Series Article

Parliaments and projects Let's talk about public projects by Stanisław Gasik, PhD

# Let's talk about public projects 1

# Parliaments and projects<sup>2</sup>

#### Stanisław Gasik

#### Introduction

My previous article in this series (Gasik, 2023a) addressed the Public Project Governance component of the role of projects in public administration. For projects to fulfill their role, they must be implemented in a systematic way. Many institutions may be involved in organizing the ways of implementing public projects. Public administration has many levels, each of which has a specific mandate. This also applies to project activities.

Public Project Governance covers several levels: parliament, cabinet, ministries/departments, subordinate institutions, and companies managed by these institutions as well as internal levels – portfolios or projects. Parliament is the most influential institution in democratic countries. This article is devoted to the activities of parliaments in the area of project management.

Parliaments pass laws. There are three types of project management legislation:

- 1. Acts for individual projects or programs
- 2. Sectorial acts
- 3. Acts for all projects (general project laws)

The regulation by parliaments of the methods of implementation of individual projects or their larger collections is not equivalent to the whole development of public project management in a given country. Also executive branches of government deal with project management. However, the description of the activities of parliaments shows a very important piece of the development of the supreme state authorities' awareness in managing subordinate jurisdictions.

<sup>&</sup>lt;sup>1</sup> Editor's note: This article is the seventh in a series related to the management of public programs and projects, those organized, financed and managed by governments and public officials. The author, Dr. Stanisław Gasik, is the author of the book "*Projects, Government, and Public Policy*", recently published by CRC Press / Taylor and Francis Group. That book and these articles are based on Dr. Gasik's research into governmental project management around the world over the last decade. Stanisław is well-known and respected by PMWJ editors; we welcome and support his efforts to share knowledge that can help governments worldwide achieve their most important initiatives.

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Series Article

Parliaments and projects
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## Acts for individual projects or programs

Projects were implemented since the beginning of time, long before they were separated from other types of organized human activities. In ancient historical times, they were implemented on the basis of the decisions of the rulers - for example, the pharaohs decided to build the Egyptian pyramids. But as the ways of governing the state developed, the powers of the rulers were delegated to parliaments. This could not have happened earlier than 930 when the body recognized as the first modern parliament was established in Iceland.

However, it took several hundred years for parliaments to address project management. The Rebuilding of London Act 1666 (Parliament of England, 1667) was passed in England in 1667. Since the law dealt with many works today called projects with the common goal of rebuilding London, the subject matter of the law fits well with today's definition of a project program. The law was primarily concerned with the parameters of the buildings to be constructed: their height or wall thickness, the materials used for construction, and also some of the parameters of the streets – for example, their width. In this law, we find provisions for what today we would call quality management: the surveyors were authorized to check whether buildings meet the parameters specified in the Law.

More centuries pass... In the United States, the Pacific Railway Act 1862 (U.S. Congress, 1962) was passed. This legislation dealt with the construction of a railroad that would connect the clusters that existed in the eastern part of the United States with the West Coast. The act specified how the land would be acquired for the railroad and how construction would be financed through 30-year government bonds. It was not until an amendment to the 1863 law that the width of the tracks was specified (four feet and eight and one-half inches; 1,435m).

Other historic U.S. project laws include, for example, the Spooner Act (U.S. Congress, 1902) for the construction of the Panama Canal and The Boulder Canyon Project Act (U.S. Congress, 1928) for the construction of the dam, today named after U.S. President Herbert Hoover.

In Poland, after regaining independence and gaining access to the Baltic Sea in 1918, the Sejm passed the Act on the Construction of the Port of Gdynia (Poland Sejm, 1922). The law consisted of six articles and fit on one page. The most important article authorized the government to build the port. The port was to be built in what today we would call an incremental manner. Other provisions referred to the necessary expropriations and financing of the project.

The examples given above of single project laws date back to before World War II when Manhattan Project – considered the first modern project – was implemented. This project (in fact: a large project program), due to its military nature and the need to keep the work as secret as possible did not have its own law.

After WWII, laws on projects and project programs were also passed. Such laws concerned, for example, the creation of new capitals.

Canberra became the capital of Australia in 1913 and was later built under the National Capital Development Act 1957 (Australia Parliament, 1957). This law does not indicate

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the specific work required – instead, it refers to "planning, development, and construction of the City of Canberra." Each work is clearly a project, so the Commission's responsibility is a project program. The Act does not specify conditions for ending the Canberra construction program. Public programs often end with a change in public policy rather than when the predefined work is completed. This is what happened to the Canberra development program when the Australian Capital Territory became a self-governing territory in 1989 and has since been governed by different policies and regulations.

The law transferring the capital of Brazil from Rio de Janeiro to Brasilia (Brazil Presidencia da Republica, 1956) had a section on building a new capital. The law identified the entity responsible for the construction of Brasilia (Companhia Urbanizadora da Nova Capital do Brasil) and its tasks – similarly to the construction of Canberra, at a general level. Unlike in the case of Canberra, since the purpose of this company was to build from scratch and not to further develop the capital, the purpose of its operation was to enable the transfer of the capital to Brasília.

Individual laws in many countries are often passed for the construction of large, significant infrastructure facilities. The involvement of parliaments shows the importance of the projects to the development and operation of the country. Often, contemporary laws on large public projects describe the institutions affiliated to related to their functioning, financing, organization, and authorizations.

### **Sectorial acts**

At some point, it was noticed that parliaments may not only take direct decisions on the implementation of individual projects or project programs, but due to the implementation of many works of this type, it would be beneficial to regulate them in general. The first regulations concerned projects implemented in specific sectors of the economy. These are sectorial regulations. Regulations concerning IT/communication or Construction/infrastructure are common.

The first country in which a sectorial project management law was established was probably Iceland, where the Public Projects Procedures Act was adopted in 1970 (Iceland Althingi, 1970). This short document of four pages described how to implement construction projects. It indicates the main phases and roles involved in the implementation of such projects.

The Parliament of the Australian state of Victoria has passed a law on development and construction projects (Victoria, 1994). The regulation specifies, among other things, the authority to set standards, and the role responsible for projects (Secretary, Project Development).

The state of Colorado has an IT project management law (Colorado GASC, 2012). Under this law, the Office of Information Technology (OIT) is responsible for initiating and approving IT projects. OIT is responsible for establishing procedures related to project planning, budgeting, and feasibility studies. The law specifies mandatory elements of the project plan - including the identification of the project manager, the business case, business requirements, the method of verification and validation, and the funding strategy. The chief information officer (head of OIT) is responsible for

Parliaments and projects
Let's talk about public projects
by Stanisław Gasik, PhD

establishing a process for project reviews, verifying that the project is achieving its business objectives. This Act requires verification and validation of the system by an independent entity (third party).

There are provisions in the Florida statute regarding IT projects (Florida Legislature, 2016). According to them, Florida has standards for the management and supervision of IT projects.

A certain type of sector law may be the law on providing funds for infrastructure projects (New South Wales, 2011a). Also in New South Wales, under the law (New South Wales, 2011b), infrastructure projects must have plans with statutorily defined content (responsible party, cost, timeframe, etc.).

The passing of sectorial laws shows that parliaments understand the importance of projects for the development of countries. Thanks to such laws, entities thinking about implementing projects in a certain area know (to some extent) how to prepare for them. At the same time, the designation of laws for projects of a certain sector makes it possible to take into account their specificities. The existence of regulations passed by parliaments provides evidence that a government has reached the Governmental Level in the Governmental Project Management Maturity Model (GPM3®, Gasik, 2023b).

## **General project acts**

The general project acts apply to all public projects implemented in a given state. Such laws usually set a minimum size limit for projects below which these regulations do not need to be applied.

Below I describe some examples of regulation at the level of entire governments.

#### **Argentina**

In Argentina, public investment law (law no. 24.354, Argentina Congreso de la Nacion, 1994) requires the establishment of the National Public Investment System, covering all public projects. The law defines the process of initiating public projects. The same law defines the project life-cycle, which consists of the pre-investment phase (idea, profile, preliminary feasibility study, full feasibility study), project implementation, product operation, product shutdown or recall, and ex-post evaluation. Similar laws operate in other countries of the United Nations Economic Commission for Latin America and the Caribbean (UNECLAC, Spanish: Comision Economica para America Latina y el Caribe, CEPAL), for example, Peru (El Congreso de la Republica del Peru, 2000) or the Dominican Republic (El Congreso Nacional Dominicana, 2006). Countries with similar laws are affiliated to the Network of National Public Investment Systems (ECLAC, 2021).

#### USA

The two main regulations regarding the project approach to management at the federal level in the United States are the Government Performance and Result Act (GPRA, USA Congress, 1993), with a modification from 2010 (USA Congress, 2010), and the

www.pmworldjournal.com

Parliaments and projects
Let's talk about public projects
by Stanisław Gasik, PhD

Series Article

Program Management Improvement and Accountability Act (PgMIAA, USA Congress, 2015).

GPRA instructs government agencies to develop strategic plans and sets out how to account for the achievement of their goals. GPRA considers programs to be the core unit of work for US government agencies. They are used to achieve strategic goals. They may be, depending on the type of its activities, of project, mixed, and operational type. We list GPRA here, although projects are not explicitly listed in this Act (apart from pilot implementation projects) because it applies to programs that usually include projects in addition to ongoing operations.

Unlike the GPRA, the PgMIAA explicitly mentions "program and project management" in many statements. Again, programs are of any type including project and mixed ones. It requires, among others, to adopt standards, policies, and guidelines for program and project management, to establish a Program Management Policy Council (PMPC), and to introduce to each federal organization roles responsible for the development of program and project management skills. The Government Accountability Office (GAO) is expected to conduct portfolio reviews for high-risk programs and projects.

Government-wide regulations usually have to be more general than project-specific or sector-specific regulations. They usually concern, for example, the general form of procedures and required documents rather than detailed solutions. An obvious benefit of establishing such laws is that they cover all projects or programs of projects above a certain cost level. If the regulation contains appropriate provisions then such projects can remain under the direct control of parliaments – or specialized bodies authorized by them.

The enactment of laws for specific sectors or all projects in a country does not preclude the establishment of laws for individual projects or programs, but such regulations should be limited to the truly most important projects or programs – such as the construction of a new capital city or the reconstruction of the country's security system. But even in such cases, it is advantageous that decisions on the implementation of individual projects should be made in the context of generally applicable project implementation rules established at the central level.

# **Summary**

Parliaments were making decisions on project work long before this mode of governance was singled out. Two phases can be distinguished in the involvement of parliaments in project implementation. The first is the one in which parliaments made decisions on individual projects or project programs. The second phase is the one in which parliaments shape the rules of project management. Here again, as with parliamentarianism in general, the first was Iceland and its laws on construction projects.

The involvement of parliaments in deciding on the initiation of projects and how to manage them shows the great importance of projects for the development of countries.

Series Article

Parliaments and projects Let's talk about public projects by Stanisław Gasik, PhD

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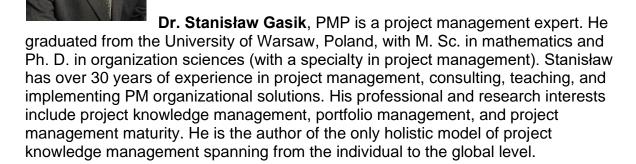
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Since 2013, his main professional focus has been on public projects. He was an expert in project management at the Governmental Accountability Office, an institution of the US Congress. He is the author of "Projects, Government, and Public Policy," a book that systematizes knowledge about government activities in the area of project management.

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