizational and institutional roles, all leading to stronger QA mechanisms.

Despite these developments, a significant gap remains in the literature that translates governance theory into practical guidance for policy and industry practitioners. With this book, we aim to address this gap by discussing and elaborating on formal project governance

schemes in a format that is more accessible to project professionals, regardless of whether they are government officials or industry practitioners.

1.3 Rationale – Selection of Case Settings

The rationale for this book is based on the need to provide a comprehensive and comparative analysis of governance arrangements for major public investment projects. Our international experience has convinced us of the value of institutionalized governance models for delivering projects and improving their outcomes. These governance models often include stage-gates as a structure for decision-making to establish accountability, efficiency, and legitimacy.

In Norway, the Concept Research Programme focuses on the front-end governance of major public investment projects under the Norwegian State Project Model, also known as the QA scheme. This model, which was introduced by the Ministry of Finance in 2000 and applies to investments in all sectors, involves a stage-gate process with defined decision points, institutional roles, and QA requirements. The research programme has generated extensive empirical data and theoretical insights into how sound decisions can be made and projects effectively governed. The long-term ambition of the collaborative programme is to contribute to research, capacity building, and institutional reform, enabling an ongoing dialogue with the public sector project delivery bodies.

Some other countries have introduced similar research initiatives related to public project governance. In the United Kingdom, Project X – Improving Project Delivery – research initiative, which ran between 2018 and 2025, in collaboration with the Infrastructure and Projects Authority (IPA) – now renamed as the National Infrastructure and Service Transformation Authority (NISTA) – aimed to improve the governance of planning and delivery of the Government Major Project Portfolio (GMPP). In Denmark, a research network called Program Denmark was established in 2023 to improve the governance, planning, and execution of major public projects.

Building on experiences from these and other research activities in the area of project governance, the book includes country cases from Norway, Sweden, Denmark, the United Kingdom, Ireland, the Netherlands, Canada (both the Province of Quebec and the federal level), the United States, and Australia. While many other countries could have been taken to study project governance and its implementation, these countries were selected based on their relatively coherent use of formalized stage-gate models, institutional diversity, policy relevance, and the availability of experiences with their implementation. Our approach was to engage with a selected group of international experts from academia, civil service, or multilateral bodies; to achieve deeper engagement with the practices; and to strengthen the credibility of the analysis and discussion.

The country cases follow a consistent descriptive structure, enabling comparative analysis across key dimensions:

- Country context and background for introducing public project governance arrangements

- Presentation of the governance frameworks and stage-gate models, including institutional roles and responsibilities, QA mechanisms, etc.
- Experiences with the frameworks, including implications for project selection, delivery, and accountability

In addition to national-level examples, the book also briefly touches on critical perspectives from supranational and multilateral bodies, including the European Commission and the World Bank. They provide valuable international perspectives on governance practices and policy implementation, including the focus on the delegation of roles within the European Union (EU) budget implementation system and the separation of roles embedded in the no-objection principle for the approval of World Bank projects.

The comparative analysis intends to identify commonalities and differences in governance across countries and settings and to generate practical insights and recommendations for governments and other bodies working with project governance schemes or planning to implement them. Using a range of examples and experiences, we intended to develop a valuable resource for practitioners engaged in the planning and delivery of major public investment projects.

1.4 How to Use This Book

This book is structured to serve as both a reference work and a practical guide for government officials and industry practitioners tasked with implementing policies through projects. It comprises two main parts. After the introduction and a summary of key theoretical concepts in Part I of the book, we present detailed case studies of governance models in the selected countries and supranational/multinational organizations in Part II of the book (Chapters 3–14). Each chapter follows a structure that facilitates comparative analysis and discussion. The country cases provide insights into the design and operation of governance mechanisms, institutional roles, QA procedures, and the historical evolution of governance schemes.

The final section and Part III of the book (Chapters 15 and 16) develop a comparative analysis of the governance arrangements presented in the country cases. The analysis explores the relationship between project delivery, the project front-end, and policy intentions. The final segment also provides practical advice for institutional design and reform, addressing issues such as QA, culture and governmentality, and the roles of planners, project managers, sponsors, and owners. We conclude with a brief discussion of the contributions to knowledge on project governance and relate key findings with the key governance theoretical frameworks: Transaction Cost Economics (TCE), Agency Theory (AT), and Stewardship Theory (ST).

1.5 Intended Audience and Use

The book is written for government officials and industry practitioners who are responsible for the planning and implementation of major government investment projects.

These include civil servants, project sponsors, planners, and delivery managers. The book is also relevant for post-experience degree-level programmes (e.g. MSc, MBA, MPM, and MPA) and professional development courses focused on major projects and programmes, infrastructure, and policy implementation.

While the book can be read sequentially, it is designed for flexible use, allowing readers to focus on sections most relevant to their professional needs.

References

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