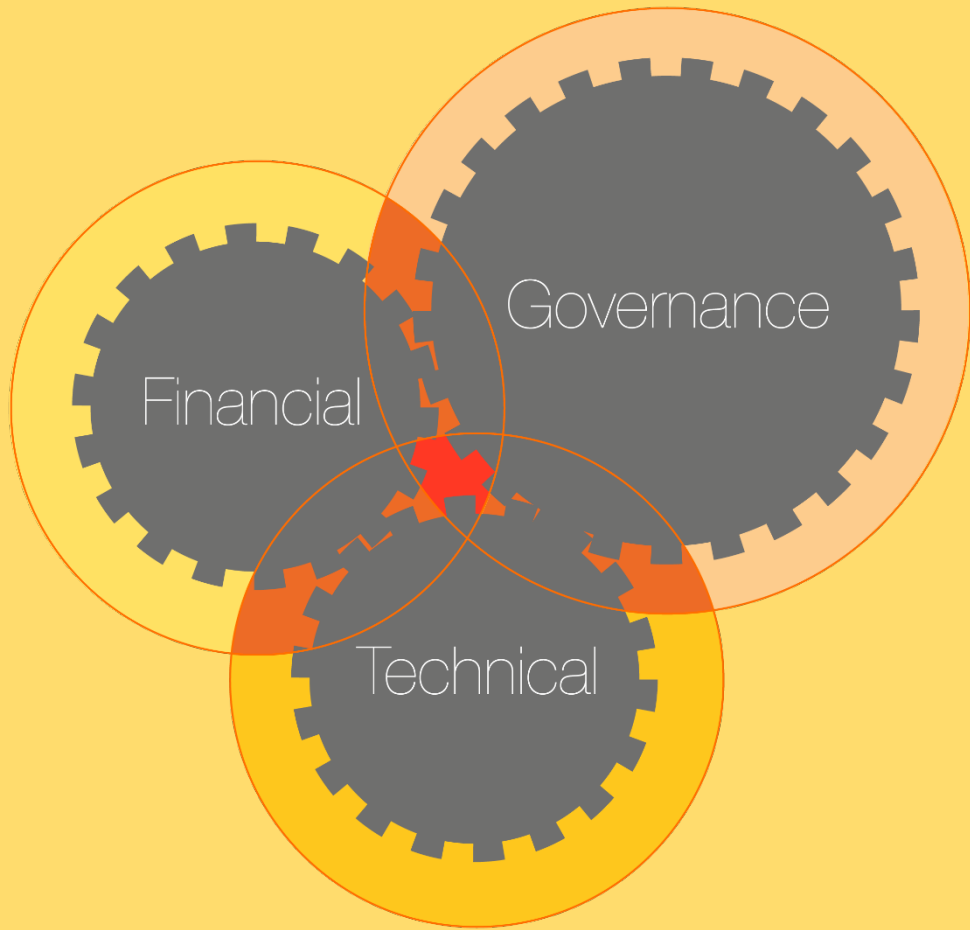


# Capacity Building

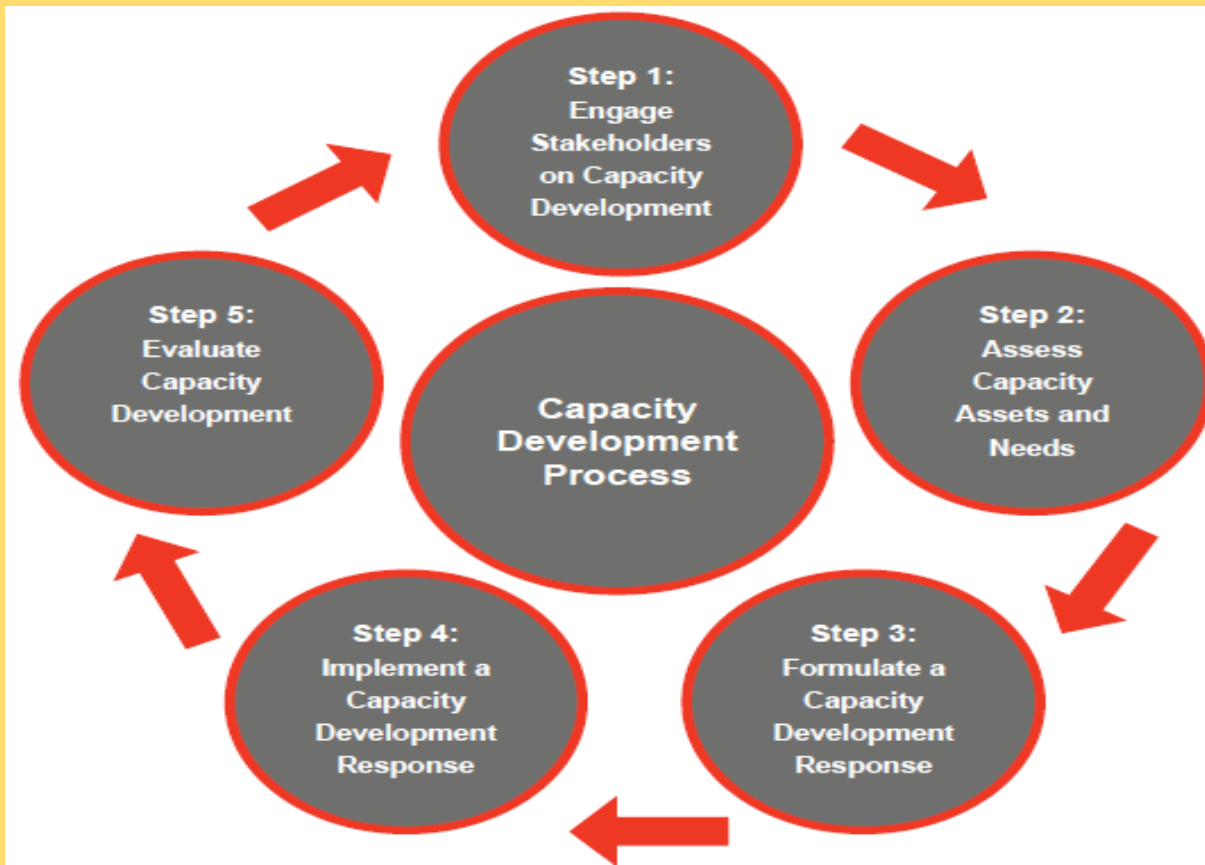


**Michael King, District Energy Development Ltd**

# Capacity Building

## Introduction

- Organizations with the potential for a district energy project may feel they do not have the capacity in possessing the requisite skills and expertise to develop the project.
- This may deter them from attempting to develop the project.
- There is a literature available on capacity building.
- However, it is rooted in the field of international development
- We have taken the process outlined below and re-interpreted it for district energy



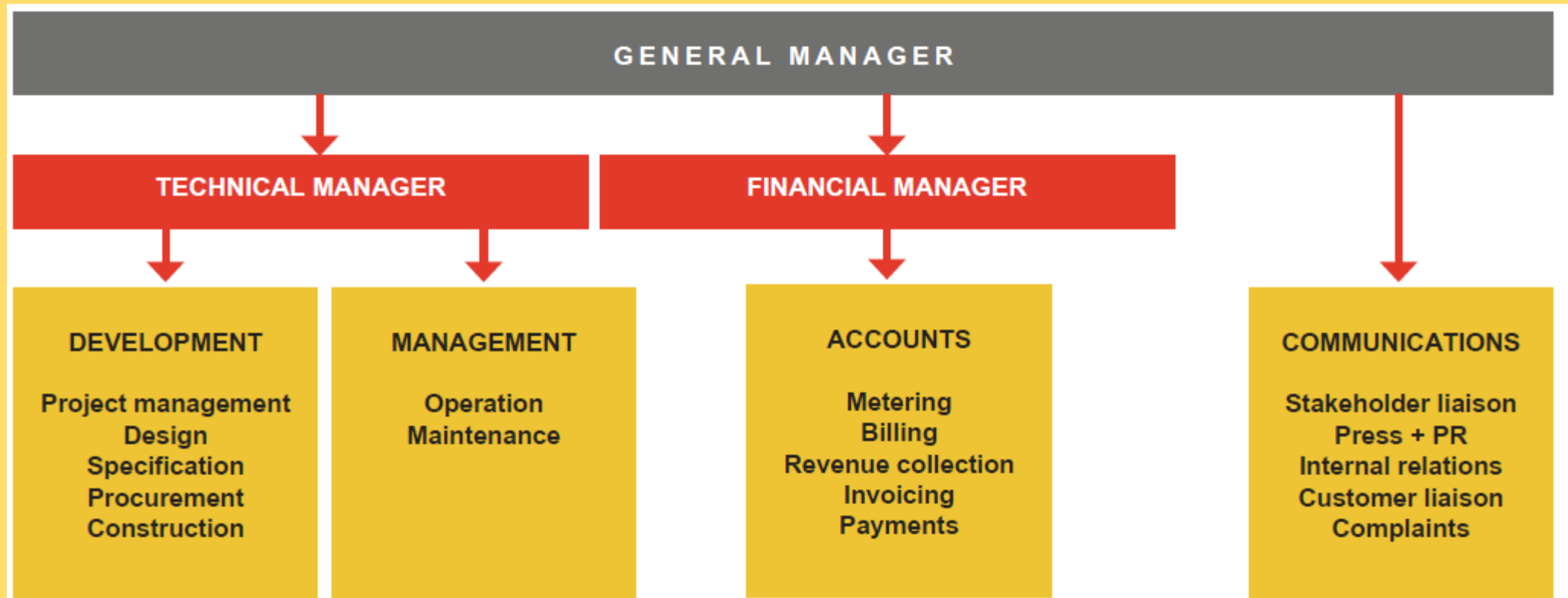
Source: UNDP 2009

# Capacity Building

## Stage 1 – Engage with stakeholders

## Stage 2 – Identify tasks required

The diagram below outlines the typical tasks and roles required



# Capacity Building

## **Stage 3 – Assess existing internal skills capacity**

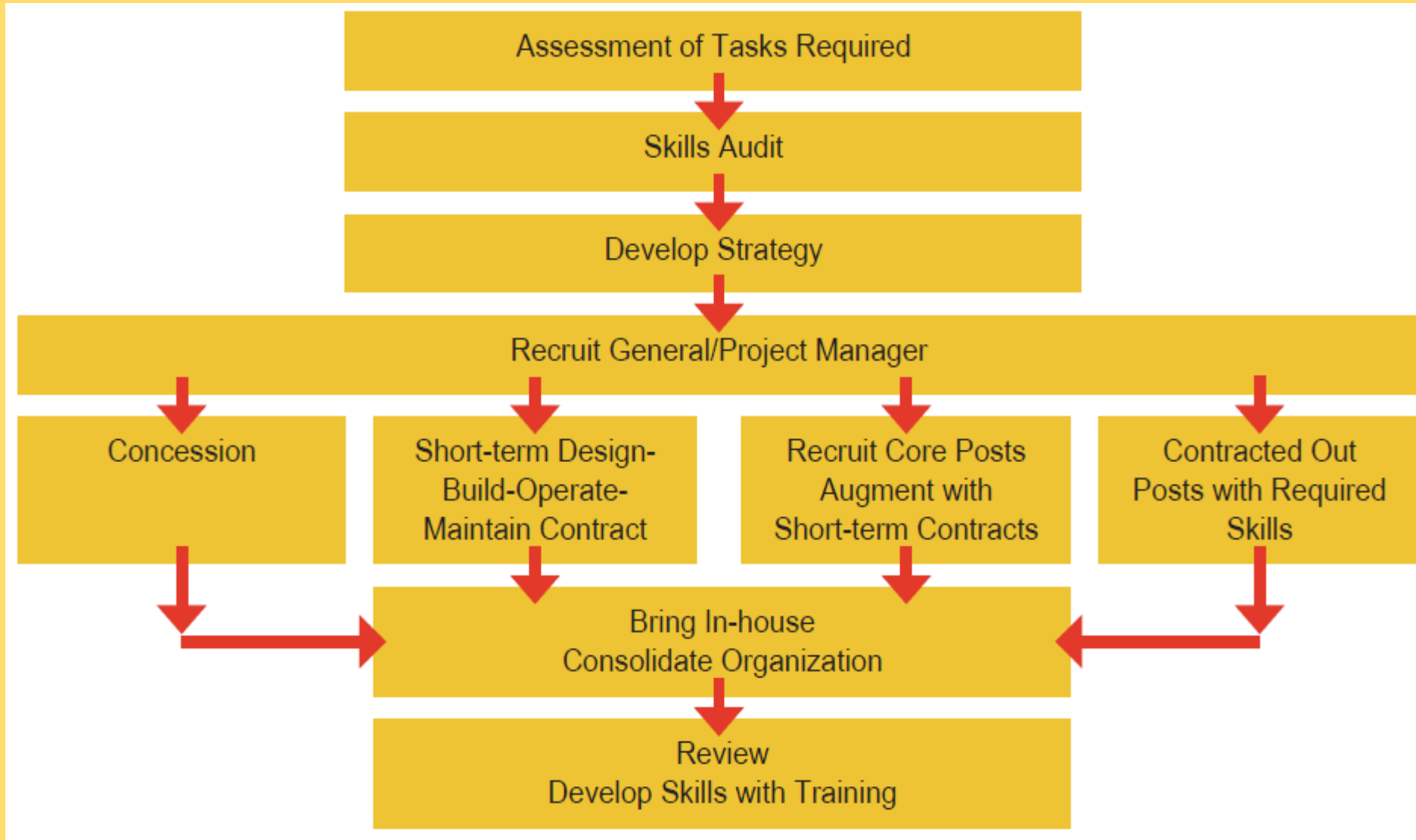
This will typically take the form of a skills audit of existing staff

## **Stage 4 – Formulate a capacity development strategy**

- The challenge is to devise a strategy to overlap the tasks and roles required
- Identify where there is a gap and decide how it can be filled
- You may have existing staff with the requisite skills. However, the individuals may be at capacity with their existing tasks. In which case you may need to expand the resource available
- Key task is to define a job description for each role

# Capacity Building

## Stage 4 – A potential capacity development strategy



# Capacity Building

## Stage 5 – Implement the capacity development strategy

- There are a number of routes to fill skills gaps
- Whichever route is selected the role of the project manager is pivotal
  - This individual will need to be deployed internally
  - Will be given primary responsibility to ensure focused management
  - Helpful to have an engineering background to understand technology
- Other roles may not be needed until later stages.
- The project may not have sufficient resources to directly employ staff
- There is a supply market with particular skills available
  - for example, technical design, legal services & financial management
- These roles can be outsourced either through:
  - longer concessions (eg full DBOM)
  - short term contracts (DB, financial mgt, billing & revenue collection)
  - Part time employment (book keeping, administration)
  - move to full time as project matures

# Capacity Building

## Stage 6 – Consolidation

- As the project matures it will be possible to bring outsource task back in-house
- May occur and the conclusion of a concessionary period
- Need to be considered which is the most cost effective option

## Stage 7 – Review

- Organizational capacity development should be re-evaluated continually
- Consideration should be given the individuals' work load to avoid stress
- Consideration should be given to training to develop capacity
- In time may become the responsibility of a human resources department