

**TACKLING INCESSANT ICT PROJECT
FAILURE THROUGH EFFECTIVE
REGULATIONS**

PRESENTATION BY

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(AFICTA) e- CONFERENCE**

ON

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[PROTOCOLS]

May Peace, Mercy and Blessings be upon you!

I want to specially congratulate the Board of Trustees of AfICTA on this momentous occasion. NITDA has been a consistent supporter of AfICTA as exhibited in the hosting of AfICTA side event during the 2017 edition of the e-Nigeria International Conference and Exhibition. I believe in the vision of the organization - Africa must work together to stand any chance in the world stage.

Distinguished colleagues, permit me to digress a little. The recently concluded World Cup is an object lesson for us all. While the five African representatives went home after the group stage, you will agree with me that Africa won the World Cup. France has Africans of Congolese, Senegalese, Algerian, Togolese, Cameroonian and Nigerian descent on parade. Of the four goals, Africa scored 3 to give France the cup. So I believe AfICTA is that platform that would bring African ICT thought leaders together to challenge the global status quo.

Information Technology projects failure is a global phenomenon with varying degree of impact on different users. The International Data Corporation (IDC) in its 2009 report found that 25% of IT projects surveyed experienced outright failure,

up to 50% needed substantial rework, and 20% - 25% do not provide Return on Investment (RoI) [Pucciarelli, Joseph C., Wiklund, Dana, 2009]. Furthermore, an insightful Gartner survey published in 2012 revealed that larger IT projects have increased risks of failure compared to small projects. The report concluded that overall, about 50% of IT projects fail

(see

<https://www.gartner.com>doc>surveyshowswwhyprojectsfail>)

The Standish Group reported that between 2003 to 2012, only 6.4% of US Federal Government IT projects were successful. When NITDA released a statement that over 90% of IT projects in Nigerian Ministries, Departments and Agencies (MDA) failed, many people thought it doubtful. It may interest you to know that the Press Statement was issued based on an extensive research carried out by the Agency. Furthermore, other international and local research findings have justified that position and I will be glad to hear the experiences of colleagues participating in this conference, especially those from other African countries.

The pertinent question is: ***What are the causes of IT projects failure?*** It is almost impossible to exhaust all the remote and direct causes of IT projects failure; however, the general view is that IT projects fail because of inadequate resourcing, exceedingly aggressive timelines,

over/underestimated costs, overlooked requirements, inadequate risk assessment, poor governance and human errors. For us in NITDA, we have identified numerous causes but I will focus on the major ones from the public sector perspective.

a) Inadequate Planning

Our experience at the IT Projects Clearance Committee has come to the irresistible conclusion that many MDAs do not properly plan their projects before implementation. IT Projects planning is critical to success. Unlike other kinds of projects, every decision made to execute an IT project must take into consideration the Enterprise Architecture framework, systems interoperability, security, sustainability etc. a critical analysis of these issues reveal the hollowness of many projects.

One recurring reason of lack of adequate plan is budgetary consideration. Many MDAs have reasonable understanding of their needs for a set of IT solutions. However, they are timid to drill deep into the project plan except they are sure of securing funding for it. When they eventually secure legislative approval, they are not sure if the project would form government priority and receive the necessary cash-backing. This state of uncertainty hovers round the project until the procurement cycle is almost out at which stage the

project owners get into a frenzy. Without adequate planning, such projects are headed for failure.

b) Poor Stakeholders Management

Closely related to projects planning is stakeholders' management. Due to the high impact nature of most government IT projects, stakeholder management is critical for success. Many project managers implement projects without first critically doing a stakeholders' mapping, interest analysis, impact analysis, multiplier effects among others. Failure to give proper thoughts to these issues lead to the isolation of certain stakeholders whose inputs might result in better outcomes for the project.

c) Inadequate Skilled Manpower

Many projects do not fail at the point of implementation but fail in terms of sustainability. The reason for this is not far-fetched- there is no adequate manpower within the MDAs to properly scrutinize IT projects, ask the right questions from the contractor, monitor compliance with standards and continue the management of the project after the contractor has delivered the project. The criticality of quality manpower in the IT sector cannot be overemphasized. IT is fast-evolving therefore knowledge quickly gets stale and if IT project planners do not properly consider the need to train and retrain staff on the solution being deployed, the

resultant effect would be project failure as government is left at the mercy of the consultants.

d) Using IT as a vehicle for corruption

IT is a dynamic and new field for many Nigerians. Until recently when NITDA started enforcing IT Projects Clearance for public sector projects, some MDAs contrive bogus projects in the field of IT and flaunt such projects as being the complete solutions to perceived problems. Upon approval, huge amounts of money are paid while the problems persist or get worse. This grand scheme of corruption is done in active connivance with private sector players who act as the consultants and contractors in many cases.

Recently one of the most reformed MDAs approached NITDA to review an MOU it had with a service provider which had been retained for long. We were happy to see that the new Chief Executive Officer of that Agency had negotiated the contract to about a quarter of the cost while getting more value from the same service provider.

Furthermore, our investigation revealed that certain people in the system forced the Service Provider to mark up the cost in order for them to receive a share of the earnings. Incidents like these are prevalent in the MDAs, no wonder

the service providers are not motivated to deliver on their expectations.

Brief Overview of NITDA

Distinguished colleagues, it is pertinent for us now to know the **role of NITDA in Nigeria's IT Landscape**. You may recall that Nigeria as a country, realizing that IT is the bedrock for national survival and development in a rapidly changing global environment, and in an effort to address a host of vital socio-economic issues such as reliable infrastructure, skilled human resources, open government and other essential issues of capacity building, approved the National IT Policy in March 2001 and began the implementation with the establishment of NITDA in April, 2001 to, as stated in the policy, ***"to implement the National IT Policy, regulate, monitor, evaluate and verify progress on an ongoing basis"***. The Agency's mission is to ***develop and regulate IT for inclusive and sustainable national development*** with the vision of ***being the prime catalyst for transforming Nigeria into a knowledge-based economy***.

As can be deduced from the statements above, the Agency was borne out of the fact that Nigeria could not afford to be left behind in the IT revolution which was entering its 3rd wave at

that time. The Agency's mandate can be summarized into three:

1. IT Development;
2. IT Regulation; and
3. IT Advisory.

In fulfilling its IT development mandate, the Agency has established various IT capacity building centres in almost every local government in the country. It has carried out over a hundred digital capacity building activities for different categories of individuals and groups and given hundreds of postgraduate scholarships to students within and outside the country.

On IT Advisory, NITDA has become a major adviser to public and private sector players on IT projects and programmes implementation. Most MDAs have realized the value addition that Agency's Advisory gives to their projects and programmes. By consulting with NITDA, some agencies have realized there is no need to build their own data centres when they can get better value through collocation. Resources have been saved and issues of project sustainability have been addressed through the advice given by the Agency.

The IT Regulatory function of NITDA is the most important and yet the most neglected up till late 2016. The NITDA Act emphasizes regulation more than any other function. Upon assumption of office in September, 2016, we realized that we cannot have sustainable development without proper regulation of the IT sector. This narrative is seriously changing as we are strengthening regulation by improving internal capacity, restructuring the Agency and collaborating with relevant stakeholders to get the regulatory function right and beneficial to all Nigerians.

Regulation and IT Projects Failure

As enumerated above, IT projects failure is not peculiar to Nigeria. However the failure rate in the country's public sector is most alarming. The most effective antidote to such abysmal failure rate is effective regulation. Section 6(a) of the NITDA Act provides - *the Agency shall (a) Create a frame work for the planning, research, development, standardization, application, coordination, monitoring, evaluation and regulation of Information Technology practices, activities and systems in Nigeria and all matters related thereto.*

Standardization, coordination, monitoring, evaluation and regulation are all regulatory functions, without which the Agency would have failed in its core *raison d'être* (reason for being). NITDA strives to achieve a balance between regulation

and development. According to Joseph Stiglitz, *while regulation has typically focused on preventing 'harmful' behaviors, there are some regulations that encourage 'constructive' behaviors.* The Agency's regulatory interventions are focused on prevention of failed projects and encouraging better project outcomes.

One of the first measures we took to reverse the ugly trend of project failures is to constitute an IT Projects Clearance Committee. This Committee is comprised of professionals from various disciplines who meet weekly to evaluate proposed projects from MDAs, engage such MDAs where necessary and determine if such projects need to be reworked, improved or approved without any objection. Over 100 projects have been submitted and evaluated thus far by the Committee. The unanimous verdict of MDAs who have gone through the process is that it is worthwhile and value adding. Major MDAs such as CBN, EFCC, CAC, FIRS, Petroleum Equalisation Fund (PEF), etc. attest to the value of this process.

Other regulatory instruments are Nigerian Interoperability Framework (Ne-GIF), Nigerian Government Enterprise Architecture (NGEA), Data Protection Guidelines, Standard and Guidelines for Government Website, Guidelines for Clearance of information Technology Projects in MDAs, Framework and Guidelines for the use of Social Media Platforms by Government

Establishments. Some of these instruments have been presented to stakeholders in for their inputs.

Furthermore, NITDA's regulatory intervention has come in handy to prevent foreign exploitation. In a recent case that we handled, a foreign Enterprise Resource Planning (ERP) software Licensor had an indigenous Channel Support Partner interfacing with its Nigerian customers. Suddenly the contract was terminated and the support service was awarded to a foreign company. This state of affairs was unacceptable to us because it contravened the Guidelines on Nigerian Content in ICT 2013. We engaged the ERP company vigorously and ensured the decision was rescinded in favour of another local support service provider. If this had not been done, local companies and MDAs would have to pay more for lesser support and of course business processes would be held to ransom, which would inevitably lead to losses and eventual failure.

Still striving to ensure project failure prevention, NITDA issued a Framework and Guideline for Registration of IT Contractors and Service Providers. Although this was met with initial mild resistance, all stakeholders have now agreed that our decision was in the best interest of the sector and indeed the country at large. The intention of this registration is to ensure that those providing IT services to government are properly identified and their competencies confirmed. Due to lack of a database, some

unscrupulous elements go from one MDA to another implementing the same failed projects without any reprimand. We are confident that this measure would help stop this practice as persons and companies with unregistered competencies would no longer get public sector jobs.

Distinguished colleagues, you will agree with me that IT projects failure is a huge drain on our meagre national resource; any veritable measure to reduce it is welcomed. However, the most sustainable measure is for the IT sector regulator to be supported to achieve its regulatory mandate fully with a view to developing the sector rather than stifling it.

In conclusion, I wish to thank the leadership AfICTA for this laudable initiative. I wish you very fruitful deliberations and look forward receiving the outcome.

I thank you for your attention.

**Isa Ali Ibrahim Pantami, PhD, FBCS, FIIM,
19th July, 2018**