TCDPAP- FOCUS MARCH 2004 ISSUE

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From Secretary General's Desk

The TCDPAP Annual Workshop that was held at Bali from 25 to 28 September, 2003 was a useful forum for interaction, for the consultants in the Asia Pacific region. Due to rapid globalization the need for our countries to interact actively and be involved in the development process is of an even greater urgency.

This would lead to significant business opportunities for our consultants. However, for us to take advantage of this opportunity and participate in the development process there must be a level of preparedness on our part and we need to take some proactive steps immediately. A few of the major issues that we must address are related to training and skills development, and having an easily accessible database of consultants.

Our scientists, engineers and technocrats need to be trained in the way things are being done currently. *New technologies and processes have to be, not only understood but applied and mastered, to be able to provide effective solutions for sustainable development*. The skills imbibed must measure up to the **acceptable international standards** and there must be due recognition of the qualifications and certifications in our countries on a reciprocal basis.

The Asia-Pacific region has many vibrant and divergent economies that have been growth engines for the global economy. Our region will continue to be the significant contributor in the 21st Century. However, the share of work done by the consulting firms of this region is not commensurate with the quantum of work being executed.

Our consulting firms are usually small and do not have a strong brand equity. Therefore clients find it difficult to locate consultants for their many jobs at hand. In fact for the smaller consulting firms, getting work is one of the toughest challenges faced by them locally and internationally.

An easily accessible database that profiles the consulting firms and lists them by sectors and services offered, and in greater detail the sub-sectors will be a boon for everyone. The **CONSULTANTS DIRECTORY** in the TCDPAP website (*www.tcdpap.org*) should be everyone's first choice when one looks for consultants.

The directory should not only be "the bible" but it should be used by anyone who would like to go from first base, that is from CONCEPT TO COMMISSIONING. The client and his consultant can start off from the beginning itself towards a working relationship to lead to a win-win situation for all.

TCDPAP International Workshop on "**Infrastructure Development in Developing Countries and Globalisation: The Role of Consultants**" **at Bali, Indonesia from 25th-28th September, 2003**

A Report

The Annual workshop of TCDPAP was organized by National Association of Indonesian Consultants (INKINDO) in collaboration with United Nations Economic & Social Commission for Asia and the Pacific (UN-ESCAP) and Asian and Pacific Centre for Transfer of Technology (APCTT).

Mr. Richard Kell, President, FIDIC inaugurated the Workshop. 6 Member Countries of the TCDPAP attended the workshop. Around 300 delegates from various member countries attended the workshop.

Topics

The following topics were covered in the workshop:

- Infrastructure Planning & Policies
- Role of Consultant in Infrastructure Development
- Environment & Safety related issued in Infrastructure Development
- Human Resources Development Capabilities
- Financing & Management of Infrastructure projects
- Technology Upgradation & Modernization
- Competency Standards for Consultants
- Code of Ethics for Consultants
- Role of Professional bodies for the Promotion of Consultancy
- GATS: Challengers for the professional service provider
- Role of Financial Institution in Promotion & Development of Infrastructure
- Infrastructure Development & Globalization

A Half Day Training Programme was also conducted on the 4th day of the Conference on "New Business Model for Globalization in the Knowledge Economy" in association with APCTT, New Delhi.

The following topics were covered in the Training Programme:
- New Business Model -
  - Needs of Organisation
  - Growing Needs
  - Knowledge Management System
  - Building Forms of Partnership

Fourth Meeting of Executive Committee of TCDPAP Bali, Indonesia from 25th-28th September, 2003

Salient Points

● Vice President, TCDPAP appreciated National Association of Indonesian Consultants (INKINDO) for organizing the conference in a excellent manner and the role of TCDPAP Secretariat in providing the support to INKINDO in making the event a grand success and the number of activities initiated by the Secretariat during the last few years.

● Secretary General, TCDPAP gave a report on the activities undertaken by the Secretariat since the last Executive Committee Meeting held in Hanoi, Vietnam and emphasized on the following aspects and requested the member countries for greater cooperation:

   - **Data Base of Consultants** – TCDPAP Secretariat is a process of compiling database of consultants in the Asia Pacific Region.
   - **Training Programmes** – Member countries were requested to furnish details of training needs for their consultants.

   Secretary General emphasized the need for greater coordination and networking among consultants in the region and the necessity of funds mobilization for carrying out the activities of TCDPAP effectively.

● SCAEF, Nepal reiterated that TCDPAP was established in April 1992 and is in existence for more than a decade and there is a need to seriously review the activities of TCDPAP and should result in Business generation for the consultant's of the region. Suggested the following measures for the same:

   - The name of TCDPAP should be relooked
   - The activities of TCDPAP should be as per Strategic Action Plan of TCDPAP.
   - The TCDPAP Secretariat should write to Govt. of Nepal for mobilizing funds for TCDPAP. The focal point of TCDPAP in Nepal to pursue their government based on the request form TCDPAP.
   - The data base of consultant in Asia Pacific Region is to be developed as per the DACON system.
   - Annual Budgeting for the activities of TCDPAP is to be done.

● President, ACEP, Pakistan, said that TCDPAP is an important forum for exchange of ideas and there is a need to do Capacity Building programmes for consultants in the region and the interaction should result in Business generation for consultants in the region.

● Consultant from India said that TCDPAP Secretariat should approach funding institutions such as ADB and World Bank for providing support to the activities of TCDPAP. We must also open channels of communication with Funding Organisations, such that preference is given to consortia within the region.

- President, FIDIC emphasized that TCDPAP is an important forum for the consultants in the Asia Pacific Region, also emphasized that it will be difficult for financial institutions like ADB and World Bank to provide any financial support to TCDPAP. As a revenue model, TCDPAP must develop products that can be re-used.

- Chairman, CDC said that it will be difficult for banks like ADB, World Bank governments to provide any funds to TCDPAP and that the Association in respective countries has to pursue their governments for providing financial assistance for the activities of TCDPAP.

- General Secretary, BACE, Bangladesh said that TCDPAP should relook its activities and that there is greater need for cooperation and networking among the consultants of the region.

- Director, Department of Scientific & Industrial Research (DSIR), Govt. of India and Focal Point-India, informed that TCDPAP was evolved as a joint initiative of Govt. of India (DSIR) and ESCAP. The Govt. of India by way of providing host facilities for its Secretariat through CDC at New Delhi. The DSIR and Ministry of Commerce, Govt. of India have also provided financial support for its activities. He emphasized the need to *"Institutionalize the TCDPAP in the form of an independent entity"*. All efforts may be made to generate resources for this through persuasion to the respective national Governments. Consultancy Associations, International Financial Institutions as well as from its activities/programmes and also ESCAP may be requested for possible financial help and cooperation.

- The members felt that it will be difficult for the Executive Committee to decide any thing about Vision and Mission statement in such a short time. It was decided that all the members countries of TCDPAP should send their comments within one month to the Secretariat. A committee comprising of the following will review the comments and draft a final Vison & Mission Statement for adoption by General Council. The comments can be sent to Secretariat with a copy to the Committee Members.
    - Dr. Judin Abdul Karim, Director, PSDC, Malaysia psdc@jkr.gov.my
    - Mr. Kristiya Kartika, President, INKINDO, Indonesia inkindo@inkindo.org, dpn-inkindo@plasa.com
    - Ch. Ghulam Hussain, President ACEP, Pakistan acep@cyber.net.pk, ndcho@lhr.paknet.com.pk

- The members countries of TCDPAP should send their comments with regard to Memorandum of Establishment of TCDPAP and the Charter of TCDPAP. The comments once received can be reviewed by the above committee and will be discussed during the next General Council meeting for finalisation.
- PSDC will be replacing ACEM, Malaysia from Malaysia as the focal point of TCDPAP.

ONE DAY TRAINING PROGRAMME HELD IN KATHMANDU, NEPAL.

TCDPAP Secretariat organized a one day Training programme on **"Quality Management in Consulting Services"** in collaboration with Society of Consulting Architectural and Engineering Firms (SCAEF), Nepal on 22nd August, 2003 in Kathmandu, Nepal. Thirty five professionals from various organizations including Consultancy and Contracting industry participated in the programme.. The programme was focusssed on Consultant/Consultancy organisations, Contractors and other key government officials.

The faculty support was provided by the TCDPAP, Secretariat.

The following topics were covered in the Training Programme:

- Overview on Quality Management Standards

- Quality Management Principles

- Elements of ISO 9001:2000

- ISO 9001 : 2000 for Service Industry

- Implementation Methodology and Certification Process

WRAP-UP SEMINAR - REGIONAL WORKSHOP ON INTEGRATION OF ENVIRONMENTAL AND QUALITY MANAGEMENT SYSTEMS

The TCDPAP Secretariat along with ESCAP & APCTT coordinated a programme on 'Integration of Environmental & Quality Management System in the ESCAP Region' with the financial support provided by Govt. of Netherlands. Under the programme, national seminars were organized by TCDPAP Secretariat along with UN-ESCAP/APCTT in nine countries of ESCAP region namely India, China, Nepal, Bangladesh, Vietnam, Phillipines, Srilanka, Thailand, Indonesia. TCDPAP

In conclusion to all the programmes held in 9 countries, a Wrap Up Seminar **Regional Workshop on Integration of Environmental and Quality Management Systems** in the ESCAP Region was organized in collaboration with APCTT on **15-17 September 2003** at APCTT, New Delhi. ESCAP/APCTT provided travel support to one participant from TCDPAP Focal points in member countries, besides the subsistence allowance at UN rates.

The workshop was attended by the representatives of the following countries: Bangladesh, China, India, Iran (Islamic Republic of), Nepal, Philippines, Sri Lanka, Thailand and Viet Nam. Representatives from the Asia and Pacific Centre for Transfer of Technology (APCTT) and the Technical Consultancy Development Programme for Asia and the Pacific (TCDPAP) also participated in the workshop.

> **Topics covered for the programme were as follows :**

> - Policy Frameworks
> - Institutional Aspects
> - Capacity Building/Human Resources Development Dimensions
> - Cascading Efforts

Conclusions & Recommendations emerging out of the Seminar

Conclusions:

An increasing number of developing countries in the region are coming to realize that implementation of internationally recognized generic management standards provide a competitive edge by which they can improve their market, financial and strategic position, both domestically and internationally. These countries must do

their utmost to devise ways and means of adopting appropriate strategies to guide their activities towards integrated quality and environmental management inspection and certification. Enterprises around the world are striving to achieve these objectives. A great potential exists in the UNESCAP region for adoption and implementation of integrated management systems for the benefit of organizations and countries in the region.

A strong coordination mechanism needs to be developed to assist countries which do not have the requisite national infrastructure, by pooling resources that are available and by channelizing efforts for coordinated and coherent development of integrated management systems, including the implementation of the ISO 17799 information security management standards. There is clearly a need for regional efforts to link more closely the processes of technology adaptation and development to the challenges of export promotion, international trade and e-commerce. These efforts need to be expanded to ensure collaboration with and supplementation of ongoing programmes of regional and international organizations.

The weaknesses and problems confronting members and associate members of the UNESCAP region in the fields of EMS, QMS and ISMS were highlighted during the National Seminars and the Regional Workshop. Of the many ways to solve some of these problems, the TCDC approach (technical cooperation among developing countries) might offer some useful solutions. These could include: the provision of training opportunities, use of common facilities, effective use of a common forum for the exchange of ideas and views on the modalities for solving national and regional problems of a common nature, the utilization of existing regional mechanisms to facilitate effective access to information on adoption and implementation of ICT-related standards. An appropriate regional mechanism could spearhead meaningful action in these areas.

Recommendations

1. Considering the expressions of interest and appreciation of integration of environmental and quality management systems by the participating countries during the national seminars and regional workshop, it was considered timely and beneficial to disseminate a consolidated project report to all members and associate members of UNESCAP.

2. Membership in the International Accreditation Forum should be sought by the accreditation systems in the concerned countries to facilitate conformity assessment for acceptance in the international trading system. Initiatives from national governments to develop institutional frameworks such as establishing national accreditation systems, where they do not exist, are required.

3. While it was generally acknowledged that expertise and experience existed in the domain of ISO 9001, there is an urgent need to enhance expertise and experience in ISO 14000 so that meaningful integration takes place by building integrated

skills in consultancy and auditing processes that are very important to realize the benefits of an integrated system. Steps should be taken by member countries to enhance expertise and experience in both fields.

4. Policy initiatives would be necessary to bring credibility to the system such as registration of auditors, consultancy organizations and training agencies with well defined criteria for registration. This would require institutional infrastructure and capability building efforts on the part of national governments, related organizations and other stakeholders. APCTT and TCDPAP should play a catalytic role in such efforts.

5. There are accredited courses for individual management systems such as ISO 9000 and ISO 14000, but there are no accredited courses for training in integrated management systems. There is therefore need to develop and start accredited courses for integrated management systems which could be initiated by APCTT and TCDPAP.

6. There is a need to create a critical mass of trainers to provide expertise on different segments of the integration process, i.e. accreditation, certification, consultancy and training and this could be undertaken by relevant international institutions, government organizations, nongovernmental organizations, SME institutions and financial institutions. APCTT and TCDPAP, as well as UNESCAP, could play a catalytic role in bringing about coordination in these efforts.

7. As information is the lifeblood of today's business and has become an important part of the infrastructure, enterprises and their information systems and networks are to be safeguarded against security threats from a wide range of sources such as computer-assisted fraud, espionage, sabotage, vandalism, fire or flood. Institutionalization of information security management systems would provide the necessary safeguard and ensure accurate, complete information kept away from unauthorized use and available when needed. Requisite guidelines and procedures need to be propagated by UNESCAP to prepare enterprises to safeguard valuable information and data.

8. The domain of information security encompasses confidentiality, integrity, and availability considerations. Successful design and implementation of a coherent and comprehensive information security programme based on ISO 17799 is dependent on four fundamental pillars: security vision and strategy; senior management commitment; information security management organization structure; and training and awareness programmes. It is recommended that UNESCAP conduct awareness-cum-training programmes to create and strengthen the requisite capacities and competencies in member countries.

9. Appreciating that information-driven value chains integrated over real time created dependencies, which, in turn, increase vulnerabilities to threats at any point in the value chain, comprehensive and coherent information security management regimes are vital. To ensure that confidentiality, integrity, and availability of information remain intact throughout the information network, it is recommended that UNESCAP sensitize member countries on the role that ISMS could play in fostering enhanced and secured e-commerce and e-business activities in the region.

10. Considering information security management a very fast emerging area for managing information, as well as the role and usefulness of ICT in facilitating EMS and QMS integration, it is recommended that a workshop be organized by UNESCAP in the ICT sector to develop integrated management systems.

Infrastructure Development and Globalization:
Role of People Empowerment in Rural Development
by:
Gunawan Sumodiningrat

I. Introduction

The background of this paper is very broad, since the topic offered by the organizing committee has four dimensions, which are Infrastructure Development, Globalization, People Empowerment, and Rural Development. The four dimensions are equally placed as the highest priorities of development in Indonesia. Therefore, before we step further, I would like to invite all participants to be familiar with the terminologies.

"Infrastructure Development"

The essence of infrastructure development is accelerating the activation of people's income. This is because developing infrastructure means providing physical facilities needed by the general public. The more the people use the facilities, the wider the impact of the facilities on the people. Assurance on proper availability of physical facilities can lessen uncertainty. Therefore, the total cost expended by the society can be estimated. If the physical facilities are public goods, the proper availability of them will be able to reduce people's burden on costs.

"Globalization"

The core of globalization is accelerating the activation of state and private incomes by means of international trade. This is because implementing globalization means opening domestic markets to foreign goods and services. Thus, industrial countries will gain more over globalization, since they have: (1) an ability to safeguard and widen their markets through various economic instruments (such as import duties, import restrictions, quota, copyrights, patent rights, foreign exchange controls, import substitution, etc.); (2) an ability to maintain high production level accompanied with good efficiency level; (3) an adequate ability to make the most of technology and capitals; and (4) institutions that are able to manage any emerging conflicts as the result of free trade regime implementation.

"People Empowerment"

People empowerment is the act of empowering people capacity by providing support and protection, access to production factors, and assistance. The topmost challenges faced by Indonesia's development effort are poverty, unemployment, and social-economic disparity. People empowerment –as a model of development approach– is able to improve the poor people's standard of living. The steps of people empowerment model in Indonesia are empowerment of human capability in respect of education, health, and basic needs betterment; empowerment of human capability in respect of environment, settlement, housing, and their supporting infrastructure; and empowerment of human capability in respect of business opportunity, employment opportunity, and income growth.

"Rural Development"

The principal meaning of rural development is increasing the activation of rural community income. This is because rural development means putting the foundation for national economic growth; endeavoring even distribution of development; and creating business opportunities (not only employment opportunities) for rural community. The foremost means of national development is actually rural development, since it can produce a wide multiplier effect.

II. Development Challenges

I emphasize that the source of problems in Indonesia's development is social-economic disparity, poverty, and underdevelopment. Therefore, development in Indonesia is motivated by the presence of low standard of living, poor productivity, high population growth rate, high unemployment rate, and excessive dependence over natural resources exports. The regional span, population density, and strategic potency of each region in Indonesia are remarkably various. This variety triggers disparity among regions.

Based on regional analysis, the regions outside Java are characterized by the following problems: (1) extensive regional span; (2) sparse inhabitants; (3) poor infrastructure; (4) substantial potency of natural resources; (5) limited manpower; (6) low income level; and (7) insufficient investment. These conditions allow the movement of workers among employment and production for one's own interest. Meanwhile, regions in Java have the following characteristics: (1) high population density; (2) sufficient infrastructure (especially transportation); (3) limited expansion of farming ventures; (4) poor employment opportunities; (5) high population growth rate; and (6) low income

level. These conditions make most of the population migrate to urban areas (urbanization). In general, in the regions outside Java, there are problems arising from uncertainties, and it will produce an ample of risk calculation. In the meantime, in Java, there are problems occurring from undue inefficiencies, and it will produce high transaction costs. Therefore, it is evident that both parts of the regions own a single problem, i.e. low productivity. Such analysis constructs a hypothesis that the low quality of infrastructure development in rural areas weakens the national productivity and reduces Indonesia's competitiveness in the arena of globalization.

For that reason, the development challenge faced by Indonesia with respect to regional aspect is how to improve productivity at national level and at project level (not only government projects, but also private projects). The offered development model to deal with such challenge is people empowerment.

III. Concept

The concept of people empowerment is actually a new development concept for developing countries. This concept contains sustainable development paradigm. Hence, the people empowerment model pays attention to: (1) multisectoral development that encompasses human, economic, social, and environmental sectors; and (2) development supported by human, economic, social, and environmental capitals by also considering the sustainability of development in the long term. The people empowerment model needs support from institutional building model that encourages cross-stakeholder coordination.

As a form of policy, people empowerment model emphasizes five pillars of policies equivalently, i.e. economic, human, and infrastructure aspects supported by institutional and sustainability aspects. This approach sees the infrastructure development concept **"can"** (1) give weight to investment in provisions of transportation systems, telecommunication systems, clean water facilities, waste system, basic education facilities, basic health and family planning facilities, and housing improvement; (2) prioritize development in rural areas that has production system linkage with that in urban areas; and (3) increase the volume of development in strategic areas outside Java.

IV. "Policy Alternatives"

Policies that should be taken to performed the afore-mentioned development are:

First, by way of "regional stakeholders". There are three approaches: (1) asking regional governments and business communities outside Java to develop rural areas outside Java as strategic areas based on the potency and characteristic of

each region; (2) making regional governments become supervisor of business ventures in the regions. Therefore, they must be provided with a capacity building; and (3) asking the regional consultant to be a professional management advisor on infrastructure development --in cooperation with banking sector investment—in strategic areas outside Java.

Second, by way of native community (*masyarakat adat*)/local community in the regions. There are two approaches: (1) asking the native community/local community in the regions to participate in decision making process that corresponds with the management of their territories for the sake of improving regional economy; and (2) educating the native community/local community in the regions to understand the importance of infrastructure development in rural areas.

Third, by way of national private sector and banking sector. There are two actions: (1) asking the banking sector to provide funding for investment in strategic areas outside Java –which in essence show the characteristics of rural and agrarian regions; and (2) asking the private sector to internalize the external cost variable of community development and environment conservation.

Fourth, by way of Central Government. There are two actions: (1) asking the central government to become supervisor, facilitator, and mediator between regional governments/regional businessmen and banking sector; and (2) making development programs financed by the National Budget (APBN) become development programs that give priority to efforts for boosting productivity by allocating the budget for development projects as government investment in provisions of transportation systems, telecommunication systems, clean water facilities, basic education facilities, basic health and family planning facilities, and housing improvement.

V. Conclusion

People empowerment should be prioritized in infrastructure development. The infrastructure development will give substantial benefits if it involves all potencies owned by the cross-stakeholders. It will be advantageous if its priority is put on strategic areas outside Java. It needs a long term planning, since it involves considerable amount of money and time. Therefore, we need an accurate and reliable blue print of infrastructure development. I also consider it necessary to form of an institution that duly performs a synergic and comprehensive coordination of infrastructure developments in Indonesia.

THE NEXT ANNUAL TCDPAP CONFERENCE TO BE HELD IN INDIA

The Next Annual TCDPAP Conference is scheduled to be held during 12-14th October, 2004 in New Delhi, India with the theme *"Development of Knowledge Infrastructure: Role of Consultants"* along with the 5th Executive Committee and 4th General Council Meetings of TCDPAP.

The conference will include Country presentations, Presentations from eminent speakers on the theme, Case studies, Panel Discussions etc. The conference is planned for three days including meeting of the General Council and Executive Committee. It will be followed by field visit.