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Need for (Mandating) Inclusive & Responsible Large Infrastructure Projects

Introduction

Mandating or making compulsory by legal enactment for enforcing implementation has been a recourse in recent times for the executive amounting to passion their responsibility for decision making. But these are specific cases. I do not believe that answer for resolving very broad issues of implementation or generation Standards or benchmarks can be done by legalizing issues which are firstly not too well defined and secondly, are highly subjective to be limited by the definition.

I think the issues of INCLUSIVE DEVELOPMENT as well as RESPONSIBLE DELIVERY are matters of Implementation and Management, and Mandating these issues will only make the implementation process more cumbersome and time consuming.

In my view, given the right environment and the people with sufficient managerial expertise and motivation; a shaper focus on results should drive the success of Large Projects rather than MANDATING.

(Some examples of DMRC, Reliance, Tata's, SVBTC.....)

INCLUSIVE DEVELOPMENT

The word "Inclusive Growth" has different meaning in the context of economic Development, growth of different Sections of Society, growth of States or even for the matter of gender equality. However, in our context, we will limit ourselves to Inclusive Development of the Large Transportation Projects. Here the stake holders get defined in the very early stages of the project and fulfilling their interest seem a logical step forward in shaping a project. While the requirements of the indirect beneficiaries are often overlooked in the process of development. The results of such neglect are quite well known with a stream of projects delayed due to road blocks resulting sheer apathy of the developers & implementers towards such Stakeholders.

The other two issues that keep haunting developers or Project Implementers are to satisfy need of all affected stakeholders and still maintain the financial viability of the projects with all its uncertainties. The preference is more often on Financial Viability than satisfying the affected Stakeholders.

Transparency in arriving at a Boundary condition of Inclusivity would to a large extent determine the success of a project. This is not always straight forward & easy in the case of Transportation Projects which itself has to be implemented in Unbounded Conditions.

Inclusivity in the first place would include-immediate Users, affected people in the vicinity of a project – mainly dealing with Rehabilitation & Resettlement and also those affected by the Socio-economic impact of the project. In other words a rational evaluation of Socio-Economic Development of the region is an integral requirement of project planning and development to satisfy this element of Inclusivity.

There are number of issues arising out of each of above but if we see a common thread of successful Large Transportation Projects, the concern or the empathy for the Users, the affected people and public at large has been one of the prime reasons for success.

Hence, as a corollary Inclusivity as I understand, is almost an imperative and unavoidable requirement for the success of implementation. Wherever we have taken it for being granted or have used political pressure to circumvent the natural needs, projects have suffered at some stage or the other during its life cycle.

Project Developers have to view the project in the entirety, holistically to eliminate issues arising out of inclusivity which are bound to surface during the Implementation Phase when unresolved become almost an impasse, particularly at an advanced stage of Implementation where setting right matters could mean setting the clock backwards by months and sometimes years.

RESPONSIBLE DELIVERY

The other holistic need requiring focused attention and hereby fulfillment during the stage of Development and Implementation is the standards we have to reach in terms of various parameters of Delivery. This I understand will define the level of RESPONSIBILITY.

I believe that the word “responsible” has a wider and more relevant context today in connection with current Large Transportation Projects due to :-

1. The size and scale of the projects themselves.
2. Complex natures of the projects where end-to-end delivery is expected.
3. The expectations from the private sector.
4. Generating Revenues from the User’s fees, leasing space to meet the liabilities.
5. The responsibility today extends to the O&M Phase of the project & therefore lasts for the entire life cycle.

While the “Responsibility” factor existed all along even when Largely Tax Payers money was being invested, the level of Accountability or Responsibility was by and large missing.

Now with the BOT projects, the level of “Responsibility” or so I feel, has become all encompassing right from deciding the scope to the final completion or even extending beyond to the Operations & Maintenance for the entire life cycle of the project. Responsibility towards Maintenance of Large Infrastructure Projects is a recent development and needs close attention for defining standards and norms.

For any large project, be it funded by through the State Exchequer or Private Funding, it is always necessary to establish viability, be it economic or financial, but it has to be remembered that during such evaluation the Responsibility towards the Users, primarily, and other stakeholders viz. Lenders, Employees and the neighbouring inhabitants cannot be compromised. It therefore seems that Responsibility and inclusivity go hand-in-hand. As a matter of understanding Inclusive Development would be a subset of Responsible Delivery.

Responsibility should also cover the User friendliness of a facility, the Quality and along with it the Durability and as a consequence, minimize the level of Maintenance and Upkeep. And for all these, there is a question of cost for a facility on which the user fee is largely dependent. The validity of cost finally reduces to Value for Money. As long as the facility or infrastructure created provided Value for Money, Responsibility towards Cost would have been largely fulfilled.

There seems to be a common belief that the responsibility towards Cost is not so severe for the Private Funded Projects or not as competitive as for projects procured through direct competitive bidding. This may also be a fair assessment, as one would have to compare apple to apple. The level of risks to be borne by present day Concessionaries or EPC Contractor is much higher and only a very detailed exercise in getting down to Item Rate Costs can one justify such a belief. Nonetheless, inspite of the various checks inbuilt in determining project costs, it is the duty of Developers and Implementing agencies to exercise extreme discretions towards “Cost Responsibility”.

Another cause of concern and an important parameter for assessing Responsibility on Large Projects is “Time”. In our context, it is even more important, since we have taken-off late and therefore the need to ensure our Responsibility towards cutting down Time. While present day processes for project execution does have built in incentives for early completion, a lot more can be done in the phase of pre-development activities like land acquisition, environment / forest clearance and any other approval must be carried out competently in a Time bound manner to allow physical execution to be done on a fast track with “zero” delay. This would largely satisfy the Responsibility towards delivery.

CONCLUSION

Without mandating, Who and How will the levels of Inclusivity and Responsibility be determined ?

User satisfaction will be one Indicator of the level of Inclusivity and Responsibility. Owners Satisfaction is another. But the most evident indicator is Timely Completion of Projects to Users Satisfaction with adequate returns. If these objectives are satisfactorily met, we can be reasonably assured that the issues of Inclusivity and Responsibility have been well taken care of and that too without MANDATING but by being responsible citizens of our Country.
