



## **RISK MANAGEMENT IN CONFLICT-PRONE PUBLIC SECTOR PROJECTS IN NIGERIA: IMPLICATIONS FOR GOVERNANCE, SECURITY AND SUSTAINABLE DEVELOPMENT**

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### **ABSTRACT**

Risk management is a critical governance tool, especially in fragile contexts like Nigeria, where public sector projects operate amidst insecurity, instability, and social division. These conditions expose projects to risks that cause delays, cost overruns, abandonment, and even conflict. This qualitative study, using secondary data, examines how risk management influences project effectiveness, conflict sensitivity, and sustainable development in Nigeria. It finds that inadequate risk identification and poor stakeholder engagement undermine outcomes, while proactive, inclusive, and adaptive practices enhance resilience, accountability, and peacebuilding. The paper concludes that institutionalizing comprehensive, conflict-sensitive risk management within public sector governance is essential for sustainable development in Nigeria.

**Keywords:** Risk Management, Public Sector Projects, Conflict, Governance, Sustainable Development, Nigeria.

### **INTRODUCTION**

Risk constitutes an inherent and unavoidable element in the planning, execution, and sustainability of development projects. It is fundamentally defined as the effect of uncertainty on objectives, encompassing the likelihood that unforeseen events or conditions may occur, potentially exerting a negative or sometimes positive impact on the achievement of project goals (ISO, 2018).

While public sector projects globally navigate a landscape of diverse risks, the intensity, frequency, and complexity of these risks are exponentially heightened in fragile and conflict-prone contexts such as Nigeria. Over the past two decades, Nigeria has been plagued by persistent and multidimensional insecurity, including the Boko Haram insurgency in the North-East, rampant banditry and cattle rustling in the North-West, recurrent farmer-herder conflicts in the Middle Belt, and resurgent militancy in the Niger Delta region (International Crisis Group, 2022).

These conflicts do not exist in isolation; they intersect perniciously with systemic weaknesses including weak institutional capacity, pervasive corruption, high youth unemployment, and profound infrastructural deficits. This confluence creates a hyper-complex risk ecosystem for public sector projects, where technical and financial challenges are deeply enmeshed with social, political, and security dynamics.

Consequently, a disconcerting number of government-funded projects suffer from chronic poor implementation, premature abandonment, massive cost escalations, and a resultant erosion of public confidence (World Bank, 2020). Historically, risk management within Nigeria's public sector has been narrowly construed, focusing predominantly on financial probity and technical feasibility, while granting limited systematic attention to social, political, environmental, and conflict-related risks (Ojiako, Maguire, & Mastrogiacomo, 2020).

This reductionist approach often leads to unintended adverse consequences, including community resistance, asset vandalism, and the inadvertent escalation of latent tensions into open conflict. This paper posits that risk management must be reconceptualized as both an essential project management discipline and a critical governance tool. When executed effectively, it can serve as a vital mechanism for conflict prevention, social cohesion, and the promotion of sustainable development.

The specific objectives of this paper are to: Examine the conceptual evolution and nature of risk management in public sector projects within fragile contexts, Identify and categorize the major risks affecting public sector projects in Nigeria, Analyze the intricate relationship between risk management practices and local conflict dynamics, Critically assess existing risk management frameworks and practices within Nigeria's public sector, Propose evidence-based strategies for strengthening conflict-sensitive risk management to foster sustainable development.

## **LITERATURE REVIEW CONCEPTUALIZING RISK AND RISK MANAGEMENT**

The concept of risk has evolved significantly beyond its early associations with financial loss. Contemporary scholarship defines risk as a state of uncertainty where possible outcomes have critical implications for valued assets or objectives (Aven, 2015). In project management, risk management is widely recognized as a systematic, iterative, and continuous process comprising key stages: risk identification, risk analysis (qualitative and quantitative), risk response planning (avoidance, mitigation, transfer, acceptance), and risk monitoring and control (PMI, 2021). The Project Management Institute (PMI) underscores that effective risk management enhances project predictability, supports informed decision-making, and optimizes resource allocation by reducing uncertainty. Within the public sector, the remit of risk management expands beyond project delivery to encompass a governance role. It is instrumental in strengthening public accountability, ensuring transparency, safeguarding public resources, and ultimately enhancing the quality and equity of service delivery (Power, 2007).

# **RISK MANAGEMENT IN CONFLICT-PRONE PUBLIC SECTOR PROJECTS IN NIGERIA: IMPLICATIONS FOR GOVERNANCE, SECURITY AND SUSTAINABLE DEVELOPMENT**

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## **RISK MANAGEMENT IN THE PUBLIC SECTOR CONTEXT**

Public sector risk management is distinct from its private sector counterpart due to the multiplicity of stakeholders, the pervasive influence of political cycles, the imperative of public (Rothstein, 2001). Scholars such as Flyvbjerg (2014) argue that public sector organizations must manage a broader portfolio of risks, including political risks (e.g., shifting priorities), reputational risks (e.g., public perception), and social risks (e.g., community backlash). In developing countries like Nigeria, these challenges are compounded by weak institutional capacity, bureaucratic inertia, corruption, and policy inconsistency (Hope, 2012). This institutional environment often results in "risk-blind" planning, where projects proceed without adequate foresight, leading to widespread failure to achieve intended socio-economic outcomes despite substantial resource allocation (Ika, 2012).

## **TYOLOGY OF RISKS IN NIGERIAN PUBLIC SECTOR PROJECTS**

Public sector projects in Nigeria are exposed to a taxonomy of interconnected and often cascading risks, which can be categorized as follows:

- i. **Political and Governance Risks:** These include policy reversals following elections or changes in administration, political interference in site selection or contracting ("elite capture"), legislative instability, and the politicization of project benefits (Adegboye et al., 2020).
- ii. **Economic and Financial Risks:** Key risks encompass macroeconomic instability (high inflation, currency devaluation), funding shortfalls due to revenue volatility, delays in budgetary releases, and inadequate fiscal planning for long-term operation and maintenance (CBN, 2023).
- iii. **Social and Conflict-Related Risks:** This category involves community resistance due to perceived marginalization or lack of consultation, escalation of pre-existing ethnic or religious tensions, grievances over land and resource allocation, and the exclusion of vulnerable groups (women, youth, indigenous populations) from project benefits (UNDP, 2016).
- iv. **Security and Safety Risks:** These are direct threats from insurgency, terrorism, banditry, kidnapping of personnel, vandalism and theft of equipment, and general lawlessness that can halt project activities (Mustapha, 2019).
- v. **Institutional and Operational Risks:** These are internal risks such as weak technical and managerial capacity, corruption in procurement and contracting, bureaucratic red tape, poor inter-agency coordination, and deficient monitoring and evaluation systems (Opawoye, 2018).

## **RISK MANAGEMENT AND CONFLICT SENSITIVITY: A CRITICAL NEXUS**

Conflict sensitivity is a foundational principle for interventions in fragile states. It refers to the conscious effort of an organization to understand the context in which it operates, to understand the interaction between its interventions and that context, and to act upon this understanding to avoid negative impacts and maximize positive impacts on conflict dynamics (Conflict Sensitivity Consortium, 2012). Poorly designed or implemented projects can inadvertently reinforce structural inequalities, deepen marginalization, and create or amplify grievances, thereby becoming a driver rather than a mitigator of conflict (Barbolet et al., 2005). Empirical evidence from various fragile states demonstrates that integrating rigorous conflict and stakeholder analysis into the risk management cycle significantly improves project

sustainability, local ownership, and contributes to peace-building by addressing root causes of tension (USAID, 2018). In Nigeria, where development deficits and insecurity are causally linked, adopting a conflict-sensitive lens in risk management is not optional but imperative.

## **THEORETICAL FRAMEWORK**

This study is anchored on two complementary theoretical perspectives: **Systems Theory** and **Conflict-Sensitive Development Theory**.

**Systems Theory:** Pioneered by von Bertalanffy (1968), this theory posits that a project is not an isolated entity but a subsystem embedded within a larger socio-political, economic, and environmental system. The theory emphasizes interdependence, feedback loops, and emergent properties. Applied to risk management, it suggests that risks cannot be effectively identified or mitigated in isolation from the broader system. A change in one element (e.g., a political decision, a communal grievance) can trigger ripple effects across the project (Checkland, 1999). This necessitates a holistic approach to risk management that continuously scans and interprets the wider contextual system.

**Conflict-Sensitive Development Theory:** This theory, evolving from the Do No Harm framework (Anderson, 1999), argues that all external interventions, including development projects, become part of the local context and will inevitably interact with existing conflict dynamics. It provides a normative and practical framework for ensuring that projects minimize negative impacts (e.g., exacerbating divisions) and maximize positive contributions to peace (e.g., creating shared benefits, improving state-society relations) (Paffenholz, 2014).

Together, these frameworks provide a robust foundation for conceptualizing risk management as a holistic, adaptive, and reflexive process. It must be deeply attuned to Nigeria's complex contextual realities, acknowledging that managing project risks is intrinsically linked to managing broader societal tensions.

## **METHODOLOGY**

**Research Design:** This study adopts a qualitative research design, employing a descriptive and analytical approach. Qualitative methodology is deemed appropriate as it facilitates an in-depth, nuanced exploration of institutional practices, stakeholder perceptions, and the contextual factors shaping risk management in Nigeria's public sector (Creswell & Poth, 2018).

**Data Sources:** Data was collected exclusively from secondary sources to build a comprehensive evidence base. These sources include: Nigerian government policy documents (e.g., \*National Development Plan 2021-2025\*, *National Risk Assessment* reports), Project evaluation and audit reports from agencies like the Bureau of Public Procurement (BPP) and the Office of the Auditor-General for the Federation, Peer-reviewed academic articles, books, and conference proceedings on risk management, public administration, and conflict studies,

Publications and operational reviews from international development agencies operating in Nigeria (e.g., World Bank, UNDP, DFID/FCDO reports).

Media reports and case studies documenting specific project successes and failures (e.g., the abandoned Ajaokuta Steel Complex, challenges in the Niger Delta Development Commission (NDDC) projects, and relatively successful community-driven projects).

**Method of Data Analysis:** Thematic content analysis was employed as the primary analytical technique (Braun & Clarke, 2006). This involved a systematic process of coding the collected documents to identify recurring themes, patterns, and discourses related to: (a) how risks are

# **RISK MANAGEMENT IN CONFLICT-PRONE PUBLIC SECTOR PROJECTS IN NIGERIA: IMPLICATIONS FOR GOVERNANCE, SECURITY AND SUSTAINABLE DEVELOPMENT**

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identified and prioritized; (b) the nature and effectiveness of mitigation strategies; (c) the depth and quality of stakeholder engagement; and (d) the observed impact of these practices on project outcomes, conflict dynamics, and governance indicators. The analysis focused on drawing connections between specific risk management approaches and their subsequent implications.

## **ANALYSIS AND DISCUSSION**

### **RISK IDENTIFICATION AND ASSESSMENT PRACTICES: A DEFICIT IN FORESIGHT**

The analysis indicates that risk identification in a substantial number of Nigerian public sector projects remains predominantly reactive and superficial. There is a pronounced bias towards acknowledging "hard" risks financial constraints, technical specifications, and contractual deadlines while "soft" but critical risks related to social acceptance, political economy, and conflict drivers are systematically underestimated or omitted entirely (Ebekoziem & Aigbavboa, 2021). Projects that proceeded without conducting participatory community-level risk and conflict assessments were disproportionately more likely to encounter fierce local resistance, work stoppages, security incidents, and ultimately, failure. For instance, several road construction projects in the Middle Belt were delayed for years due to unanticipated land disputes and communal clashes that were not factored into initial planning (Egbe & Zubairu, 2020).

### **EFFECTIVE RISK MITIGATION STRATEGIES: LESSONS FROM THE FIELD**

Conversely, analysis of projects deemed successful or resilient revealed a common set of proactive and inclusive mitigation strategies:

- i. **Early, Continuous, and Genuine Stakeholder Engagement:** Moving beyond tokenistic consultations to establish formal and informal channels for dialogue with all affected groups, including dissenting voices.
- ii. **Inclusive Governance Structures:** Integrating traditional leaders, religious figures, youth and women's groups, and civil society organizations into project planning, oversight committees, and grievance redress mechanisms.
- iii. **Adaptive and Flexible Project Design:** Employing iterative planning approaches that allow for adjustments in timing, location, or implementation modalities in response to evolving security conditions or community feedback.
- iv. **Robust Monitoring, Evaluation, Accountability, and Learning (MEAL)**

**Systems:** Embedding specific risk and conflict indicators into MEAL frameworks to enable real-time tracking and adaptive management.

Projects that neglected these strategies, relying instead on top-down, technocratic approaches, frequently experienced severe cost overruns, rampant vandalism, and eventual abandonment.

**Table 1: Analysis of Major Risks and Mitigation Measures**

Risk Category	Common Manifestations in Nigeria	Proposed Conflict-Sensitive Mitigation Measures
<b>Political</b>	Policy instability postelection; elite capture of contracts; political interference in site selection.	<ul style="list-style-type: none"> <li>• Stakeholder advocacy for multi-partisan project buy-in.</li> <li>• Legal/policy frameworks to ensure project continuity.</li> <li>• Transparent, criteria-based decisionmaking.</li> </ul>
<b>Economic</b>	Inflationary cost escalations; currency	<ul style="list-style-type: none"> <li>• Phased implementation aligned with realistic funding cycles.</li> <li>• Contingency</li> </ul>
Risk Category	Common Manifestations in Nigeria	Proposed Conflict-Sensitive Mitigation Measures
	volatility; delayed statutory fund releases.	<ul style="list-style-type: none"> <li>• budgeting and hedging strategies.</li> <li>• Diversification of funding sources.</li> </ul>
<b>Social/Conflict</b>	Community resistance; ethnic/religious tensions;	<ul style="list-style-type: none"> <li>• Inclusive, participatory consultations and conflict mapping.</li> <li>• Establishment of accessible, trusted grievance mechanisms.</li> <li>• Design of projects to ensure equitable benefit-sharing.</li> </ul>
	exclusion of marginalized groups.	

**RISK MANAGEMENT IN CONFLICT-PRONE PUBLIC SECTOR PROJECTS IN NIGERIA: IMPLICATIONS FOR GOVERNANCE, SECURITY AND SUSTAINABLE DEVELOPMENT**

<b>Security</b>	Kidnapping of staff; attack on sites; theft of materials.	<ul style="list-style-type: none"> <li>• Community-based security pacts and early warning systems.</li> <li>• Close collaboration with security agencies and local vigilantes (with caution).</li> <li>• Security risk assessments informing activity scheduling.</li> </ul>
<b>Institutional</b>	Weak technical capacity; corruption in procurement; bureaucratic delays.	<ul style="list-style-type: none"> <li>• Targeted training and capacity building for public officials.</li> <li>• Digital and transparent e-procurement systems.</li> <li>• Institutional reforms to streamline coordination and accountability.</li> </ul>

**IMPLICATIONS FOR GOVERNANCE AND SUSTAINABLE DEVELOPMENT**

Effective, conflict-sensitive risk management transcends project delivery; it has profound implications for governance and national development. By promoting transparency in decision-making, ensuring accountability for resource use, and proactively addressing public grievances, it builds citizen trust in state institutions (Grzymala-Busse, 2007). This trust is a critical component of the social contract. Risk-informed projects that navigate tensions successfully contribute directly to conflict prevention and create an enabling environment for sustainable development by safeguarding investments and ensuring long-term benefits. Conversely, poor risk management characterized by opacity, exclusion, and disregard for local context actively undermines public confidence, deepens state-society fractures, and can transform development projects into flashpoints for instability, thereby perpetuating the cycle of underdevelopment and conflict (Zartman, 2005).

**CONCLUSION**

This paper has undertaken a detailed examination of the pivotal role of risk management in public sector projects implemented within Nigeria's volatile and conflict-prone environment. The study robustly demonstrates that inadequate, narrow, and technocratic approaches to risk management are a primary factor undermining project performance, wasting scarce public resources, and potentially intensifying underlying societal conflicts.

In stark contrast, comprehensive, integrated, and conflict-sensitive risk management practices rooted in systems thinking and genuine stakeholder partnership have been shown to enhance project resilience, strengthen governance legitimacy, and improve long-term development outcomes. Beyond its technical utility, effective risk management serves as a strategic peacebuilding instrument.

It does so by addressing the root causes of grievances, improving communication and trust between the state and its citizens, and systematically reducing the likelihood that wellintentioned development interventions inadvertently fuel violence. Therefore,

institutionalizing robust, context-adapted, and conflict-sensitive risk management frameworks within the very fabric of public sector governance is not merely a project management best practice; it represents a vital developmental and conflict-resolution imperative for Nigeria's future stability and prosperity.

### **STUDY LIMITATIONS**

This study is constrained by its reliance on secondary data and qualitative analysis, which may limit the generalizability of findings across all sectors and geo-political zones in Nigeria. The absence of primary field data, such as surveys and in-depth interviews with project managers, community members, and policymakers, restricts the depth of empirical validation and the capture of ground-level nuances. Future research should adopt mixed-methods approaches, combining quantitative surveys with qualitative case studies and participatory action research, to generate more granular, actionable insights into risk management practices at the micro-level of specific projects and communities.

### **RECOMMENDATIONS**

Based on the analysis, the paper proposes the following strategic recommendations:

i. **Policy and Institutional Reform:** The Federal Government, through the Office of the Secretary to the Government of the Federation and the Ministry of Finance, Budget, and

National Planning, should mandate and operationalize a National Public Sector Risk Management Framework. This framework must explicitly integrate mandatory conflict and stakeholder analysis as core components of all project appraisal and design phases.

ii. **Mandatory Integrated Assessments:** Social Impact Assessments (SIA), Environmental Impact Assessments (EIA), and dedicated Security and Conflict Risk Assessments (SCRA) should be legally required, thoroughly conducted, and publicly disclosed for all major public sector projects prior to approval and funding.

iii. **Professionalization and Capacity Building:** Massive investment in continuous capacity building for public officials on contemporary, context-specific risk management and conflictsensitive approaches. This should be integrated into the curricula of administrative staff colleges and universities.

iv. **Technology for Transparency and Monitoring:** Leverage technology (e.g., GIS for conflict mapping, digital platforms for public feedback, blockchain for procurement tracking) to enhance risk monitoring, transparency, and adaptive management.

v. **Strengthened Oversight:** The National Assembly and state assemblies should strengthen their oversight functions by specifically evaluating the adequacy of risk management plans in project proposals and during post-implementation audits.

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# **RISK MANAGEMENT IN CONFLICT-PRONE PUBLIC SECTOR PROJECTS IN NIGERIA: IMPLICATIONS FOR GOVERNANCE, SECURITY AND SUSTAINABLE DEVELOPMENT**

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