

Developing Managers in Development

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Abstract

Project management as a profession has an important role to play in making development assistance more effective. This paper highlights some of the opportunities. The development sector (planning and implementing aid/humanitarian projects in developing countries) is an area of work relatively unknown to many project management professionals. While some of us would be aware that Australia has a current annual development budget of \$1.8 billion, and that AusAID is the agency through which aid funds are channelled to our developing country partners and multi-lateral development agencies; how this budget is spent on projects, and how effectively development projects are managed, is less well known. This paper explores the proportion of Australian aid spent on projects, the nature of these projects and the special challenges involved in managing development projects for AusAID and multi-lateral agencies such as the World Bank and the Asian Development Bank. The author has worked in the development sector for over twenty years with direct project experience in some twenty countries in the Asia/Pacific region. Drawing on case studies, lessons learned and personal experience, examples are provided of some unique project management challenges from recent projects in Bhutan, Nepal, Indonesia, Solomon Islands and Cambodia.

Summary of Key points

- A snapshot of the development sector in Australia - key statistics, our developing country partners and where the money is spent; fewer, larger projects as an emerging trend; AusAID as a client; clients other than AusAID; the number and profile of companies specialised in managing development projects; profile of a typical project manager.
- The project phases - planning, doing and reviewing in the development sector. The special importance of risk, human resources and communications management.
- Some typical projects; common ground in most community development projects and how is success measured. The need for participatory approaches and building planning and management capacity in partner countries.
- A day in the life of a development project manager - some of the unique challenges revealed and personal qualities required to stay alive, stay sane and keep friends/family.
- How can professional 'Project Management' play a role and opportunities for project professionals in the sector.

The Development Sector in Asia/Pacific

Australia's Official Development Assistance (ODA) is channelled to our developing country partners through AusAID (the Australian Agency for International Development) an autonomous agency within the Department of Foreign Affairs and Trade. Australia's annual ODA budget is currently AUD 1.81 billion, and of the AUD 1.23 billion that is allocated to country programs, some 90% is channelled to Asia and the Pacific, the balance being allocated to the Middle East and Africa. AusAID currently works in partnership with governments in 47 developing countries. The top six countries/regions by budget are: Papua New Guinea, the Pacific island countries, Indonesia, Vietnam, Philippines and China. Within each partner country, AusAID has a country program consisting of a number of individual aid projects; there are also regional programs coordinating regional projects. By any standards, AusAID is a large project management organisation, and even though most of the direct project implementation is carried out by Australian

Managing Contractors (Australian or New Zealand firms/organisations contracted to AusAID), the agency maintains a high level of control over and interest in project outcomes.

Complementing Australia's ODA is a wide range of 'unofficial' development initiatives funded by private individuals and businesses. Much of this aid money is channelled through Non Government Organisations (NGOs) associated with the Australian Council for Overseas Aid (ACFOA). In 2002, Australian NGOs directed some AUD 475 million into humanitarian aid and development assistance around the world (note, this excludes funds from AusAID which are counted as ODA).¹ ACFOA members are working in 135 countries, and approximately half their total funds are spent in Asia/Pacific. Collectively, these NGOs manage a major portfolio of development projects, and while this paper does not focus on the management of non-ODA projects, many of the comments and observations herein would equally apply.

Worldwide flows of ODA total around USD 50 billion annually, and of this total, around 29% (USD 14.5 billion) is directed to the Asia/Pacific region.² In Asia/Pacific, the major organisations through which this ODA is channelled are World Bank, Asian Development Bank (ADB), the European Union (EU) and various United Nations (UN) agencies including the Food and Agriculture Organisation (FAO) and the United Nations Development Program (UNDP) – generally referred to as multi-lateral donors; and direct bi-lateral programs between donor countries and recipients (for example AusAID, or JICA, the Japanese Government's aid arm). Much of the aid delivery of these organisations is also put into effect through projects, the management of which is often outsourced to the private sector through competitive bidding. Australian firms are eligible to bid for World Bank, Asian Development Bank and UN projects, however the aid program of the EU is restricted to firms/organisations from member countries. Some bi-lateral aid programs are tied, that is bidding is restricted to firms/organisations of the donor country, others are open to full or partial international competition.

Individual projects can variously cover scoping and design, implementation alone, a combination of design and implementation, or evaluation. The size of a typical development project is hard to define; however individual projects over USD 50 million are rare and implementation projects smaller than USD 1 million are equally rare. Usually, design projects span several months to a year, whereas implementation projects will span 2 to 6 years. World-wide, there is a trend towards fewer, larger projects as being a more efficient way to deliver aid. Increasingly, bi-lateral donors and the multi-lateral organisations are moving their program management into the field, that is, they are establishing in-country program and project management capability. Despite sometimes differing political and trade objectives, cooperation between bi-lateral donors, between multi-lateral organisations and bi-lateral donors and between the multi-laterals themselves is on the increase. Almost always, the government of the recipient country is a key stakeholder at both the program and the project level.

AusAID as a client

AusAID's significant contracts are publicly advertised and competitively tendered either as a one-step, or two-step process where pre-qualification reduces the number of bidders to manageable numbers (3 to 6 generally). All tendering is on a quality/cost basis, with the proportion of scoring allocated to each variable dependant on the nature of the project and its perceived risk profile.

Calendar year 2002 figures show that AusAID held contracts with 35 'major' project management firms/organisations. A 'major' contractor is defined as one holding current contracts valued at over AUD 10 million; this includes both private and public organisations and firms, but excludes government organisations (GOs) and NGOs – some of which are large project management organisations in their own right; and excludes direct suppliers of goods such as wheat and rice or services such as shipping, which are not project related. Of these 35 firms/organisations, 6 held contracts valued at over AUD 100 million, and 2 held contracts valued at over AUD 200 million. The total value of the 258 separate contracts held by these 35 firms/organisations is over AUD 2 billion. Additionally, another 31 firms/organisations held project management contracts valued between AUD 1million and AUD 10million.³ The major development

¹ ACFOA website, www.acfoa.asn.au

² Australian aid: Investing in Growth, Stability and Prosperity, AusAID, September 2002

³ AusAID website, Contracts List, Calendar Year 2002, www.ausaid.gov.au

contractors have formed an industry association called the International Development Contractors Group, which has a current membership of 22 firms/organisations (including all of the top ten firms).

AusAID relies heavily on outsourcing to get its work done, and ranks as the third largest Commonwealth Government purchaser of services behind Defence and Centrelink.⁴ It provides a huge market for project management firms/organisations, which in turn provides a lot of (interesting) work for project managers.

Other bi-lateral clients in Asia/Pacific

The New Zealand aid program is heavily focused on the Pacific region, and like AusAID it contracts out much of its direct project implementation and is open to Australian firms/organisations. Recently, the United Kingdom's aid program, which is administered by the Department for International Development (DfID), untied its aid, meaning it is now open to Australian firms/organisations – although experience shows that the chances of winning this work are still greater if the firm/organisation has representation in the UK, or is associated with a UK firm/organisation. Some Australian firms have also had success with projects under JICA funding, though this is more normally in association with a Japanese lead firm and is heavily accented toward infrastructure and institution building.

The multi-lateral clients

In the development sector, the World Bank (headquartered in Washington D.C.) and the Asian Development Bank (headquartered in Manila) are the largest multi-lateral organisations in the Asia/Pacific region. Both operate on commercial terms to make affordable loans available to developing country governments; both organisations also have a separate line of financing to support the private sector in developing countries. The ADB directly contracts project management firms under the broad heading of Technical Assistance Grants (TAs); these are grants given to the developing country government to facilitate either the design of a project, a Project Preparation TA (PPTA), that the ADB would subsequently finance, or an Advisory and Operational TA (AOTA) which may or may not lead to a new project. Typically, ADB TA projects are in the order of USD 0.5 million to USD 2 million. At the project implementation stage, where the projects are much larger, the recipient government will be responsible for contracting any project management services, however this is done under ADB bidding rules and under Bank supervision. In 2000, Australian firms won ADB TA contracts worth USD 94 million and an additional USD 41 million in contracts for procurement under ADB loans.⁵ The World Bank operates in a similar way by directly financing grants from its Policy and Human Resources Development Fund (PHRD) to allow developing countries to contract international project management firms for project preparation or related technical assistance. The World Bank also works with bi-lateral donors to fund TAs. Developing countries that are recipients of World Bank loans are also required to engage consultants/project managers under international bidding rules, which are cost and quality based, and under Bank supervision. In 2000-01, Australian firms secured TA and procurement contracts under World Bank financing worth USD 41 million.⁵ Many Australian firms have entered these markets for the first time with assistance from Austrade, which has representation in both Manila and Washington, and also in many developing countries. More information on Austrade's services is available by phone on 132878 or via their website at www.austrade.gov.au.

Project Management Firms/Organisations in the development sector in Asia/Pacific

In calendar year 2002, AusAID records show that 66 individual firms/organisations (in the private and public sector and excluding GOs and NGOs) managed significant contracts for AusAID (that is, above AUD 1 million). Of these 66, the large majority are in public ownership, either as private companies which are operating divisions of public companies/organisations, or public companies/organisations. Small to medium privately owned companies are in the distinct minority. Of the top ten contractors, the majority are companies specialised in development work, or are public companies/organisations with specialist operating divisions focused on development.

⁴ I. Anderson, 2003, Recent developments to improve quality and impact of Australia's aid program, in Australian Project Manager, June, 2003, AIPM.

⁵ Austrade figures

The typical project manager in the development sector – is there such a person?

The answer is probably no, as the range of skills, training and experience varies as widely as do the projects managed. However, the author suggests that there are probably a few common traits. Drawing on observation from over twenty years' experience in the business, it would appear that most of the project managers currently working on development projects have come to the job from a technical background as their first qualification. In other words, their experience as project managers would have been a secondary consideration in their appointment to the positions they hold. Further, the majority, perhaps the large majority, would not have any formal qualifications in project management. Extending this subjective (though well informed) analysis, it would not surprise me if the majority of development project managers would answer the question, "What is your prime role?" with an answer that included, "to provide technical backup and direction to the project team." This of course is changing, and as projects become larger and more complex, the need for formal project management skills developed through training, rather than through just experience, will also increase.

The Project Phases – planning, doing and reviewing projects in the development sector.

1). Planning: The planning of development projects is often achieved through the contracting of a separate 'planning project'. Whether it be for one of the bi-lateral donors, or for a multi-lateral organisation, planning is taken very seriously. In the past, poor planning led to failed projects, insufficient attention to the sustainability of outcomes, failure to address the needs of communities, etc. Project planning will often commence with a scoping mission, during which a range of project possibilities might be agreed between a donor and partner government. Such scoping missions might concentrate on a particular sector, eg. health or education, or on a geographic area of the partner country. For example in both China and India, Australian aid focuses on several agreed provinces/states. A scoping mission will often be followed by an identification and pre-feasibility mission during which, assuming the possible project is considered feasible, the terms of reference for a detailed design mission might be agreed between the donor and partner government. A full scale project feasibility and design mission might take 6 to 9 months and be conducted in several phases, with feasibility being demonstrated first, followed by detailed design and project costing. The final product of a design mission will be a Project Design Document (PDD) upon which the donor will call for tenders and eventually contract the successful bidder for project implementation. Expenditure of AUD 1million to identify, scope and design a AUD 15 million to AUD 20 million project would not be out of the ordinary.

2.) Doing: Methodologies for project implementation vary as much as the projects themselves. However there are some common traits which distinguish development projects from many others. Most projects extend over a number of years, and where community development is concerned, a series of projects might extend over decades. AusAID's longest running single project (more correctly a series of separate but continuous projects, which is now in its sixth phase in Nepal), will have run for thirty years by the time the current contract expires, but this is exceptional. More commonly, projects run for five to six years. Another distinguishing feature is that almost all projects are just as concerned with transferring skills and know-how, as doing the job – indeed, many projects do nothing other than transfer skills and know-how, the idea being that the developing country partner becomes self-sufficient. A successful development project should guarantee that there is no invitation to come back, the partner country/community being able to do it (whatever the project was doing) alone. That might sound like doing oneself out of a job, succeed and you don't get invited back – but the extent of the problem is such that there is always a new opportunity for businesses with a track-record in sustainable development. Increasingly, it is being accepted that poverty threatens us all, and in a world where half the population still live on less than USD 2 per day, unfortunately the development challenge sometimes appears never ending.

Development projects share many common themes with all other projects. There are costs to be managed and reported on, quality is paramount, scheduling is always an issue, the scope changes frequently and in unexpected ways, contracts must be written and kept up to date for variations, and procurement, especially in-country procurement, can be a minefield for the unwary. However, it is in managing risk, human resources (HR) and communications that the project manager in the development sector is especially challenged.

Risk – For most development projects, project risks are formally identified and evaluated, and risk management strategies developed and recorded in a Risk Management Matrix. A typical project risk assessment in Australia would normally assume stable government and law and order for the duration of the project, but this of course is not the case for all developing countries in our region. In a number of countries in Asia/Pacific, governments are fragile and law and order cannot be assumed. Increasingly, risks threatening development projects include the collapse of government resulting in a break-down of law and order, jeopardising a project's staff, assets and ability to work. There are no strategies that a project can devise to mitigate this type of risk, and the risks can't always be sub-contracted or insured against. The author's company was reminded of this while working in Cambodia in the mid nineties. Being one of the first development contractors back into the country after decades of political unrest, we took all reasonable precautions, including the addition to the team of a small private army to accompany us on field missions deep into what was still Khmer territory. But even this was no help during the coup of July 1997. With project staff holed up in a hotel where the only passing traffic was tanks, and the sound of bombs exploding in the background of panicked phone conversations, one is thankful for advice from the Department of Foreign Affairs and any colleagues willing to share in the stress of what was a very uncertain few days. We determined that it was safer to stay put than try to evacuate, the project was back on track more quickly than we could have imagined and our client (a Ministry within the Royal Government) was impressed that we hadn't abandoned ship. All in all it was a good learning exercise, but not one that we'd repeat willingly. But willing or not, we repeated this experience in June 2000 when we evacuated a large team from the Solomon Islands. In the heat of that moment, we were very glad that we'd put a 'no accompanying children' rating on that project right at the start.

Being aware of the risks and having contingency and security plans in place for any eventuality, is often the project manager's only refuge in times of real trouble. Without downplaying the need for extreme caution, the real risk to project personnel in times of political turmoil is often not as extreme as it might first appear. Generally, the warring factions are all supportive of the development efforts of the donor community and will take care to ensure that innocent foreigners are not harmed. Indeed, there are many more dangerous industries in Australia, and the injury statistics for the development sector rarely list a fatality. Nevertheless, managing the evacuation of a project team (especially if children are involved) from a war zone is stressful business, and it's at times like these that a project manager's diplomatic skills and preparedness through formal risk assessment, is duly put to the test.

HR – The project management team on most development projects is led by a Project Director, who will most often be based in Australia or New Zealand and make periodic visits to the project site. It goes without saying that the project site will be in a developing country, and that the other critical member of the management team, the Team Leader, will be on-site, normally full-time. The Project Director is ultimately responsible to the client, but who is the client? Is it the organisation paying for the aid, or the organisation receiving it? At times it can feel like there are two clients and that the Project Director and Team Leader are working for different clients; the Project Director is normally responsible for liaison with the aid donor and will see that organisation as his or her client, whereas the Team Leader will be dealing with the aid recipient on a regular basis and may be more inclined to see *that* organisation/community as his or her client. The project management structure and the working relationship between the various layers of management need to be developed with this in mind. What can further complicate the management hierarchy is that it is not unusual for a project director and team leader to have never worked together before, and sometimes they may never have met before a project is already underway. The most successful firms are those which have developed a sixth sense for putting teams together. Knowing from experience who can and can't work together is a valuable asset in the development business.

Another anomaly common to development projects concerns remoteness. Projects are not always based in a capital or even provincial city, indeed they may be based in parts of the country where even the most adventurous locals fear to tread. Probably the most remote location that we've had a project based, was in eastern Bhutan. Shortly after the project inception meeting in the capital Thimphu, it became obvious why the many Bhutanese we met had never been to the far east: there is no air service, the trip by road, in a four wheel drive, took a minimum of twenty hours, and that's without a landslide blocking the way. The longest stretch of straight road is measured in metres rather than kilometres, and in crossing the country one ascends and descends five mountain passes. At one point the road drops from near four thousand metres to six hundred metres in around twenty five kilometres as measured off a map – any steeper descent would require

a cable car, and in parts the road is literally etched into the side of an overhanging cliff hundreds of metres above the valley floor. As Project Director, the author hadn't even reached the project site for the first time before he was convinced that managing the team's remoteness would require some special care – it was not a drive that one did for a weekend break away and certainly not suitable for those squeamish about heights.

Whilst a project manager in Australia only occasionally has to concern him or herself with where staff live, a development project manager almost always lists staff housing as a high priority. This brings its own unique challenges, especially where project staff are accompanied by their families. If rental housing is plentiful, the project manager may only need to ensure an adequate housing allowance and leave all the decision making to the individual staff, however in remote locations some special care is needed. In one memorable assignment in northern Sumatra, our client offered expatriate housing as part of the negotiated package. We took this on good faith, having worked for this client many times, and mobilised our project staff to find that one of them was housed in a shipping container parked in a clearing in the jungle. Fortunately for us, the individual concerned was a tough, independent soul who took it in his stride and with good humour made the best of a very difficult situation – but that flexibility of approach can't always be taken for granted. And back again in far eastern Bhutan, at the project site high in the clouds of the eastern Himalayas, the author soon discovered that there was only one house in town for rent (for the team leader), and that we'd have to rent and take over management of the one local guesthouse for the rest of the team. For a five year project with a team of ten (other than the team leader), this presented a unique opportunity to test some hitherto unheard-of HR strategies. We lasted the distance and count that project as a success story. We also learnt (much later in the story) that the project management organisation we had replaced, the one that didn't last the distance, failed mainly because they didn't manage HR.

Communications – Managing communications is more than paying the phone bill (and that's assuming that there will be access to a phone). The communications infrastructure that we take for granted here cannot be assumed in most developing countries of Asia/Pacific. A critical step in development project planning requires a full assessment of the communication facilities available and the cost of their use – satellite phones are a great alternative for remote area communications, but woe betide the project manager who hasn't budgeted for the extra cost of using them. Further, differences in cultural norms present a far bigger trap for the unwary than differences in communications hardware. To give a few examples from the abovementioned project in Bhutan: the project plan did not include a communications network, and as a result the author (unwittingly) committed a near fatal error in communications on day one of the project. On first arriving in the country with the team, we arranged first day meetings with the counterpart Ministry in the capital Thimphu, whereas our direct project counterpart was based at the project site, only 600 kilometres away, but two full days drive, east. The fact that we did not telephone our direct counterpart on day one was taken as a serious insult and an affront to that person's authority; it took a lot of work to undo that simple mistake. A communications network in the project plan could have made all the difference. Furthermore, in reporting on project progress we found that it is culturally unacceptable to directly criticise any member of the Bhutanese civil service, even in the mildest terms. Since all civil service employees are approved by the Minister, and the Ministers are appointed by the King, a negative comment directed at one of the local project counterpart staff is indirectly seen as a criticism of the King. By observation, we learnt that the way to single out an individual for lack of performance, was to positively mention everyone other than the individual concerned; the message gets through, perhaps far more subtly than we might do it here, but just as certainly.

3.) Reviewing: Evaluating project impact and compiling lessons learned is a process that is often undertaken as a separate project; the work will be deliberately contracted to a different organisation or the task may be undertaken by staff of the donor organisation to ensure independence. Often a Project Completion Report will be required as the final contract milestone, and even then, a separate evaluation mission might independently assess the project's impact and decide if its objectives have been sustainably met. In other words, when the project team departs, will the counterparts (be they a community or a government department) manage alone? Because sustainable development is a long term process, a project extension or some other form of post-project support is not uncommon.

A critical flow-on from project evaluation is the development of a 'lessons learned' database. At the personal level, project directors and team leaders learn from their own successes/failures and the formal evaluation of projects that they have managed, and judging by the average age and experience level of project directors

and team leaders, years in the job is valued highly. At the company level, firms should develop their own database of lessons learned and require these to be accessed before bidding on new projects or undertaking project design. At the organisation level, donors such as the World Bank or AusAID have entire sections responsible for recording lessons learned and making these available to the development community. AusAID is now embarking on a major new initiative in this area with the development of 'AKWa' (AusAID Knowledge Warehouse), an online database of lessons learned from decades of implementing development projects in Asia/Pacific.

Community Development Projects as a special case

Unlike designing infrastructure projects, where I imagine there is more science than art, designing projects to help communities rebuild themselves requires the finest balance between art and science. While I'm sure that no two infrastructure projects are identical, there are a lot of principles that carry over from one design to the other; can the same be said for designs in community development? Are all communities living in poverty in that predicament for the same or a similar set of reasons? Experience has taught that the answer is no, that each needy community is unique; it follows then that unique project designs are more likely to work in community development than generic ones.

One of the major lessons learned in community development is the need for participatory approaches, that is, the community as a stakeholder must have a voice in the design of any project to assist its development. That might seem a simple and obvious statement, but there are many failed community development projects around the world to prove that this simple principle is not always followed. And even when this principle is accepted, for an outside donor to find the true voice of a community is not always that simple; certainly just talking to a few community leaders is no guarantee that the voice of the whole community has been heard. This is where the science does come in, however, and there have been some major advances in recent times in participatory methods of assessing what holds communities back and what is needed to turn the tide toward sustainable development.

The other unique challenge in community development is that it defies the law of 'throw money at the problem until its solved.' Problems in infrastructure projects can often be solved this way; a solution can be found if the budget is there to do it, but just throwing money at community development can often prove counter-productive. Indeed, too much money can be more of a problem than too little, especially for *sustainable* community development. Expensive failures have shown time and again that it isn't the amount of money that's invested in community development that counts: it's how relevant and appropriate the investments are to the communities' own perceived needs.

Further complicating the challenge of community development is the observation that solving one problem can simply lead to another. For this and other reasons, most aid donors have now accepted that sustainable community development is a long term challenge and that flexible long term projects are most likely to succeed.

AusAID's series of community development projects in two middle hill districts in Nepal provide an interesting case study of the above. The communities in these districts had been living in finely balanced harmony with their fragile mountain environment for centuries, following their own rules for protecting and sharing the natural resources as common property. Then in the nineteen fifties the government decided that it would nationalise the forest estate to protect it from the very communities that had lived in harmony with it. Forest rangers soon become forest guards, and the forest was kept people-free, by force if necessary. The communities then viewed the forests differently: they were soon seen as government property to be exploited rather than protected. It took a few decades for the government to realise that it couldn't keep people out of the forests, but during the same period the forests had been severely degraded by the communities that once protected them, with drastic environmental consequences – unprotected mountain sides were regularly dropping into the rivers and the downward spiral of poverty began in earnest. It was only when the forests had all but disappeared that both the government and the communities fully realised how dependent on them they were.

AusAID and the Australian National University assisted, and over a series of projects pioneered the concept of community forestry in Nepal. In this approach, the right to manage and use the forests was given back to the communities, but this time under scientific management. Where forests had been completely destroyed, the project planted new ones. Over the first two decades the main benefits came in the form of environmental rehabilitation of land that was almost barren, and communities again had access to forests for subsistence use; women and children could collect firewood and grasses for stall-fed cattle and goats, and even the wildlife began returning. Stories of a villager being taken by a mountain leopard are now greeted with sorrow, but also perhaps joy, as life returns to what it was.

In designing the sixth and current phase of this highly regarded project, the design team was confronted with an interesting problem. For some of the communities, the project had been so successful that the maturing forests were now a highly valued commodity – they could be thinned and the produce sold in Kathmandu for substantial amounts of money. But these communities had never had to manage communally owned money, and financial mismanagement of community funds was becoming a serious issue. The project responded to the changing needs of the communities and training is now being provided in topics that thirty years ago would have been considered an impossibility; just to eke out a living was enough, and the thought of having community funds to build a school would have been considered a fantastic dream.

And that last point highlights another key question for community development: when is the job finished? Did the project achieve its goals, and if so how do we know that the gains will be sustainable? Needless to say, the monitoring and evaluation of community development projects requires a special set of skills. It is never enough just to compare reported progress against contracted inputs. Indeed, it is in this area of development that contractors and aid agencies most successfully work as partners, rather than adversaries over the fine points of contract law.

A day in the life of a development project manager

All in a day, managing a development project can take one to interesting and exotic places, it can make a difference, it can be reasonably well paid and it can provide an unusual amount of independence given the amounts of money involved; but it can also be frustrating to work in a foreign cultural context. It's rarely as technically challenging as work in a developed country; sometimes it's hard to see what's actually been achieved; reporting on progress can at times appear to be more important than making it; and almost always it's hard on families, whether they're together on, or separated by a project, and the strain on personal relationships can be intense.

Taking the positives first, the feel-good aspect of development consulting is a strong motivator for many in the business, especially perhaps for those working for NGOs where pay rates are usually at the lower end of the scale. Managing a successful development project can provide greater scope for doing good in a few years, than many get in a lifetime of work elsewhere. The differential is of course the extent of the need; it's much easier to make a quantum difference to someone's life when they have next to nothing to start with. The reward for a job well done may be no more than a smile, but for the most genuine in the business, that's all it takes to make it all worthwhile.

The extent to which rates of pay attract professionals into the business is harder to establish. Certainly expatriate packages can appear overly generous at first glance, but there are many hidden costs as well (such as the unpaid periods of down-time between projects). Most Australians on long-term overseas projects are eligible for taxation benefits, and it is worth investing in professional advice to ensure this. Overall, and despite claims to the contrary by some members of the NGO community, development professionals are paid on par with their counterparts in other industries. And this is as it should be, given that the positions invariably carry a high level of financial responsibility, and all project managers act as ambassadors of Australian development expertise amongst peers from many other donor nations operating in the same countries as Australia.

Project managers in the development sector are by nature an independent lot, and it is the opportunity for independence that attracts more than just a few. Project directors would rarely be responsible for more than three major projects at any one time, so there is the opportunity to focus and to get to know the project and counterpart teams better than perhaps in some other industries. And of course the team leader has the great

privilege of being able to focus one hundred percent on just one project; better still, he or she will be operating at some distance from head office, and there is always the opportunity to blame a poor communications network for those periods when the phone's been deliberately left off the hook!

On the down-side, the bureaucracy of some developing countries can be stifling, and a great deal of patience and tact is often required; so for those highly charged individuals that measure achievement almost by the minute, the developing world can cause severe and sometimes terminal frustration. Also, for those with a strong technical bent, they will rarely be operating at the frontiers in any field, and in that sense might see development work as a threat to their technical professional development.

In many development projects, especially perhaps community development and institutional strengthening, the project outputs can be quite intangible; and for those who like to regularly touch or photograph their achievements, this can be daunting. Further, because aid money is invariably government money or the result of charitable donation, the levels of scrutiny and due diligence are high. Financial controls might appear to some from the private sector to be stifling, and internal and external audits are regular and thorough. Because aid work is often politically sensitive, project reporting is highly scrutinised and may often be sanitised to avoid embarrassment or direct criticism. For those accustomed to direct language and quick action, this can all be intolerably slow.

Perhaps the toughest side of development work however, and the reason that many leave the industry, is the negative effect of long absences on families. It is almost always difficult to take families along on short-term assignments (by definition a few weeks up to six months). Further, for the project manager in the field on short-term assignments, regular and affordable contact with home cannot be guaranteed. While it is now possible to make long phone calls to the United Kingdom or the United States for the price of a lunch, phone calls between Australia and many developing countries are still prohibitively priced. And for those who pretend they can keep a family or relationship together by email, good luck. Adding to this stress can be periods away from the project office where the only form of communication is a satellite phone; and anyone that has tried to sort out a personal problem or comfort a lonely child by satellite phone, will soon tell tales of a phone bill bigger than the project budget. The daily living allowances offered on short-term assignments are based on the cost of hotels, meals, laundry and local travel, rarely however, do they fully consider the costs of communication between family members.

On long-term project management assignments many people opt to take their families, but there are still some project locations that are decidedly family unfriendly; health may be an issue, schooling inadequate, living conditions uncomfortable or hazardous, or security so poor that only single persons are accepted. These projects appear to be primarily staffed by the young and single, the older person who gets on better with his or her partner at a distance, and the lonely. Even when the family is able to accompany the project manager, the next hurdle is: what does the non-working partner do to occupy his or her time? A paid job cannot be guaranteed, and in some places, or for some people, there may be a very limited social or support network.

There is no easy answer, but better to be forewarned than to turn a blind eye. And for anyone who might think the development industry manages the effects of family separation as proactively as our defence forces, think again. Needless to say, the best firms in project management recognise that family separation is an issue and try to manage it, but to attract and keep the best people in the business, more needs to be done.

The role of 'professional project management'

I can only speak with experience from within one organisation, URS, but observation of the industry in general appears to support trends observed within our own company. Our CEO, in a recent world-wide phone conference, nominated more project management training as one of the company's highest priorities. Within our own group, URS Sustainable Development, project directors are being supported to gain formal diploma level qualifications, and project support teams are being taken through the certificate level course with tailored in-house, but externally run, training. For a group that has been managing development projects for over thirty years, this is something of a watershed. Increasingly, we are seeing the very real benefits of taking a formal project management approach to the AUD 100 million plus portfolio of projects currently under our management.

Looking forward and world-wide, URS sees a trend amongst donors when awarding contracts for project management, to place increasing importance on a contractor's formal project management systems and the formal qualifications, as well as the experience, of nominated project directors. Within URS, we believe that better project management approaches will produce better aid. We look forward to continuing our association with colleagues in professional project management and thank AIPM for the opportunity to present at this forum.