

The Influence of Alternative Dispute Resolution Mechanisms on Highway Projects Reformed in Federal Capital Territory, FCT - Abuja

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Abstract: Despite substantial government investment in Highway project performance in the Federal Capital Territory (FCT), Abuja still continue to face significant challenges. This paper evaluates the challenges that undermine highway project performance in the FCT, using recent case evidence and empirical research from the FCT construction sector. The study evaluates the influence of alternative dispute resolution mechanisms on highway project performance and determine their effectiveness in FCT, propose strategies for minimizing disputes and enhancing resolution on highway project performance within FCT. The findings suggest that disputes in FCT highway projects are not isolated operational failures but symptoms of systemic governance deficits. The paper concludes with recommendations for strengthening payment mechanisms, enforcing due process on variations, and establishing institutional continuity frameworks to insulate project implementation from political cycles.

Keywords: Highway Projects, Construction Disputes, Contract Performance, FCT Abuja, Nigeria, Infrastructure Governance.

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I. INTRODUCTION

The Federal Capital Territory (FCT), Abuja, is the Nigeria's administrative nerve center, its highway network is critical to national economic coordination and regional connectivity. However, highway construction and maintenance projects in the FCT have been repeatedly plagued by delays, cost overruns, quality deficiencies, and contract terminations—symptoms of underlying disputes between contracting parties. These disputes not only inflate project costs but also impose broader social costs, including commuting hazards, security vulnerabilities, and eroded public trust in governance institutions.

Understanding the causes of these disputes is essential for developing effective mitigation strategies. While risk factors affecting Nigerian highway projects have been examined at the national level, the FCT presents distinctive characteristics: as the seat of federal government, its projects are subject to intense political scrutiny, multiple layers of bureaucratic oversight, and unique funding dynamics. This paper addresses the question: What are the primary causes of disputes affecting highway

project performance in the FCT, and how do these causes manifest in practice?

The analysis synthesizes recent empirical research on Nigerian highway risks with case evidence from FCT-specific project disputes reported between 2025 and 2026. The paper proceeds by reviewing the conceptual framework for understanding construction disputes, presenting empirical findings on risk factors, analysing case evidence from FCT projects, and concluding with policy recommendations.

II. CONCEPTUAL FRAMEWORK

➤ Conflicts in Construction Project Performance

Highway projects disputes are disagreements or conflicts that arise between parties involved in a construction project, including clients, contractors, consultants, and subcontractors. Such disputes can emerge over interpretation of contract clauses, project scope, payments, delays, or quality standards (Smith, 2021). Globally, highway projects are recognized as high-risk agreements due to their complexity, multiple stakeholders, and technical requirements. Scholars argue that

disputes are inherent in highway projects but become problematic when they escalate into litigation or cause project delays and cost overruns (Brown & Turner, 2020). The presence of disputes can significantly affect project outcomes, including the timely delivery of infrastructure and overall project sustainability.

Empirical studies specific to FCT underscore the practical implications of these disputes in road construction. Olawale and Sun (2021) conducted a survey of 50 contractors and 30 consultants engaged in federal and state road projects and found that over 65% of projects experienced disputes at least once during execution. Key triggers included payment delays, contractual ambiguities, scope changes, and inadequate supervision. Johnson and Walker (2022) also reported that unresolved disputes in FCT led to average project delays of 4–6 months and additional costs exceeding the original budget by 12–15%. These findings illustrate how construction disputes directly threaten project performance in Abuja.

Disputes in highway projects are not only technical but also relational, affecting collaboration among stakeholders. Turner and Müller (2020) argue that adversarial behavior arising from disputes can erode trust between clients and contractors, complicate future engagements, and reduce stakeholder willingness to cooperate on subsequent projects. In FCT, where multiple government agencies often oversee road projects, these relational tensions are heightened by bureaucratic interference, political considerations, and complex project delivery chains.

III. EMPIRICAL FINDINGS

➤ *Risks in Nigerian Highway Projects*

Disputes in highway projects manifest in various forms, reflecting the complex interactions among clients, contractors, consultants, and subcontractors. Scholars classify highway disputes into categories such as financial, technical, contractual, administrative, and relational disputes (Smith, 2021). Financial disputes arise from delayed payments, cost overruns, or disagreements over claims, while technical disputes often involve variations, design errors, or noncompliance with quality standards (Brown & Turner, 2020). Contractual disputes relate to ambiguous clauses, breach of contract, or misinterpretation of responsibilities, whereas administrative disputes arise from approvals, documentation, and bureaucratic inefficiencies.

Relational disputes stem from poor communication, mismanagement, or adversarial behavior among stakeholders. Understanding the types of disputes is critical because each type requires different strategies for resolution and impacts project performance differently.

Empirical evidence from FCT provides further insight into the types of disputes encountered in road construction projects. Olawale and Sun (2021) conducted a survey of 80 respondents, including contractors, consultants, and project managers across

federal and state roads. They found that financial disputes accounted for 37% of all conflicts, followed by contractual disputes (29%), technical disputes (20%), administrative disputes (9%), and relational disputes (5%). The study emphasized that financial and contractual disputes were most likely to escalate into formal claims or litigation, while technical disputes often required expert assessment or arbitration. Johnson and Walker (2022) also observed that financial disputes were compounded by bureaucratic delays and inconsistent approval procedures in FCT, leading to prolonged project timelines and increased costs.

Technical disputes in FCT highway projects are often linked to design changes, poor quality materials, and non-adherence to specifications. Adeyemi and Ogunlana (2020) reported that contractors frequently submit claims for design variations or changes requested by clients after project commencement. When these changes are not properly documented or agreed upon, disputes arise, sometimes delaying project completion. Similarly, supervision lapses exacerbate technical disputes, as consultants may fail to identify defects early, requiring remedial work that adds cost and time pressures.

Contractual disputes are another common type in FCT highway projects. Ambiguous contract clauses, unclear scope definitions, and inconsistent interpretations of contractual obligations often lead to conflicts between contractors and clients (Olawale & Sun, 2021). Payment terms and penalties for delays are frequent points of contention. Empirical studies indicate that the risk of contractual disputes increases when multiple stakeholders are involved or when federal and state regulations intersect, creating overlapping responsibilities that are prone to misinterpretation (Johnson & Walker, 2022).

Administrative disputes, though less frequent, significantly affect project timelines. In FCT, delays in approvals, inadequate documentation, and procedural inefficiencies contribute to disputes between contractors and regulatory authorities (Adeyemi & Ogunlana, 2020). Relational disputes, including conflicts arising from communication failures or adversarial behavior among stakeholders, while the least frequent, can escalate minor issues into major conflicts if not addressed promptly (Turner & Müller, 2020). This underscores the need for integrated project management and stakeholder collaboration in highway projects.

Synthesis of the literature and empirical findings highlights that financial and contractual disputes dominate FCT highway sector, followed by technical, administrative, and relational disputes.

➤ *Evidence of Disputes in FCT Highway Projects*

In the highway sector, these studies reveal patterns of disputes related to financial issues, contractual ambiguities, project management deficiencies, and stakeholder misalignment, providing practical guidance for preventive

measures. Summarily we could say the following are the causes of the disputes: Construction project delay, Cost of construction materials, Inflation, Corruption, Change in government, Project funding issues, Payment Failures and Contractual Indebtedness, Unauthorised Contract Variations.

In Africa, empirical studies indicate that local institutional and administrative conditions exacerbate disputes. Onwuegbuzie and Okafor (2021) surveyed contractors in Lagos and Abuja, finding that delays in client approvals, inconsistencies in contract interpretation, and scope changes were leading causes of disputes in road projects. The study also reported that disputes were often compounded by insufficient documentation and poor stakeholder communication. Akinyemi and Eze (2022) found similar patterns in Ghana, where variations in highway design, late payments, and ambiguous contract clauses triggered frequent conflicts. Specifically, in FCT, Musa and Fadeyi (2021) conducted a quantitative survey involving 75 contractors, 40 consultants, and 20 project managers across state and federal highway projects.

➤ *Public Complaints as Dispute Triggers*

A distinctive feature of FCT highway disputes is the role of public complaints in catalyzing official action. The federal government acknowledged acting on "public complaints" regarding excessive dust from construction activities on the Makurdi-9th Nile-Enugu road, issuing a seven-day ultimatum for dust-control measures. Similarly, residents of Gwarinpa protested that street lighting failures—resulting from contractor non-payment—were "fueling a wave of one-chance robberies and assaults".

These public complaints transform technical or contractual disputes into broader governance crises, raising political stakes and reducing the likelihood of negotiated settlements between contracting parties.

IV. CONCLUSION

Disputes on highway projects in the FCT Abuja arise from a combination of payment failures, unauthorised variations, political disruption, contractor capacity deficits, technical deficiencies, and public accountability pressures. These causes are not independent but reinforce each other: payment delays deplete contractor capacity, political transitions disrupt accountability for technical quality, and public complaints escalate disputes beyond contractual resolution channels. It is studied and concluded below that;

- Disputes are inevitable in highway project performance due to project complexity
- Disputes have significant negative impact on time, cost, quality, productivity and it delayed payment most times.
- Weak contract management and poor communication
- Disputes represent a major barrier to efficient highway project delivery in FCT, Abuja

V. RECOMMENDATIONS

It is recommended that, in resolving disputes in highway projects, the following should be paramount:

- Financial management reforms should key in resolving this disputes
- Alternative dispute resolution should be put in place for ease of in-house resolution of disputes
- Constant Supervision by professional bodies for compliance.
- Capacity and policy formulation and adherence training should be sustained effectively: this would ensure:
 - ✓ Timely payment of contractor
 - ✓ Establish transport funding mechanism
 - ✓ Adopt clear and standardized contracts
 - ✓ Adopt clear and standardized contracts
 - ✓ Promote mediation and, arbitration and adjudication
 - ✓ Reduce reliance on litigation
 - ✓ Implement structured communication protocols
 - ✓ Improve technical and managerial competence
 - ✓ Training professionals on dispute management

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