Independent Project Reviews in the Middle East – Strengthening Governance, Decision-Making and Value

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Foreword

The Middle East is one of the world's most active capital investment markets, with national transformation programmes driving substantial infrastructure, energy and real estate development across the Gulf Cooperation Council (GCC). Private sector participation continues to expand, particularly in public-private partnerships (PPPs) and project-financed assets. At the same time, megaproject portfolios in some countries are now measured at the trillion-dollar scale. According to Middle East Economic Digest's (MEED's) *GCC Projects Market and Future Outlook 2025*, **the GCC's current and upcoming project pipeline exceeds US$3.5 trillion**, reflecting both the scale and interdependency of capital programmes reshaping regional economies.

With this ambition comes increasing delivery complexity. Projects are characterised by layered governance structures, sophisticated financing arrangements, extended supply chains and diverse delivery partners. Analysis by the International Monetary Fund (IMF) indicates that, on average, **countries forgo around 30% of the potential economic return on public infrastructure investment due to weaknesses in public investment management, including planning, appraisal and implementation.** In practice, this complexity is further compounded by rising input costs, evolving labour markets, contractual pressures and broader geopolitical and regulatory uncertainty, including the potential for geopolitical, regulatory and force majeure-related disruption.

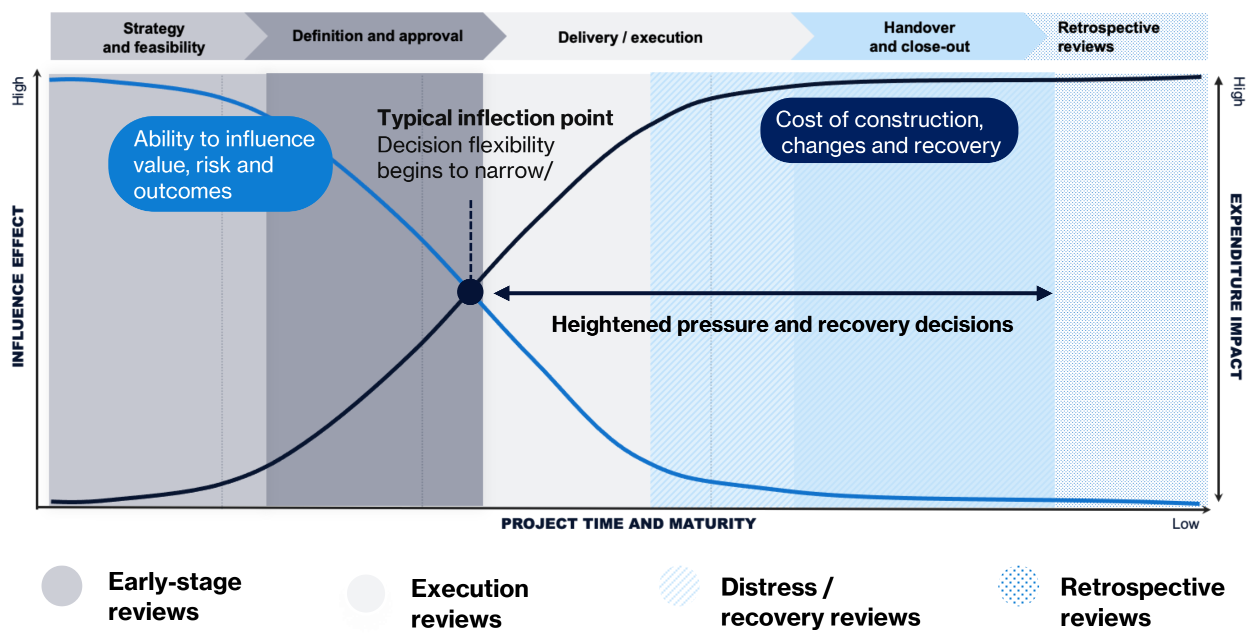
As a result, many capital programmes are entering phases of heightened delivery and financial sensitivity, where assumptions around cost, schedule, valuation and funding require active reassessment. In this environment, the ability to identify emerging pressure early and respond with clarity and discipline is becoming a defining factor in performance. Against this backdrop, project reviews are increasingly used as a core tool for effective governance and decision-making, providing leaders with an independent, evidence-based view of project status, risks and likely outcomes, and enabling timely action to protect or recover long-term value.

Why Project Reviews Matter

Project reviews have traditionally been viewed as oversight activities, such as technical audits, compliance checks or retrospective reporting. While these functions remain important, experience across large and complex capital investments shows that their greatest value lies in supporting informed decision-making, particularly at points where outcomes can still be influenced.

Industry research, including guidance from the Association for the Advancement of Cost Engineering (AACE), highlights that the early stages of the capital investment lifecycle represent the period of maximum influence at the lowest cost. During feasibility, conceptual planning and schematic design phases, only a small proportion of total project funding is committed, yet many of the decisions that determine long-term value, risk exposure and performance outcomes are effectively locked in. Once projects enter full execution, however, the majority of capital expenditure is committed, options narrow and corrective actions become progressively more expensive and disruptive.

Influence over outcomes versus cost of change across the project lifecycle
Conceptual Illustration informed by AACE reference material and aligned to the review phases in the article



Despite this, many organisations continue to rely primarily on routine progress reporting during execution, rather than structured, independent reviews that challenge assumptions, test decision logic and surface emerging risks. Across large and complex projects, early warning signals of underperformance are rarely hidden. Cost pressure, productivity challenges, scope creep and governance weaknesses tend to emerge gradually; the challenge is not a lack of data, but a lack of structured analysis that connects these signals to executive decision-making.

Effective project reviews are therefore most valuable when they are embedded across the lifecycle, from early-stage feasibility and investment decisions through to execution. When applied proactively, they improve decision quality, identify emerging risks early, and maintain alignment between delivery progress, value objectives and organisational risk appetite. At the same time, given the scale and complexity of capital-intensive projects, some initiatives will inevitably encounter periods of material pressure. In such cases, targeted and time-bound reviews provide clarity on underlying causes and support informed stabilisation, reset or recovery decisions.

In this way, project reviews move beyond oversight to become a core mechanism for protecting and creating value across major projects, programmes and portfolios, particularly where delivery risks can extend beyond project performance to affect enterprise stability and financial resilience.

Integrated Project Review Framework

Decision-grade insight across the lifecycle of capital-intensive programmes

01

Early-stage reviews

- Feasibility and business case
- Investment readiness
- Counter optimism bias

02

Execution reviews

- Delivery performance
- Forecast confidence
- Business case refresh

03

Distress reviews

- Stabilisation and recovery
- Cost and time to complete
- Claims and funding exposure

04

Retrospective reviews

- Lessons learned
- As-built data and benchmarks
- Capability uplift

CROSS-CUTTING THROUGH ALL REVIEW PHASES

A distinct second-line role, not day-to-day delivery management

Independent insight | Governance and decision rights | Financial and commercial oversight | Data, analytics and contract intelligence

OUTCOMES

Decision quality | Enterprise resilience | Earlier intervention | Value protection and recovery

When Capital Projects Become Enterprise Risk

For capital-intensive organisations, large projects increasingly represent a primary interface between delivery performance and enterprise value. As programmes scale in size and interdependency, project-level outcomes can directly influence liquidity, valuation, credit profile and strategic flexibility.

In the current Middle East context, this relationship is becoming more evident. Cost escalation, schedule pressure, contract complexity and evolving market conditions are not only affecting delivery performance, but also challenging underlying assumptions around project economics, asset valuations and funding structures. In some cases, this is leading to the reappraisal of business cases, reprioritisation of capital programmes, or reassessment of the viability of specific assets or phases.

Importantly, this shift does not always present as immediate distress. Many projects instead enter a period of pre-distress, where financial and delivery pressures are beginning to build but remain manageable if identified and addressed early. This represents a critical decision window in which timely, independent insight can enable organisations to stabilise delivery, optimise capital deployment or recalibrate strategy before value erosion becomes irreversible. Where this window is missed, project-level challenges can escalate into broader enterprise risks, including sustained cash flow pressure, covenant stress, deterioration in investor confidence and constraints on organisational or sovereign balance sheet resilience.

In such conditions, project distress can translate into:

- Accelerated cash burn and liquidity pressure
- Contractual defaults triggering exposure under financing instruments or security arrangements
- Deterioration in credit ratings or lender confidence
- Constraints on strategic flexibility and capital allocation
- Heightened political, regulatory or reputational exposure

At this point, the question facing boards and executives is no longer whether a project is "on track", but whether the organisation can continue to absorb its downside risk.

Project reviews play a critical role in these situations by providing an independent assessment of enterprise exposure, linking project-level performance to balance-sheet resilience, funding capacity and governance obligations. When undertaken early, they support informed decisions around stabilisation, restructuring, recapitalisation or, where necessary, orderly disengagement or re-scoping, often before formal restructuring or insolvency processes are triggered.

In this way, project reviews move beyond delivery oversight to become a core component of enterprise risk management, particularly for highly leveraged entities, sovereign sponsors and capital-constrained investors.

Early-Stage Reviews: Feasibility, Business Case and Investment Decisions

Early-stage project reviews focus on whether a proposed initiative is sufficiently mature to proceed. The objective is to ensure that the foundational assumptions are realistic, coherent and aligned with delivery conditions.

Typical areas of focus include clarity of scope and intended outcomes, feasibility of technical and delivery concepts, realism of early cost, schedule and risk assumptions, alignment with strategic and policy objectives and readiness to progress through investment or stage-gate approvals.

In practice, early-stage reviews play a critical role in countering optimism bias. By testing assumptions before commitments are locked in, these reviews improve the reliability of return-on-investment projections and reduce the likelihood that delivery teams inherit baselines that are structurally unachievable.

Execution Reviews: Delivery Performance and Forecast Confidence

Once projects move into delivery, the emphasis of project reviews shifts from strategic feasibility to performance and forward outlook. At this stage, leaders are focused on whether the project is likely to deliver as intended in terms of scope, time, quality and cost, and on the risks that may affect that outcome.

Execution-stage reviews typically examine progress against agreed baselines and milestones, productivity and resource utilisation, cost-to-complete forecasts, schedule realism and critical path risk, cash flow and liquidity resilience, commercial and contractual exposure, and the effectiveness of governance and reporting arrangements.

What differentiates effective execution reviews is their ability to connect issues across disciplines. Technical challenges often have financial implications; commercial pressures can drive schedule risk; and governance weaknesses can amplify otherwise manageable problems.

A practice increasingly seen across the Middle East is the use of execution-stage reviews to reassess underlying business case and feasibility assumptions in light of material changes during delivery. By reflecting evolving cost, schedule and risk conditions, these reviews provide clearer visibility of implications for cash flows, returns and timelines, enabling more informed decisions on whether to continue, intervene or adjust course.

In the current environment, this approach is becoming increasingly important, as execution-stage reviews are used not only to assess delivery performance but also to test the continued validity of valuation, funding and commercial assumptions. This reflects a broader shift from monitoring execution against a fixed plan to actively assessing whether the plan itself remains viable under changing conditions.

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Distress Reviews: Stabilisation and Recovery

Despite best intentions, many projects are entering phases of material pressure, reflecting the combined impact of delivery complexity, market volatility, contractual dynamics and evolving economic conditions. In many cases, this pressure is not driven by a single issue, but by the interaction of multiple factors including scope evolution, supply chain disruption, cost escalation, financing constraints and external events such as force majeure or geopolitical disruption.

In these situations, targeted distress reviews support leaders by restoring clarity and focus. Rather than assigning blame, effective reviews concentrate on diagnosing root causes of underperformance, reassessing baselines and forecasts against current realities, identifying funding or liquidity gaps, assessing contractual position and potential claims exposure, and informing potential recovery or re-phasing options.

In practice, distress reviews are typically commissioned to support time-critical decision-making. Boards, executives, investors and lenders seek clear, independent answers to a small number of fundamental questions:

- What is the realistic cost to complete under current conditions?
- What delivery timeframe can be achieved with an acceptable level of confidence?
- What contractual, claims-related or security exposure could materially affect financial outcomes?

Global experience suggests that early, structured intervention materially improves recovery outcomes. The most effective interventions are those undertaken before positions become entrenched, enabling organisations to preserve optionality, protect value and maintain alignment across stakeholders rather than responding once commercial or contractual positions have hardened.

Case Study: Independent Project Diagnostic and Commercial Advisory

Multi-Billion SAR EPC Infrastructure Project, KSA

Following contractor distress and novation, a major EPC project in Saudi Arabia remained delayed, incomplete and exposed to growing commercial risk.

Teneo delivered an independent diagnostic of project status, schedule credibility, contractual position and claims exposure, giving leadership clearer visibility of risk and delivery options.

This supported decision-ready action on stabilisation, completion strategy and value recovery at a critical inflection point.

Retrospective Reviews: Learning and Capability Building

After project completion, or at major transition points, retrospective reviews provide organisations with an opportunity to reflect on performance in a disciplined and objective way. Rather than focusing on outcomes in isolation, these reviews examine how decisions, behaviours, governance arrangements and delivery models interacted over time to shape results.

By systematically capturing lessons learned, retrospective reviews help organisations identify recurring patterns and systemic weaknesses across planning, governance, contracting and risk management. Drawing on as-built information, historical performance data and external benchmarking, this insight can be used to strengthen future business cases, refine procurement and delivery strategies, improve the realism of cost and schedule forecasting, and enhance the quality of information available to support executive decision-making.

For organisations delivering repeated capital programmes, retrospective reviews play an important role in building institutional capability, reducing reliance on individuals and strengthening investor and shareholder confidence over time.

Aligning Reviews with Governance and Decision-Making

Global experience consistently shows that the value of project reviews is shaped less by the depth of analysis and more by how effectively they are positioned within governance frameworks. Reviews that are technically sound but disconnected from decision-making structures often fail to influence outcomes.

Effective capital programme governance is characterised by clear decision rights, defined accountability and oversight proportionate to risk and complexity. Project reviews should be aligned to these principles, with scope, timing and depth calibrated to the decisions they are intended to inform. These reviews are not intended to replicate delivery management or project controls, but to provide independent insight that informs executive and board-level decisions.

Independence remains essential to credibility, particularly in complex, high-value programmes. However, independence is most effective when combined with integration into governance processes. Reviews should feed directly into established escalation routes, investment committees, boards or sponsor forums, enabling insight to be tested, debated and translated into timely decisions.

When aligned in this way, project reviews also support learning and capability building at programme and portfolio level, helping organisations identify systemic issues and strengthen institutional performance over time.

Technology as an Enabler

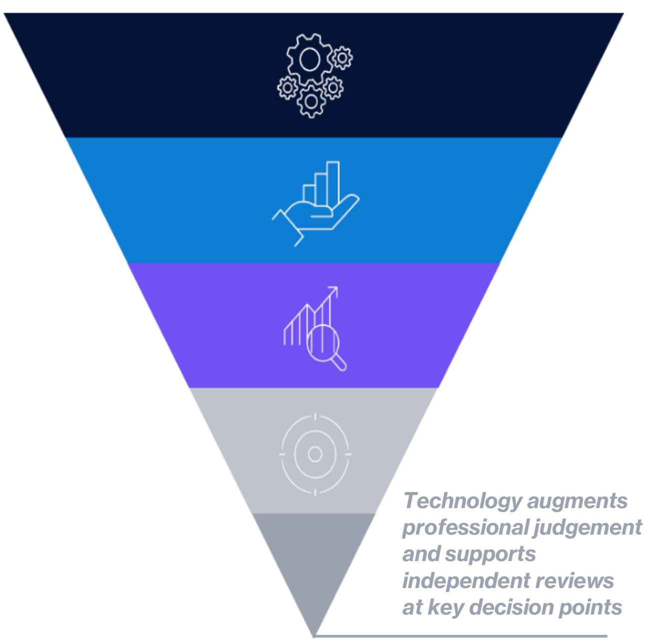
Digital tools increasingly support project reviews by improving the quality, timeliness and consistency of information available to decision-makers. Alongside traditional project controls systems, organisations are making greater use of advanced analytics, AI-enabled planning and scheduling tools, quantitative risk platforms, and AI-assisted contract analysis and contract lifecycle data to strengthen insight and reduce uncertainty.

AI-enabled planning and scenario tools can analyse historical and live project data to improve schedule realism, identify activities most likely to drive delay, and test the impact of changes in sequencing, resourcing or scope. Quantitative risk tools support probabilistic analysis and scenario testing, helping reviews assess downside exposure and contingency adequacy.

Contract analytics and contract lifecycle data play a complementary role by providing visibility over contractual obligations, variations, approvals and risk transfer mechanisms. When integrated with cost, schedule and performance information, they support an independent assessment of contractual exposure and potential compliance or dispute risk at key decision points, rather than day-to-day contract administration.

Used together, these tools enable project reviews to move beyond static, retrospective reporting toward more forward-looking, evidence-based assessment. Their value lies in augmenting professional judgement, supporting scenario-based decision-making and helping leaders understand trade-offs in complex and uncertain delivery environments.

Technology as an enabler of independent project reviews



DATA AND SYSTEM INPUTS

- Project controls and delivery data
- Cost, schedule and performance data
- Contract and obligation data
- Historical and live project data

ANALYTICS AND MODELS

- AI planning and scheduling
- Quantitative risk and scenario testing
- Contract analytics and obligation extraction

INTEGRATED REVIEW LENS

- Forecast realism and early warnings
- Exposure, trade-offs and downside views
- Integrated view across cost, time and contract risk

DECISION-GRADE INSIGHT

- Clearer view for key decisions
- Intervene, re-phase or stay the course
- Evidence-based sponsor dialogue

Conclusion

Independent project reviews should no longer be considered optional oversight mechanisms. In an environment defined by scale, pace and increasing uncertainty, they should be considered a critical enabler of effective leadership, informed decision-making and capital discipline across major programmes and organisations. This is particularly relevant as more projects enter pre-distress or distress, requiring faster, more informed decisions that balance delivery objectives with financial resilience and organisational stability.

By supporting **better decisions at early stages, improving forecast confidence during execution** and **enabling timely intervention under pressure**, project reviews help organisations move from reactive problem-solving to proactive, disciplined management. They provide clarity at critical decision points, including a clear view of current project status, the risks and opportunities ahead and the actions that will most influence outcomes.

Increasingly, their value lies not only in identifying issues but in enabling organisations to navigate inflection points where delivery performance, financial resilience and strategic objectives intersect, and to make decisions that **protect long-term value before pressures become structural or irreversible.**

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Teneo's Capital Projects & Infrastructure (CP&I) practice, part of Teneo's global Financial Advisory business, advises public and private sector clients across the full lifecycle of capital-intensive programs – from inception to exit – helping unlock value, de-risk delivery, and optimise outcomes through integrated financial and infrastructure advisory.

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