STAKEHOLDERS
AND TRANSNATIONAL PROJECTS

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Projects of a transnational nature are now commonplace in today’s world.

An accurate current estimate of the volume of investment in transnational projects does not exist but it is reasonable to conjecture that it runs at least into several hundred billion Dollars. Transnational projects hence constitute a sizeable chunk of the overall global project portfolio.
TPs involve entities from two or more states providing significant project input, esp. funding, material, human & technical resources, information, knowledge or creative input, or facilitative support including the right of transit.

TPs need not physically transcend national territorial borders. Most TP’s are undertaken within one state. Some TPs may attract widespread attention (and support or condemnation) in other states.
- Globalization
- Resource Mobility (Human, Financial, Technical, Information & Knowledge etc.)
- Liberalization & Deregulation
- Foreign Direct Investment
- External Trade (Tariff & Non-Tariff Barriers)
- Supply Chains
- Perceived Benefits
- Practicality
- Etc.
- Resource Pooling: Financial, Technological, Managerial, Human, Informational etc.
- Access to a diverse spectrum of experiences, ideas, strategies, processes, quality standards and work methods etc.
- Risk sharing
- Necessary for some projects (e.g. infrastructure, production)
- Political and social benefits
- Conflict reduction
- Comparative Complexity: Technical & Managerial
- Cultural Issues
- Communication Barriers
- Unfamiliar Rules & Regulations, Bureaucracies, Legal & Political Systems etc.
- Contract Protection
- Incentives & Guarantees
- Policy Continuity
- Behaviour of Locals
- Other Considerations
In stakeholder perspective, TP's can be grouped into 5 categories:

- Cooperative
- Collaborative
- Integrative
- Divisive
- Mixed Category
Cooperative TPs constitute the majority of all TP’s. They span the public, commercial, and not-for-profit sectors.

Examples: Joint Ventures, Mergers & Acquisitions, Development Programs/Projects, Outsourcing, Scientific R&D, Movies/Documentaries, PPPs, joint initiatives in education, culture, health, archeology, public admin. and other fields, events.

Governments → Facilitating environment, Sustain.
Collaborative TPs are more focused on the objective of deepening interstate relationships in the economic, political, social and other spheres.

Examples: Joint creation of new or improvement of existing interconnecting infrastructure systems (road & rail transport networks, seaports & airports, oil & gas pipelines, common electrical grids).

Steering function of governments. Sustained political commitment.
Integrative TPs are focussed on the objective of bringing about a very close integration between nations over time in all spheres.

Examples: Projects sponsored by the EU, ASEAN, GCC and other state groupings for the purpose of integrating/aligning their member states’ markets, standards, institutions, financial systems and physical infrastructure.

Commitment and intensive planning/coordination at intergovernmental level.
Divisive TPs are projects undertaken by or in a state which cause tension/concern in other states at governmental level and/or among non-governmental entities.

Examples: Nuclear programs of Iran and N. Korea, missile development, construction of dams on transboundary rivers, oil & gas exploration projects in disputed territory (Spratley Islands), housing development schemes in East Jerusalem, Qatar Football Event.

Potential for armed conflict and adverse economic consequences.
Mixed Category TPs are projects undertaken bi- or multilaterally between states which constitute a source of tension and concern in other states.

Examples: China-Pakistan Economic Corridor Project, Iran-Pakistan Gas Pipeline Project, Alternative Oil & Gas Pipeline Schemes in Caucusus and Middle East which aim to supply energy to Europe, Sino-Myanmar oil and gas pipelines.
Implications for Stakeholder Management & Engagement
Primary Stakeholders: Entities which have a contractual obligation or legal responsibility towards the project. Egs.: Owner/Client, Project Manager & Team, Consultant, Contractor, Sub-Contractors, Vendors, Public Administration.

Secondary Stakeholders: Entities which do not have a contractual or legal responsibility to project but are affected by it. Egs.: Competitors, Environmentalists, Media, Local Community, General Public.
### Managing & Engaging T. Stakeholders

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<thead>
<tr>
<th>Transnational Proj. Category</th>
<th>Management (Primary Stakeholders)</th>
<th>Engagement (Secondary Stakeholders)</th>
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<tbody>
<tr>
<td>Cooperative</td>
<td>More complex than in a non-transnational environment. Potentially significant cultural &amp; communication challenges and riskier project external environment.</td>
<td>Secondary stakeholder community may be larger and more diverse. More effort needed to overcome possible adversity to such projects.</td>
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<tr>
<td>Collaborative</td>
<td>Generally technically complex infrastructure and other projects of national importance. Sustained commitment as well as facilitation at inter-governmental level necessary.</td>
<td>Some consultation and good communication is needed to convince secondary stakeholders of the benefits of such projects and address their legitimate concerns arising in connection with these projects.</td>
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<td>Integrative</td>
<td>Complex. Very diverse project spectrum. Excellent communication/coordination needed along with incentives and robust enabling environment. Very strong and sustained commitment and long-term perspective at intergovernmental level.</td>
<td>Huge number of stakeholders! Customized information strategy aimed at apprising secondary stakeholders esp. of the tangible benefits of such projects. Broad public consultations, awareness building measures and encouragement of inclusion and active participation of all levels of society.</td>
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<td>Divisive</td>
<td>Normally less complex than other transnational projects involving foreign entities as projects in this category are performed in-country.</td>
<td>Pursuit of constructive dialogue and mutual understanding. Focus on commonalities not differences. Avoid harsh rhetoric, confrontation and threats. Prioritize identification of win-win approaches. Willing-ness to placate and compromise.</td>
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<td>Mixed Category</td>
<td>Complex. Additional challenge for primary stakeholders, incl. national governments, of facing sanctions from powerful hostile secondary stakeholders which may greatly increase project risk.</td>
<td>As above under Divisive.</td>
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THANK YOU!

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QUESTIONS & COMMENTS