

FIDIC CAPACITY BUILDING

PROGRAMME DEVELOPMENT SEMINAR

Planning your capacity building programme – a one-day seminar

Summary

The seminar presents the main components of a national capacity building programme so that, following discussions with participants, a national FIDIC Member Association can plan the main elements of a programme for developing the capacity of the country's consulting engineering industry.

The seminar is presented by a member of the FIDIC Capacity Building Committee and makes use of materials developed by the committee.

Programme (one day; also available as a two-day course)

1	Introduction <ul style="list-style-type: none">- Definitions of Capacity and Capacity Building<ul style="list-style-type: none">Generic definitionWeb sitesWorking definitionFIDIC definition<ul style="list-style-type: none">- Country environment- Industry structure- Industry organization- Targets<ul style="list-style-type: none">Strong country environmentIndustry structure and organization in balance- Three-legged stool model<ul style="list-style-type: none">Country environment<ul style="list-style-type: none">- Economic growth- Business environment- Policies- Rules and regulations- Procurement procedures- IntegrityIndustry structure and organization<ul style="list-style-type: none">- National Member Association capacity- Industry representation- ProgrammesFirm capacity<ul style="list-style-type: none">- Firm management- Human resources- Project, integrity, quality and sustainability management
	<i>Group discussion: Working definition of "Capacity Building"</i>
	<i>Group discussion: Objectives for this Seminar</i>
2.	FIDIC's capacity building initiatives <ul style="list-style-type: none">Capacity Building Task Force 1999 – 2004<ul style="list-style-type: none">- Review<ul style="list-style-type: none">- Status of industry in developing countries- Problems faced by firms in developing countries- Outsourcing opportunities for local firms in developing countries

- Projects to strengthen associations and firms
- Adverse impacts of procurement rules
- Outputs
 - Policies
 - Benchmarking Index
 - Annual firm survey
 - Procurement policies
 - Guide to Practice Training Manual and Resource Kit

3. MA benchmarking

- Levels
 - National industry sector
 - National association
 - Firms
- Firm survey indicators
 - Operating environment
 - Financial performance
 - Staff performance
 - Service performance
- Principles
 - Lowest level (firms) reports to higher
 - Main firm indicators are balanced scorecard type
- Balanced scorecard indicators
 - Financial: seen by financial shareholders
 - Client Relations: seen by clients
 - Business processes: What the firm should do well
 - Learning and growth: what the firm should learn
- Industry indicators: Benchmarking Index

4. FIDIC Capacity Building Committee

Objective: develop & implement FIDIC's programme through associations

- Gap analysis
- Promotion at annual conference
- Information needs
- Benchmarking
- Firm-level and association-level problems and solutions
- Procurement practices
- Management training programme
- Linkages
- Bilateral projects

5. Typical barriers to capacity development

- Country environment
 - Growth; construction activity; industry demand
 - Inflation; financial conditions
 - Corruption
 - Education; training
 - Procurement processes
 - Consultant selection processes
 - Contract terms
 - Liability provisions
- Industry structure and organization
 - Association resources
 - Association programme
 - Volunteers
 - Government cooperation

- Firms
 - Workload
 - Management
 - Financial resources
 - Quality of service
 - Business integrity

Group discussion - Barriers to capacity development in the country

6. World Bank views on capacity of consulting firms

- Consultant Assessment Reports
 - Methodology
 - Results
- Recommended actions by governments:
 - Policy on use of consultants
 - Legislation on professions
 - Public service capacity
 - Professional and business associations
 - Industry demand
- Recommended actions by industry/professions
 - Norms and standards
 - Discipline; sanctions
 - Dialogue with Banks and donors
- Recommended actions by Bank staff
 - Encourage “good” consulting firms
 - Budgets for project preparation
 - Project terms of reference
 - Quality in selection
 - Objections

7. IFI procurement policies

- Procurement guidelines review
 - The World Bank
 - Asian Development Bank
 - African Development Bank and Fund
- Recommended Improvements
 - consultant selection
 - participation of developing country consulting firms in projects
 - contract terms

8. FIDIC capacity building recommendations (government): initiatives

- Policy initiatives
 - Government support
 - High level liaison contacts
 - Public policies: national firm participation in domestic and agency funded projects.
 - Quality Based Selection.
 - Expected government requirements.
 - Education of professionals
 - “in-house” government units
 - Recognition of firms that operate competitively in the private sector.
- Financial initiatives
 - Support for education
 - Support for technology transfer
 - Access to financial resources:
 - Development funds: debt or equity
 - Financial terms in contracts
- Legislative actions
 - Recognition through legislation: individual professionals; consulting engineering

<ul style="list-style-type: none"> - Legislative environment for risk management - Tax laws and policies for growth of knowledge-based industries
<p>9. FIDIC capacity building recommendations (associations): initiatives (examples from Canada)</p> <ul style="list-style-type: none"> - Standard Indemnification Clause <ul style="list-style-type: none"> - Contract terms; insurance - Architects, professional engineers task force - Government lobbying - Fair, standard clause agreed - Fee Structure <ul style="list-style-type: none"> - Educated government staff on multipliers - Price-Based Selection <ul style="list-style-type: none"> - Action at all levels - MOU's signed with some clients - Political lobbying: federal and provincial
<p>10. FIDIC capacity building recommendations (firms): management training</p> <ul style="list-style-type: none"> - Training manual and resource kit - Global network of professionals in developing countries - Train the trainers - Bilateral/multilateral funding
<p><i>Workshop discussion</i></p> <ul style="list-style-type: none"> - Problem identification: suggested topics <ul style="list-style-type: none"> - Business environment - Economic activity - Rules affecting company formation - Taxation - Government policies - Contracting out - Support for industry - EPC-Turnkey/Design-Build projects - Problems and opportunities - Engineering human resources - University programmes and graduates - Professional qualifications - National association structure and programmes - Resources - Government relations - Support from firms - Training needs - Programme development: suggested topics <ul style="list-style-type: none"> - Agenda for government policy - Engineering human resources - National association action plan - Firm-level training programme