

THE INFRASTRUCTURE DEVELOPMENT INSTITUTE (IDI) INITIATIVE

INTRODUCTION

1. The proposal in this paper is to create IDIs in selected countries. The overall aim of each IDI will be to become a Centre of Excellence in providing governments and companies with strategic advice and practical, work-based training services in how to develop their infrastructure activities, particularly through public private partnerships (PPP). The particular aims are to:
 - Ø Develop the ability of government departments to relate to the private sector in delivering infrastructure projects.
 - Ø To help create effective public-private partnerships. In particular to facilitate meetings between government and private sector decision-makers to identify how the private sector can assist governments to meet their national development objectives.
 - Ø Provide incisive, independent advice to governments across the whole project life cycle.
 - Ø Improve the financial and operational performance of infrastructure-based organisations in both the private and the public sectors, enabling them to create more wealth, more jobs and to contribute more to poverty alleviation.
 - Ø Provide operational advice on modern project management techniques.
 - Ø Improve the performance of the supply chains of infrastructure projects aimed at unlocking the potential of the private sector. In particular, to encourage local suppliers to grow their businesses, create more jobs, train their workforces, promote sustainable development and reduce poverty.
 - Ø Develop a "critical mass" of skilled leader/managers in infrastructure organisations and government departments, who are competent and committed to drive their organisations towards improving the delivery of infrastructure projects. To do this via action learning, on-the-job, training programmes customised to the needs of the project.

LIMITED SUCCESS OF TRADITIONAL CAPACITY BUILDING PROGRAMMES

2. Our experience of running 65 customised, action learning based, organisation development programmes throughout the world have highlighted two principal problems with the traditional approach to infrastructure capacity building:
 - Ø Inadequate resources are allocated to developing the technical and managerial skills required to develop and maintain a country's infrastructure. Far more resources need to go into training technicians and into apprenticeships for operational skills so vital to a country's productivity. Governments and companies need to cooperate in enhancing vocational education and companies need to give a higher priority to training engineers, project managers and others critical to the delivery of projects, on time, within budget and of high quality.

- Ø However, the problem is not simply one of inadequate resources allocated to developing human capital. The problem is that even the limited resources allocated to training are often wasted, particularly in the management skills area. This is because the management development programmes often fail to deliver measurable results, they fail to transmit best practice into the workplace and to improve individual and organisational performance. Training is expensive and therefore it is an investment that should show a measurable return. In too many cases it does not do that; it is simply a COST; it does not ADD VALUE. We argue that much of management training practice needs re-engineering and replacing with what has been called ACTION LEARNING, that is, work-based, on-the-job learning through problem solving and project driven programmes that also feature personal development plans and workshops on best international practice, customised to the precise needs of the client.

A NEW TYPE OF MANAGER/LEADER IS REQUIRED

3. The major shift in approach to procuring, funding and delivering infrastructure projects requires very different behaviour from governments and their officers. The skills required to implement a process of privatisation and regulation, to design commercially viable project structures and to establish processes for evaluating and awarding projects are not skills normally enjoyed by civil servants and their political masters. Civil servants used to award projects and then leave them alone. Now they are involved in complex procurement and project management activities that involve hands-on risk management. A new breed of business orientated, "general manager" type civil servant is required. In addition to the technical competencies (e.g. an understanding of regulation) required by the new role, they will need to develop skills in responding quickly to the requirements of the new system, finding innovative solutions to the problems as they arise and developing inter-personal and leadership skills.
4. Private companies throughout the various sectors of the infrastructure business are increasingly offered opportunities to invest in and work on projects outside their traditional markets. This requires new skills. They are thrust into international capital markets, into creating relationships with multi-national agencies and national regulatory bodies. They have to make complex joint ventures work, which requires the exercising of managerial and technical skills across cultural boundaries. This requires skilled "engineer managers / leaders" within international and emerging market infrastructure companies. They will be technically competent, have the financial skills to negotiate appropriate funding and the operational skills to deliver the project within quality, time and cost targets. In addition, they will require inter-personal and leadership skills to manage their staff and relationships across cultural boundaries within complex joint-venture relationships. For many years the conversion of engineers into skilled managers has been an ad hoc unstructured process. Successfully engineers have been "thrown in at the deep end" and told to swim or drown! This process has to be attacked far more positively.

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5. IDIs will be created in selected countries to work in partnership with governments and the private sector to overcome the barriers to infrastructure project delivery through:

- Ø Provision of strategic and operational advice to governments and companies across the whole privatisation process and project management life-cycle. Countries have had 30 years experience of concession-type projects and privatisation. A wealth of knowledge and best practice has been accumulated about what works and what does not. We have created a panel of international experts to give this advice, to define the principles of success for governments and the private sector and to CUSTOMISE these principles to the precise needs of specific countries. This group of experts could be called on to give advice on issues such as:
 - How to develop a strategic approach to infrastructure project delivery. For example, how to define government objectives if following a private sector participation route.
 - How to integrate those projects chosen in the strategic review and to determine whether they are the most critical for achieving the objectives of the National Plan including socio-economic and poverty reduction objectives.
 - How to involve the private sector in specific sectors early on in specific projects, how to structure remuneration of private sector participants and how to progress a project where negotiations between a government and project sponsor have become deadlocked.
 - How to deliver effective projects and to give advice when a project has fallen behind on cost, quality and delivery targets.

- Ø Work-based, action learning development programmes customised to the needs of single organisations and/or several organisations working together on a consortium programme. These programmes will impart technical and management skills and will be designed to lead to measurable improvements in organisational and individual performance. Above all they will be designed to increase the LEADERSHIP and IMPLEMENTATION CAPABILITY of managers involved in infrastructure programmes. Improved business performance has two aspects, better value creation and superior operational effectiveness. Both these areas are featured in these programmes and set within a project management context in sector specific infrastructure based organisations. These programmes will be conducted within government ministries and within companies and their supply chains in sectors such as power, telecoms, water, waste, construction, ports, rail, roads, airports, banking, etc.