China's Belt and Road Initiative: Challenges for PMOs

Abid Mustafa

“Who rules the Heartland (Eurasia) commands the World Island; Who rules the World Island commands the World”

—Mackinder [1]

There is little doubt that China’s Belt and Road Initiative (BRI) stands out to be the most humongous complex programme undertaken in the 21st century. BRI spans 152 countries across Asia, Europe, Africa, the Middle East, and the Americas. As of 2017, some estimates put BRI, as one of the largest infrastructure and investment initiatives in history, encompassing around 68 countries, which comprises 65% of the world’s population and possesses 40% of the global gross domestic. [2, 3]

Such a huge transformational undertaking, which will directly affect the lives of 4.4 billion, has upset several countries. [4] China has constantly played down the geostrategic importance of BRI and has asserted that BRI is about “a bid to enhance regional connectivity and embrace a brighter future”. [5] Meanwhile, America has emerged as BRI’s chief opponent, and regards the initiative as displacing America’s primacy in Eurasia.

By 2049, 1700 initiatives valued at $1 trillion have to be delivered, and this may present an insurmountable challenge for programme management offices (PMO)s, programme and project managers. [6] Added to BRI’s gigantic scope and difficulty is vigorous American opposition, which poses a significant risk to the longevity and success of such an enormous programme.

Notwithstanding the foregoing challenges, the existing body of programme management knowledge is more than adequate to deliver BRI on time, within budget, according to specification and with the intended business benefits. While it is difficult to imagine the BRI operating without PMOs (centralized executive programme management office (EPMO) liaising with distributed programme/project management offices), this article intends to address some of the consideration the EPMO may instigate in the implementation of such an initiative.

The first task on the EPMO’s list is to form a set of primary and technical drivers to establish a portfolio of strategically aligned and prioritized programmes. The primary drivers may consist of growth, revenue, market share, cost reduction and political control. Whereas the technical drivers may constitute infrastructure, transportation, finance, culture, technology. This should result in an aggregated BRI programme portfolio road map, which can be drilled down for any specific country.

1 How to cite this article: Mustafa, A. (2019). China’s Belt and Road Initiative: Challenges for PMOs; PM World Journal, Vol. VIII, Issue XI, December.
The next task is for the EPMO to group programmes and assign appropriate organograms to deliver these initiatives. The EPMO has to ensure there is a single programme methodology with associated policies and procedures that underpins all of BRI’s programmes. This standardization will facilitate centralized governance and provide the EPMO with the right level of detail to assist executives in constructing a master plan that is pertinent for the successful delivery of business outcomes and benefits.

Besides planning, the most daunting task faced by the EPMO is identifying and tracking RAID, and vendor management issues. The latter is somewhat less complex and arduous, as Chinese companies and labor tend to design, build, operate and transfer (DBO/T) initiatives to indigenous countries. For instance, Gwadar port in Pakistan is built and managed by China and the operating lease runs for a period of 43 years. [7]

The management of RAID will require an army of people. However, this can be offset by intelligent automation spearheaded by AI. For instance, AI can recommend suitable risks for given programmes to determine the magnitude of the impact and notify decision makers about the likelihood of the risk occurrence.

By far the most pressing and challenging of all activities for the EPMO is to manage political risks and issues. These can take a variety of shapes and forms. Pakistani public opposition against CPEC (China-Pak Economic Corridor) threatens to derail BRI in the country. [8] Then there is America’s trade war against China and active lobbying by Washington and Brussels for countries not to sign up to BRI. [9,10]

The political challenges are extremely fluid and requires EPMO staff that is well versed in technical domains areas such as aviation, transportation, finance, 5G etc., but also well acquainted with international politics and indigenous cultures.

In sum, BRI is extremely disruptive and difficult to manage. It is transformative in the countries where it is implemented—completely changing the lives of the people. Elsewhere its adversaries actively seek to undermine it. Mackinder’s was right to point out “who rules the Eurasia commands the world”.

References


[6] ibid., 3


About the Author

Abid Mustafa

Dubai, UAE

Abid Mustafa is a seasoned professional with 20+ years’ experience in the IT and Telecommunications industries, specializing in enhancing corporate performance through the establishment and operation of executive PMOs and delivering tangible benefits through the management of complex transformation programs and projects. Currently, he delivers complex digital transformation initiatives in the MENA region. His currently specialty is robotic process automation (RPA) and conversational artificial intelligence (CAI).

Mr. Mustafa is currently based in Dubai and can be contacted at corporatethinking@hotmail.com.