

Concept Symposium 2006

Principles of Governance for Major Investment Projects

The Concept Program; NTNU; Department of Civil and Transport Engineering
Høgskoleringen 7A; 7491 Trondheim; Norway; Web: <http://www.concept.ntnu.no/>

Professional Exchange Sessions – Summary by Moderator Morten Fangel, Managing director, Chief consultant, Fangel Consulting, Denmark

Exchange Sessions Topics

Governance regimes for major investment projects comprise the processes and systems that need to be in place on behalf of the financing party to ensure successful investments. This would typically include a regulatory framework to ensure adequate quality at entry, standards for quality review of key governance documents, compliance with original objectives, management and resolution of issues that may arise during the project, etc.

The challenges are abundant: How to ensure viability and relevance up-front; to avoid hidden agendas during planning, underestimation of costs and overestimation of utility, unrealistic and inconsistent assumptions; to secure essential planning data, adequate contract regimes, etc.

The topic for this symposium is: Which are the current procedures and their effects? What would it take to develop more effective governance regimes at international, government or corporate level to ensure maximum utility and return on investment for society and investors? What would be the optimal mix of regulations, economic means and information in improved governance regimes for major investment projects?

The sessions are conducted in five parallel groups, and discussing two different topics – one each day. The sessions are hosted by international experts. A supporting team of professional staff from the Concept Program is responsible for documenting the outcome. Results will be available on the Symposium web site after the symposium.

Exchange Session Day 1: Lessons from today's practice

The purpose for the first session was to discuss current principles and procedures in different countries, their effect and shortcomings.

Exchange Session Day 2: Recommendations for the future

The purpose for the second session is to identify ways and means to improve performance and effect of governance regimes in the future, topics for further research, and ways to share experience.

Session 2:

Recommendations for the future

Morten Fangel

Future Challenges and recommendations 1

ANCHORING OF PROGRAM/PROJECT

1. Create accountable program ownership

Consistency at each step of value chain
Maintain linking to business processes

2. Focus on WHY before HOW and WHO

Promote quality in decision making process
Ask for the BAD NEWS first.

3. Ensure that it is the right project

Think laterally on alternatives
Brave in early involvement of interested parties
Estimate costs early - prepare alternatives

4. Gain politicians interested to finance

Prove your reliable mission
Create local, massive support
Use other sanctioning body than political level

5. Changing buying behavior of fund owners

To enable truthful accurate estimation

Future Challenges and recommendations 2

HANDLE INTERESTED PARTIES

- **Managing interested parties**
Create arenas for stakeholder management
Use time on the issue in team – involve owner
- **Handle changes of expectations over time**
Dare to have a vision – give people the full picture
Clear communication on content and risk

ORGANISE AND MANAGE THE PROGRAM

- **Focus on having the right people**
Competent team and adequate resources
- **Assuring the program managers integrity**
Balanced matrix management
Prepare for "escape" reporting lines.