

CAPACITY BUILDING FOR EXECUTING AGENCIES

A. Background

1. Over the last decade, Madhya Pradesh power sector has been going through an extensive reform process. There has been a continuous focus on the institutional capacity building of the companies which were formed out of the unbundling of Madhya Pradesh State Electricity Board (MPSEB). One of the main objectives of the power sector reform process has been to achieve customer satisfaction through generation and delivery of electricity of the right quality and quantity at an affordable cost and supply to the consumers efficiently whenever and wherever required. Hence, the distribution companies have a very important role to play as they are closest to the customers and required to perform varied functions like planning, design, engineering, procurement, handling and storing, construction, commissioning, operation and maintenance of equipment, sale of energy and collection of revenue, management of personnel and finance.

2. The distribution companies (DISCOMs) in Madhya Pradesh have been focusing on developing the human resources to augment their efforts in increasing the efficiency and manpower productivity, improve the customer service quality and upgrade the skill set of the employees in order to meet the rapid growth in the scale of operation, increasing complexity of distribution network, rapid changes in the technologies and an ageing work force.

3. The training and skill development of the employees are key requirements for an organization to grow and be competitive in the market place. In this regard, the central DISCOM, which has a workforce of around 12,000 employees, has already taken initiatives to address some of the challenges being faced on the organizational front. The company has formulated a comprehensive training policy which is being implemented to provide learning and skill set development opportunities to its employees. Moreover, it has taken initiatives to establish a training institute to serve the long term training needs of the power sector in the state.

1. Need for the Training Institute

4. The reforms have changed the way the Indian electricity supply industry has been functioning and therefore demands major changes in the roles of technical and managerial personnel at various levels. As the continuously evolving power sector in the state involve a number of complex and intricate issues, the people involved need to be equipped with specific inputs in terms of knowledge, skills and attitude to enable them to play their changed roles effectively. The role of managers has become crucial and management programs to develop necessary competencies among them have become essential. There are large numbers of experienced staff available at various levels of the organization and they need to develop their managerial ability as professional managers.

5. The electricity industry is no longer confined to engineering alone. The executives in finance and management with non-technical knowledge require adequate knowledge of the technical issues that is essential to help them discharge their duties efficiently and to effectively support the technical staff. The integration of disciplines such as finance, management and human resource development (HRD) with technology is essential for smooth functioning of the organization. With the evolving organization culture, the behavioral training for the employees is also very important to inculcate a sense of belonging to the organization and better appreciation of interests of other stakeholders. It has been observed that training is presently concentrated mainly in the area of acquisition of knowledge and upgradation of skills and very little emphasis is given on attitudinal changes/behavioral sciences. It is therefore important to introduce these aspects of training in the curriculum of induction level training as well as re-training programs.

6. There is an inadequacy of trainers and also insufficient career development options. The training of trainers program is very important to upgrade the skills of the trainers working in the training institutes. Similarly, a network of line managers with training aptitude needs to be created so that they are available to create multiplier effect in the training area. Another important area of focus is the training of other important stakeholders for the distribution utilities. These could be the contract staff, as many utilities use contract staff for operation and maintenance in various activities. Then there are contractors and suppliers who also need to have good understanding of the company's policies and management.

7. In the past, customer preferences were given very low or no consideration in running power utilities. Given the changing business scenario, the customer expectations have increased and there are certain behavioral aspects on which employees need to be trained. For example, there is credible evidence that customers place high value not only on 24-hour supply but quality of power, quality of customer services and accuracy and transparency of billing¹. Aligning the service parameters with customer preference has become an important part of corporate social responsibility of power utilities. Increased awareness on environmental and social safeguard issues of the projects require utility employees to be trained on these aspects too.

8. In the context of DISCOM-C, the company's training policy provides for effective and need based training to its employees under different categories (technical, nontechnical and behavioral). As per guidelines of National Training Policy (NTP), the company ought to impart 24,000 man days (minimum 2 man days per employee) of training per annum. In addition, the company has been regularly hiring employees and the recruitment is proposed to be continued on a regular basis, given the aging profile of the current workforce. This will again require a robust induction program and job orientation for the new employees to ensure their smooth transition into the company. New staff should be trained on project preparation, procurement, monitoring and evaluation as the already trained staff either retire or get into managerial positions.

9. The power sector in Madhya Pradesh has witnessed a tremendous increase in investments and the project implementation has assumed importance in the regulatory regime. The project management skills have largely been underdeveloped in the state utilities and the same needs to be enhanced through structured courses, introduction of tools, etc. which also addresses the requirements of various other stakeholders like lenders, suppliers, etc. The existing training institute infrastructure in Bhopal is not sufficient to handle the proposed training requirements. It has got limitations for the classroom training infrastructure as well as lacks the facilities for test laboratories, software, for the new technologies being introduced in the power sector. Also, there is an urgent need to evolve the right curriculum for the various courses to be offered at the training institute.

10. Hence, a dedicated and independent Training Institute will help the company in giving the right amount of focus towards enhancing the skills, capabilities and knowledge of employees through various training activities for the power sector in Madhya Pradesh. The ultimate aim is to develop a state-of-the-art training facility which would attain national recognition in the long term and impart training to its employees as well as to the employees of the other state distribution utilities.

¹ Gunatilake et.al 2012, Valuing Electricity Service Attributes: A Choice Experiment Study in Madhya Pradesh, India. ADB Economics Working Paper, no 316, Manila.

2. Objective

11. The philosophy behind this initiative is to develop the talent pool of resources to enhance productivity and efficiency. The institute is planned to be an independent body which shall be responsible for meeting the training requirements of the power sector personnel of the state. It shall provide opportunities to the power sector employees their development and growth through enhanced skills. This institute shall act as a nodal agency for the Company in coordinating both internal and external training programs for employees. In addition to this, the training institute collaborates with various other training institutes to ensure that it can provide best in class external training to employees.

12. The key areas of training will be:

- (i) Induction training for all the new employees
- (ii) Technical training for skill upgrading and training on new technologies for the existing employees
- (iii) Behavioural or soft skill training courses for all the employees
- (iv) Refresher courses for non-technical employees comprising of HR, Finance and Accounts
- (v) Project Management, procurement, monitoring and evaluation related courses
- (vi) Orientation course on the safeguard requirements (environmental and social)
- (vii) Customer service related training courses
- (viii) Training for contractors/ suppliers

13. This training institute will function as a separate entity governed by Board of Directors and will emphasize on imparting training to internal employees of distribution utilities. In the long run it may provide training for other agencies too. The institute shall have knowledge repository readily accessible to the employees in the power sector.

3. Key requirements for Training Institute

14. The Training Institute is proposed to be set up in Bhopal near DISCOM-C's corporate office in Govindpura. The following facilities are proposed to be developed

a. Infrastructure – Hostel Facilities

15. Two modern training Hostels for the lodging and boarding of the trainees and trainers attending the training programs is proposed. The two hostels shall be for the different categories of the employees and fully equipped with all the furniture & fixtures. The total area would be around 18,000 square feet.

b. Library

16. The institute needs to create a knowledge data base, for this the company plans to create a state of art e- library that can give its employees access to latest journals and periodicals related to their field. The library shall be created for the purpose of providing the study materials and easy accessibility of information to the employees of the company.

c. Meter testing training facility

17. A comprehensive meter testing training facility is proposed to be developed in the Training Institute. The rapid changes in the metering technology have led to introduction of variety of solutions like static meters, implementation of automatic meter reading (AMR), etc. It is important for the field staff to be updated on the technology changes and their practical

use in the day to day activities. The meter testing training facility would be used for imparting training in the following areas:

- (i) Implementation and maintenance of AMR metering;
- (ii) Data analysis;
- (iii) Meter installation, commissioning and inspection; and
- (iv) Routine tests of meters using portable testing kit.

d. Consultancy - Development of training course content and curriculum

18. The detailed course content is to be developed following identification of training needs of employees. The course content and the detailed curriculum shall be developed by the consultants to be engaged for the task. The following tasks shall be taken up by the training consultant(s):

- (i) Designing of Training Organization Structure;
- (ii) Conduct Training Need Assessment and Analysis;
- (iii) Preparation of Training Course Content;
- (iv) Developing Long term strategy for the training institute; and
- (v) Develop curriculum, course materials and conduct training for trainers.

e. Permanent Organization Structure

19. The Training Institute will have a permanent organization structure which will comprise of mix of permanent and contracted staff. An indicative breakup of the same is provided in Annex 1.

B. Capacity Development of Training Institute under ADB Loan

20. A dedicated and independent Training Institute is proposed to be developed with ADB loan which will upscale the existing facilities and also help the executing agencies to focus on providing right kind of training courses to enhance the skills, capabilities and knowledge of employees. The capacity development for the training institute would comprise of following two components:

1. Consultancy support

21. The consultancy support would comprise of the following areas

- (i) Designing of Training Organization Structure;
- (ii) Conduct Training Need Assessment and Analysis;
- (iii) Development of detailed curriculum and training courses; and
- (iv) Training of the trainers in the identified areas

22. The following table shows the positions which are proposed under the consulting support:

S No	Position	International Consultant (Person Months)	National Consultant (Person Months)
1	Power System Training Specialist	3	4
2	Financial Management Training Specialist	2	2
3	HR Training Specialist	2	3
4	Safeguards Training Specialist	2	3
5	Project Management Specialist	2	3
	Total person months	11	15

23. The terms of reference for the consultants to be appointed for the capacity building of training institute is provided.

2. Infrastructure Development Support

24. The ADB loan would also provide support for development of certain key infrastructure associated with the training centre. The following components are proposed to be covered:

- (i) Develop a meter testing laboratory for training of employees on latest technologies in metering
- (ii) Construction of two hostels to accommodate the trainees and faculty

3. Terms of Reference for Consultancy Support

a. Power System Training Specialist (international, 3 person-months)

25. An international power system specialist, as a team leader, will be responsible for the overall quality and implementation of the assignment, providing the required support for the executing agency in developing and implementing the technical courses for the state power training institute. The consultant will be responsible for developing a comprehensive training program which shall be based on the short and long term needs assessment of the executing agencies. The power system engineer should have postgraduate degree in engineering together with minimum 15 years of training experience in any of the technical fields relating to the power Transmission and distribution.

26. The tasks of the power system specialist will include but not be limited to the following:

- (i) Undertake short and long term technical training needs assessment of the executive agencies for various levels in the organization;
- (ii) Assess the technical expertise requirement of other stakeholders like contractors, contracted staff which would need to be enhanced for the benefit of the executing agencies;
- (iii) Prepare a detailed training program based on the needs assessment for the technical staff in consultation with the executing agencies;
- (iv) Coordinate with other specialists in the team to identify and finalize the overall training requirements for the executing agencies which would form part of the training institute's curriculum;
- (v) Develop a comprehensive training curriculum and the training calendar for the technical courses which would include induction training, skill upgradation training, lab based training, introduction of new technologies relevant to the distribution utilities etc;
- (vi) Develop a management and reporting structure for training institute's role as the nodal training institute for the power sector in the state of MP;
- (vii) Propose a future expansion plan for the infrastructure of the training institute including addition of technical labs;
- (viii) Facilitate the institutionalization of program for training the trainers on technical module; and
- (ix) Conduct three set of trainings - two rounds of technical training for the identified staff and one round of training to the trainers.

b. Power Training Specialist (national, 4 person-months)

27. The national power system training specialist will support and assist the international power training specialist with the tasks described above. He/ She will have at least a

bachelor's degree in engineering from an established university and at least five years of experience in the training relevant to the power sector in India.

c. Financial Management Training Specialist (international, 2 person-months; national, 2 person-months)

28. The international financial management training specialist, with assistance from the national specialist, will be responsible for developing the financial management courses to be targeted at the technical and non-technical staff. The international specialist will have at least Post graduate degree finance, and 15 years of relevant training experience in financial management. He/she should have adequate exposure to the financial and tariff issues in the power sector. The national specialist will have at least a bachelor's degree from an established university and at least five years of experience in training relevant to the power sector requirements. The consultant(s) will assist the team leader in developing a comprehensive training program which shall be based on the assessment of the current and future requirements of the executing agencies. The tasks of the financial management training specialist will include but not be limited to the following:

- (i) Identify the training requirements relating to the financial functions of the executive agency for various levels in the organization;
- (ii) Prepare a detailed training program based on the requirements of the finance and accounting staff in consultation with the executing agencies;
- (iii) Prepare a detailed training program for finance module based on the requirements of the non-financing staff;
- (iv) Facilitate the institutionalization of program for training the trainers on financial module;
- (v) Conduct two set of trainings - one round of training on financial aspects for the identified staff and one round of training to the trainers identified by the executing agency; and
- (vi) Coordinate with the team leader on finalization of training curriculum for the institute

d. Human Resource Training Specialist (international, 2 person-months; national, 3 person-months)

29. The international human resource (HR) training specialist, with assistance of the national specialist, will develop and conduct training courses in the human resource development. The international specialist will have postgraduate degree in HR and 10 years of relevant experience in conducting training for power sector. The national specialist will have at least a bachelor's degree from an established university and at least five years of experience in HR related training. The specialists will carry out, but not be limited to, the following tasks:

- (i) Prepare a detailed training program based on a needs assessment the of the employees in consultation with the executing agencies;
- (ii) Prepare a detailed training program for HR module targeted at the HR personnel within the organization;
- (iii) Facilitate the institutionalization of program for training the trainers on HR module;
- (iv) Conduct two set of trainings - one round of HR training for the identified staff and one round of training to the trainers; and
- (v) Coordinate with the team leader on finalization of training curriculum for the institute

e. Safeguards Training Specialist (international, 2 person-months; national, 3 person-months)

30. The international safeguards training specialist, with assistance of the national safeguards training specialist, will develop and conduct training courses relating to the environmental and social safeguards for the power sector in India. The international specialist will have a postgraduate degree in environmental or social sciences or in a related field with 10 years of relevant experience in conducting training in the relevant field. The national specialist will have at least a bachelor's degree in environmental or social sciences or in a related field from an established university and at least five years of experience in providing training. The specialists will carry out, but not be limited to, the following tasks:

- (i) Prepare a detailed training program for the environmental and social safeguard requirements for the projects in the power sector;
- (ii) Develop the course content for the training in the areas of environmental and social safeguard to be provided to the staff and other stakeholders as identified by the EAs;
- (iii) Facilitate the institutionalization of program for training the trainers on safeguards module;
- (iv) Conduct two set of trainings - one round of training for the identified staff and one round of training to the trainers; and
- (v) Coordinate with the team leader on finalization of training curriculum for the institute

f. Project Management Training Specialist (international, 2 person-months; national, 3 person-months)

31. The international project management specialist, with assistance of the national project management specialist, will develop and conduct training courses relating to the project management, procurement, and monitoring and evaluation. The international specialist will have postgraduate degree in engineering, economics, finance or related field with 10 years of relevant experience in conducting training in power sector project management. The national specialist will have at least a bachelor's degree in engineering, economics, finance or related field from an established university and at least five years of experience in providing training. The specialists will carry out, but not be limited to, the following tasks:

- (i) Prepare a detailed training program for project management, procurement, and monitoring and evaluation, in the power sector;
- (ii) Develop the course content for the project management, procurement and monitoring related trainings to be provided to the staff and other stakeholders identified by the EA;
- (iii) Facilitate the institutionalization of program for training the trainers on the respective modules;
- (iv) Conduct two set of trainings - one round of training for the identified staff and one round of training to the trainers; and
- (v) Coordinate with the team leader on finalization of training curriculum for the institute Consultancy Service

C. Project Cost

32. The total estimated project cost for the consultancy support, meter testing lab and the infrastructure for two hostels is \$1.80 million. The breakup of the cost is shown below:

Category	Description	Cost (\$ Million)
Consultancy	Training Consultancy Support	0.40
Infrastructure	Laboratory and support facilities for the training institute	1.40
	Total	1.80

Organization Structure for Training Institute

S No	Designation	No. of Posts	Remarks
A ADMINISTRATIVE SETUP			
1.	Director	1	On Deputation or Contract
2.	Jt. Director	2	
3.	Dy. Director	1	From MPMKVCL
4.	Asstt. Director	4	
5.	Consultant	1	On Deputation or Contract
B TEACHING FACULTY			
1.	Professor	2	
2.	Asstt. Professor	4	On Deputation or Contract
3.	Lecturer	6	
C OFFICE STAFF			
1.	Accounts Officer	1	From Central Discom
2.	Other Support Staff	20	Outsourced