

Infrastructure: Can our professionals develop it?

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Chartered Engineer Tudor Munasinghe, a committee member of the Chamber of Construction Industry in Sri Lanka while briefing the press has expressed the Chamber of Construction Industry's opinion that the Sri Lankan Government, construction professionals and the construction industry are not ready to undertake infrastructure development in Sri Lanka with the (expected) funds from the Donor Conference in Tokyo. This may be an honest but damaging admission by the Chamber of Construction Industry. The inability of our construction professionals and organisations responsible for developing and sustaining the construction industry, such as ICTAD, CCI and the seat of higher learning should take full responsibility for this misfortune.

Many professionals working in the construction industry (those who work in Sri Lanka and overseas) may disagree with this very damaging conclusion of the capabilities of a once proud profession by one of its own. The inability of the Chamber to convince the government reflects very badly on their capabilities. Sri Lankans are capable of undertaking any infrastructure development; if they are entrusted with the task of planning and executing the work from its inception. It is not mandatory to spend one billion dollars per year, but the investors may seek results within a shorter period, as they are eager to get very handsome returns for their money. In negotiating these funds, the Sri Lankan government should insist on engaging Sri Lankans (in-house or expatriate Lankans) to plan and execute these development projects, as the Sri Lankan taxpayers are responsible for settling some of these loans.

The BOI must have a special committee of highly skilled technical professionals (if not in place) to evaluate these proposals and analyse the cost implications of all development work before any approval is given to eliminate excessive 'cost hiding' within these projects.

Investors who invest on infrastructure development will always give financial benefits to any construction company of their own to tender for these projects. So local construction companies are prevented from winning any of these contracts unless the Sri Lankan government provides some incentives to the locals to meet the international contractors on an

equal basis.

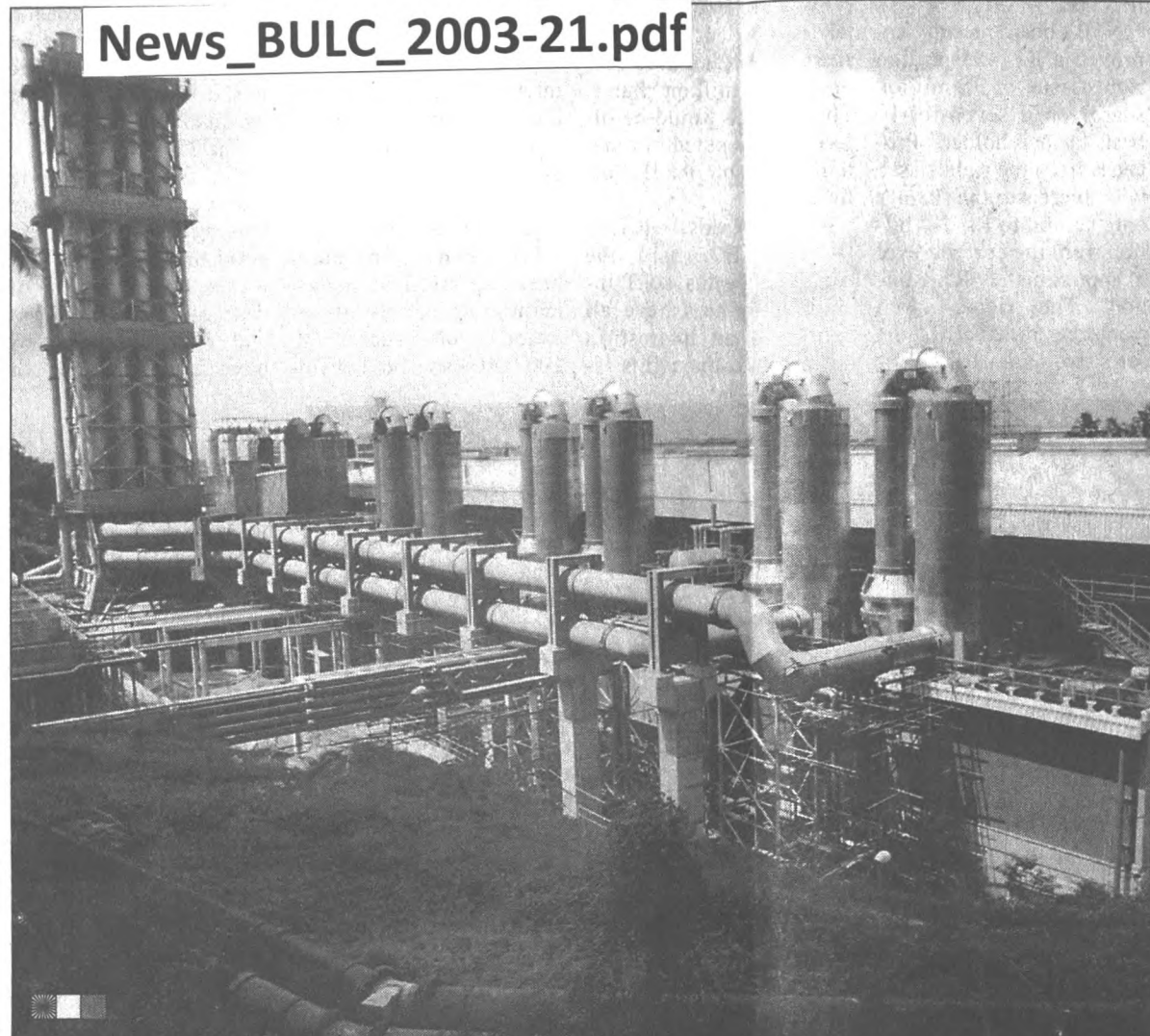
If the Sri Lankan government is keen to assist Sri Lankan contractors and consultants and help them to get these development projects, the government should allow a preference system over the international consultants and contractors by offering the locals a cash inducement (not a cash advance from the contract) for keeping the money at home and for employing Sri Lankans. This is a very successful method used in many developing countries. In most African countries they provide a preference system to their own contractors over foreigners to prevent double dipping into the poor man's breadbasket.

The LTTE may or may not take part in the Donor Conference in Tokyo if the UNF government does not meet their demand for an interim administration. They may buckle under the heavy pressure exerted by foreign powers such as USA, Japan, India, Norway and the EU but even without the LTTE the Donor Conference may go ahead as planned. The big question Mr. Munasinghe raised was, would it be possible for the Sri Lankan Government and the LTTE to undertake the necessary infrastructure development to meet the expectations of the donor countries.

LTTE is already planning and assembling its construction professionals around the world. Is the Sri Lankan government assembling the troops to undertake these infrastructure developments?

Partners in development

Mr. Munasinghe purposely may have avoided discussing the development capacity of the LTTE, the (so-called) partners in development who should share the booty with the Sri Lankan government if we can achieve peace. The big question for the planners will be, are they going to be equal partners or will they get a larger share of the booty through the Sri Lankan government? Does the LTTE have the capacity to undertake these development projects as equal partners with the Sri Lankan government? A very knowledgeable Tamil expatriate who works in the construction field with a very good insight into the way the LTTE operates, believes that the LTTE may face more daunting problems than the Sri Lankan government in handling these development projects. They may have to import most construction professionals and planners from their expatriate population (Tamil Diaspora) living and working in the Western world. Will the best be willing to leave their comfortable homes



A library picture of the Sapugaskanda Power Station - an engineering feat performed by local engineers.

for the jungles of Wanni? Some Tamil expatriates are already in Sri Lanka working with the present UNF government with the blessing of a senior bureaucrat. It is a (well) known fact among moderate Tamils that most development experts in the LTTE are only namesake experts without any real experience in large-scale development projects. Accordingly, the LTTE may also fail to undertake these development projects without the co-operation of the Sri Lankan government, even though, for the last few years, six construction companies belonging to the LTTE have undertaken construction work in Sri Lanka. Mr. Jay Maheswaran, the present Economic Adviser to the LTTE, is a resident of Melbourne (Australia) and he holds qualifications in agriculture. But for the LTTE he is an expert in economics. So he may not be the real Economic Adviser to the LTTE, but he may be able to bring his and others' experience to advise the LTTE in all aspects of development economics. Will this affect the administration of the funds we may receive from the international community? Not if they get their way and establish an interim administration.

and placed the blame on a high level of budgetary allocation (by the successive governments) for not providing the allocated donor funds. What a fallacy! If he is right what was the Chamber of Construction Industry doing? What are they trying to do to upgrade the construction industry in Sri Lanka and train the professionals? There is an urgent need to re-organize and re-model the construction industry especially the procurement system, so as to meet the modern management methods that can save billions of rupees for the Sri Lankan government and the Sri Lankan construction professionals. For many years the construction industry has been criticised for its perceived inability to innovate and its slow adaptation of new technology and modern management methods. Engineers control the construction industry in Sri Lanka. They failed to advise respective governments since 1958, and to change the procurement system to achieve the maximum output from donor funds.

While Sri Lankan professionals were refusing to evoke changes, in the UK in particular, (where many of our engineers and other professionals were trained), there has been a seemingly endless procession of reports and enquiries about "Controlling the upward spiral; Construction performance and cost in UK" with the aim of improving the performance of the development process. When all other Western and Third World countries were developing ways to control cost and per-

Revamp procurement

Mr. Munasinghe stated that our past records indicate that the construction professionals, especially the engineers who control the industry, the Sri Lankan Government and the construction contractors were able to spend only 15 percent of the funds allocated. He hid the true facts

formance in the construction industry, we in Sri Lanka were holding to the age-old construction methods and other systems as our engineers were afraid to introduce changes to the system as they may lose control of the development process.

Investors

Good infrastructure development is said to be a key to attract investors. Unfortunately this theory does not hold water, as most investors are eager to maximise their profits and will go to any lengths to make their money grow. We do not have to worry about getting investors to Sri Lanka, as the main concern of most investors is to get a good return from their capital than the terrain in which they are going to invest.

It is true; we need a high-speed rail network, optical fibre cable network to operate our telecommunication system, and mass transit system to transport people and a very good sewerage system for the country. These facilities are what businessmen are willing to invest in as the returns on all these are the best. We have to develop these facilities with the funds we are going to get from these investors. If all these facilities are available in Sri Lanka then the "economic investors" will embark with their projects to earn money and exploit the environment and the people of Sri Lanka. The donors who come to Sri Lanka to develop the infrastructure of the country always try to get a better return for their money. They will invest billions but they need results. Other than

this they have no interest about the project formulation. As we are the recipients of the funds they may insist on restrictions but good negotiators may be able to overcome all these restrictions by providing them value for their money.

Procurement methods used in Sri Lanka are cumbersome and outdated. Most Sri Lankan professionals as well as the Treasury officials are not so familiar with the procurement system. The misunderstandings of the procurement system hinder all our construction work and create corruption among all the people connected with any given project.

Our construction professionals allow defective contract documents in procurement contracts thus creating variations and corruption among all those people connected with the project.

Most construction professionals in Sri Lanka are not familiar in dealing with international or foreign construction contractors to achieve high quality cost effective projects within time. Most of the projects we completed during the last decade cost excessively as most of our professionals were unable to administer a contract properly and safeguard the client's interests.

Decision making process

Most bureaucrats and construction professionals all over the world are poor in decision-making. In the construction industry any delay in making a decision will cost the client very dearly as a day's delay may mean one week's delay on

site. The bureaucrats and all other construction professionals are afraid to take decisions, because they are afraid to lose face among subordinates if they are proved wrong as they are not thorough with their work. Those people who are not technically thorough with their work and not capable of thinking ahead will not even attempt to take a decision and will keep passing the buck. If you don't take a decision you will never know whether you are right or wrong. If your decision is wrong then you can take appropriate action to correct your mistake.

Most decisions taken by top-notch engineers who served the Sri Lankan government were atrocious and forced some projects to be abandoned costing million of rupees to the poor taxpayer. These senior engineers are treated as national icons (even now) and construction geniuses, and the truth was hidden from the general public. Two of these projects are: - Abandonment of the construction work of the proposed mail Sorting Office (near Fort Railway Station - now the site is used for the night market). Decision to abandon a site investigation for the Samanawewa dam project (after shifting the position of the dam), thus creating a leaking dam. All these bad decisions or poor judgement by some senior engineers cost the Sri Lankan government millions of rupees.

Delegation is a very critical issue and without delegation it is not possible to run the construction industry efficiently. We delegate work to other colleagues and subordinates to enable them to work efficiently. Over delegation or under delegation will kill the idea of delegation, as over delegation will make the person carrying out the delegated work frustrated as he is not in a position to complete the goals set out by the employer. Under delegation will make the person waste his time, as he does not have enough work to keep him fully occupied. Such delegation should be done with great care and the person delegated with work should have the authority to carry out the work.

The BOOT/BOT investors look for a good return and at the same time try to help the recipients in the long run. Most BOOT/BOT projects are coming into the country with the approval of the BOI. It is advisable to have feasibility studies completed before these projects are advertised. I have discussed with some leading developers about the Mass Transport System. But they were afraid to undertake the work, as they were not sure what the Sri Lan-

kan government was looking to improve. We are struggling to get investors to the country, but we do not prepare the path to attract them. We should establish the actual requirements through a feasibility study or a client brief before we get these investors. If we do so we may be able to check these investors properly for the good of the people in our country. I was involved in a few BOOT projects from the investor's end and the regulatory body was so strict we spent much time before we got approval.

Infrastructure development authority

As suggested by Mr. Munasinghe it is very essential for the government to take appropriate steps to establish an authority to undertake infrastructure development at the earliest with suitably qualified technical people, even borrowing from other organisations (UN or CFTC) or from the expatriate community. This authority should have the bipartisan support of the President and the Prime Minister. If we delay this we will delay the implementation of the infrastructure development. The IDA should be established under an Act of Parliament with all the checks to prevent any corruption. The authority should be under a Director General who can command a high level of knowledge in the construction industry and understand the cost, time and quality constraints necessary to deliver projects on time.

The authority will be able to resolve some of the development problems raised by the LTTE.

The MD and the senior staff in the IDA should be able to prepare proposals for international investors highlighting how we are going to use the diverse cultures (Sinhalese, Tamil, Muslim, Burgher and other groups) of all Sri Lankans to deliver these projects meeting the client's service requirements within the cost, time and quality framework. How are we going to benchmark the design and the construction process? The methods used to achieve Total Quality Management while securing the goodwill of partners using partnering methods. These modern construction management levels are the standards most foreign investors are looking for and expect from the consultants undertaking these development projects. If we are not in a position to impress the donors with the new management techniques and our knowledge in completing these projects to their satisfaction then we lose their trust.