



State of the art

Recommendations

**The SOURCE
software**



POSITION PAPER WELL-PREPARED PROJECT

Good preparation of infrastructure projects is of utmost importance to secure their proper financing, wide acceptance and seamless implementation. CICA will endeavor to promote (i) the concept of "Well-Prepared Project" towards public authorities in charge of infrastructure projects, and (ii) operational tools, such as the SOURCE software, to help them design and implement these projects.

CICA

3 rue de Berri
75008 Paris
+33 1 44 13 37 13

www.cica.net

11/06/2018



Well-Prepared Projects

The "Well-Prepared Project" has been high on CICA's agenda for years, and discussed initially with Multilateral Development Banks during their Heads of Procurement (HoP) meetings as early as 2009 (Thessaloniki) and 2011 (Luxembourg). It has also been promoted at G20 meetings (Cannes, 2011; Berlin, 2017).

Whatever the type of country considered (industrialized, emerging, or developing), CICA considers that a good preparation of infrastructure projects is of outstanding importance for the following reasons:

- For ordinary projects (e.g. procured on a traditional Design-Bid-Build procedure), there is a need for:
 - Improved acceptability by all stakeholders (e.g. by populations directly affected by social and environmental aspects of the project, or by other donors or public authorities participating in the cofinancing...);
 - Improved quality and resilience of the projects, in order to meet Sustainable Development Goals;
 - Reduced risk of delays and cost overruns;
 - Improved transparency in the procurement process and ethical behaviour of all parties.

- For complex projects (typically PPP or concession projects), in addition to the above-mentioned reasons, it is necessary to:
 - Explain to stakeholders the need to recourse to these complex procedures;
 - Minimize transaction costs and standardize contract documentation as much as possible;
 - Attract financing at favourable terms and conditions and sustainable funding;
 - Overcome project complexity, while accepting innovative solutions.

To sum up, CICA's understanding is: the better a project is prepared, the smaller the risks of seeing the project rejected by various stakeholders, or unable to reach adequate financing, or fraught during implementation with poor quality, delays, cost overruns and possible unethical behaviours associated with ensuing change orders.



Recommendations

➔ Promotion of the WPP concept

CICA therefore recommends that good project preparation be carefully analyzed and promoted by all governments and public authorities in charge of investing in infrastructure projects, as well as by all financing institutions supporting such investments.

With this in mind, CICA will continue to outreach to Multilateral Development Banks, Development Finance Institutions, G20 countries, as well as other organizations (e.g. PIARC: the World Road Association; ITF: International Transport Forum).

➔ Promotion of the SOURCE software

In particular, CICA will put a strong emphasis on the promotion of the SOURCE software.

Indeed, CICA is of the view that this software meets most, if not all, of the prerequisites for good project preparation, and that this tool should be widespread to the largest possible extent, with a view not only to improving project preparation, but also to contributing effectively to government capacity building.

The SOURCE software

The guidance provided by the SOURCE software is an interactive one: a logical set of questions are prepared for the project manager to answer. For most questions there is a list of the most frequent answers, and the manager simply has to select the box corresponding to his project.

The questions are organised by stages, according to the project development. Stages 1 to 4 correspond to the development phases; stages 5 and 6 to the tender process, stage 7 to the work period and stage 8 to the operation period. After stage 1, the main characteristics of the project are described, and the government may ask MDBs or other IFIs for funding for the development of stages 2 to 4.

The questions are also organised by themes (governance, technical, economic, legal; financial; environmental and social). The most important documents (for instance the feasibility study, the main technical characteristics of the project) have to be uploaded on SOURCE platform. In addition, before the start of the tender process, there is a possibility for the various stakeholders of the project (government bodies, advisors, contractors, financial institutions...) to exchange information in a perfectly confidential way under project manager supervision.

To help the project manager to answer the questions, there are tooltips linked to all important questions. These tooltips are providing direct explanations and references to documents prepared by MDBs and IFIs about the topics referred to in the questions.

When reaching stage 4, the SOURCE software performs a series of automatic checks to test the consistency of the answers. If the consistency check is satisfactory, the project manager is informed and can call a reputable engineering office to check the answers and the tender documentation.

This process is practical and draws the project manager's attention to the main topics of his project. A data base of the already completed projects will be used as a benchmark for future projects



www.cica.net

Copyright © 2018 Confederation of International Contractors' Associations, All rights reserved.

--

Confederation of International Contractors' Associations

3, rue de Berri,
Paris 75008,
France