

FRONT ON SEPARATE SHEET

MAP



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List of Abbreviations and Acronyms

BDS	Building Design Services
CIDB	Construction Industry Development Board (SA)
COSE	Cambridge Overseas Secondary Education
DRR	Department of Rural Roads
EC	European Commission
EU	European Union
GDP	Gross Domestic Product
GOL	Government of Lesotho
IGCSE	International General Certificate in Secondary Education
IDA	International Development Association
ITP	Integrated Transport Project
IFC	International Finance Corporation
LAC	Lesotho Association of Consultants
LEC	Lesotho Electricity Company
LHDA	Lesotho Housing Development Authority
LNDC	Lesotho National Development Corporation
LHWP	Lesotho Highland Water Project
LNHC	Lesotho National Housing Corporation
LCID	Local Construction Industry Development
MOPWT	Ministry of Public Works and Transport
MCC	Millennium Challenge Corporation
MCA	Millennium Challenge Account
MDA	Millennium Development Authority
NCDP	National Construction Development Program
PRS	Poverty Reduction Strategy
PPP	Public-Private Partnership
PS	Principal Secretary
PRS	Poverty Reduction Strategy
PPAD	Procurement Policy Advisory Division
RRMP	Rural Roads Maintenance Program
ROCAU	Road Construction and Upgrading
ROMAR	Routine Maintenance and Regravelling
SMEC	Snowy Mountain Engineering Co,
SADC	Southern Africa Development Community
TOR	Term of Reference
TNA	Training Needs Assessment
USD	United States Dollar
WASCO	Water and Sewer Company

CURRENCY

Approximate Currency Equivalents (as of May 2011)

1 USD = 6.97 Maloti
 1 EURO = 9.85 Maloti
 1 GBP = 11.37 Maloti

Executive Summary

- **Lesotho Construction Industry and its impact**

The Construction Industry of Lesotho constitutes one of the main pillars of providing the country's necessary infrastructure. By improving, protecting and expanding the industry this will not only streamline the industry itself through improved infrastructure, but will also contribute to create employment, establish a mechanism of regional recognition of the industry's various stakeholders and play a major role in strengthening the nation's economy.

Through recent developments, the Government's aim is to have a Construction Industry with a strategy that addresses the above goals, in addition to improving the lack of local capacity and reducing the country's poverty.

- **IDA loan for ITP and Construction Industry Study**

The Government of the Kingdom of Lesotho (GOL) applied for a Credit from the International Development Association (IDA) towards the cost of consultancy services for the preparation of the "Integrated Transport Project". A part of this loan will also go to a study which will assist the GOL in the Development of the Local Construction Industry.

In this context, the scope of IDA project no.: P075566-LSO was drafted and invitations to tender for the present study were launched in October 2010.

- **Consultancy Study of the Industry**

In April 2011 I.T. Transport Ltd was awarded a five month consultancy contract by the GOL's Ministry of Public Works and Transport (MOPWT) to undertake this study (***"Study on Local Construction Industry Development"***), which will assess the present status of the industry and provide findings and recommendations based on the following overall objective:

To create a sustainable local Construction Industry; with Built Environment Professions and Contractors having the ability to participate competitively and undertake works efficiently and effectively.

- **Study's Objectives**

The study's individual objectives are:

- Develop and draft the Construction Industry and Built Environment Professions Policy.
- Develop and draft Local Construction Industry Development Act.
- Develop and draft Built Environment Professions Act(s).
- Draft Guidelines for promotion of best practice.
- Streamline the current Public Procurement Legislation
- Prepare an Action Plan for implementation.

To achieve this, the total period of I.T.Transport's consultancy spans over an amount of 8 person months shared between the team members as shown in Section 3.2 of this report.

This Inception Report has been put together by I.T.Transport Ltd's consultancy team comprising the project's Team Leader, the Legal Specialist, the Facilitator plus intermittent inputs by S.M Consulting Engineers.

- **Contents of Inception Report and outputs during the inception period**

The Inception Report of the assignment represents the work completed by the team during the initial 6 weeks of the study, plus an outline of remaining works and relevant recommendations.

Section 5.5 of the Project Document specifies what the Client expects to be covered in the Inception Report. The following is a summary of the relevant 7 (seven) main outputs/activities which are addressed during this period:

1) Mobilization Status of the Consultant

Section 3.1: "Inception Phase" and Section 3.2 "Mobilization of Consultant" describe the activities and outputs from the initial 6 weeks. The entire team was on board by the official project start up date: April 18, 2011.

A small project office was set up in Maseru, support staff and facilities were established and the official "kick off meeting" with the Client was held on April 27th (Minutes enclosed in Appendix I)

2) Initial Findings; In particular anything which impacts the Work Program.

This is covered in Section 3.3: "Review of Existing Conditions", Section 3.6: "Findings and Recommendations" and with updated Time Line and Work Programs in Section 4.3: "Consultant's Work Plan.". At this stage Section 3.6 primarily addresses the issue of how the Construction Industry can absorb the available work force, both professionals and the newly graduates. After the employment freeze policy of the Government, one would look at the private sector. The results from the first Workshop will shed a light on the stakeholders view on where we stand and their suggestions on how to approach the challenges of employment.

Anomalies that have been found, and are to be addressed, within the Construction industry in Lesotho are:

- A confusion and lack of coordination in Contractor registration, regulation and monitoring in part due to changes in the procurement regulations.
- A lack of Registration and regulation of Built Environment Professionals.
- A lack of accreditation for training courses for sub-professional workers in the industry.
- Conflicting procurement regulations that do not benefit the industry.
- A lack of protection for local Firms
- A lack of incentive for local firms and individuals to develop.

Similar issues have been addressed in neighbouring countries and some solutions may be applicable in Lesotho. Stakeholder workshops which are part of the study will be able to discuss these possibilities and find particular Basotho solutions.

3) Report any changes to the TOR necessitated by the initial findings.

The consultant does not see any main reason for changing the overall scope or TOR of the assignment. A number of amendments are recorded, e.g. a revised sequence of inputs by the individual team members of the consultant by mobilizing early to better cover the tasks and meet with the Client as early as possible (Refer Section 4.3: Consultant's Work Plan).

Secondly, it was necessary to provide estimated dates related to the specific outputs to supplement the Work plan, (Refer Section 4.3) in addition to the overall Time Chart in Appendix II.

Thirdly, while the Client confirmed at the “Kick off meeting” on April 27th that respective contact persons should be appointed (Minutes Item 6), the consultant has not received a confirmation to who the contact person is of BDS.

4) Confirm the Work Program and insert Specific dates on the time line.

As stated in section 3 above the table of a revised Work Plan is included in the Report as Appendix II. The estimated dates for specific outputs per the TOR/Objectives are listed at the end of Section 4.3 (**Consultant’s Work Plan**).

5) Confirm the status of the Employer’s compliance with the facilities, reports and other resources to be provided under the contract.

The consultant has only minor comments related to the above. These are mainly mentioned in section 2.3.3 of the report (Cooperation and Communication) and item 3 above. In addition it would assist the consultant to receive the Client’s ideas on the format of the study’s Best Practice Guidelines and what the Client would expect to be included in such a document.

6) Provide copies of all key initial correspondence.

All relevant correspondence, including Minutes of Kick Off Meeting is included in Appendix I of the report. Only a limited number of letters were exchanged during the first 6 weeks of the assignment as it was agreed early on that e mails or direct contact through meetings or phone calls would be more expedient.

7) Detailed Schedule of Remaining Activities.

Project activities and outputs are covered in the WorkPlan in Appendix II and Section 4.3.

• **Assignment Analysis, Recommendations and a view forward.**

In spite of a range of strategies which have been followed for some time, the country still suffers from a missing formal Construction Industry Policy.

The drafting and implementation of legal Acts and procedures which will solidify, protect and expand the various players in Lesotho’s Construction Industry is the common denominator and prime objective of this assignment.

It is hoped that the responsible parties of GOL and the private sector in partnership will follow up by implementing such procedures in a proactive manner on a regional level. Thereby the Industry’s main partners can be brought out of the apparent doldrums of isolation and lack of recognition beyond its borders and move on; both to be available and recognized on a level playing field in a competitive world of the Construction Industry in the region.

Legal, practical structural reforms and organizational changes to the labour market policies are necessary. These corrective measures will also be geared towards facilitating the process of restructuring and implementation of reforms that would be part of the overall recovery process of the country’s construction industry itself. Such are the mandates and ultimate objectives of the present assignment.

While the tasks of this consultancy are still in motion, it should be noted that the proof of the success of this assignment will not only rely on the final outputs and recommendations provided after an input of only 8 person months, but also rests with a set of subsequent timely and joint implementation efforts by the respective stakeholders on a practical level through the industry itself.

1 INTRODUCTION

1.1 PURPOSE

Employment is widely accepted as one of the best routes out of poverty. As the incidence of poverty has increased sharply in Lesotho it is important to find ways and means of making economic recovery sufficiently employment friendly. A natural avenue to achieve this is through improving and securing the opportunities within the Construction Industry which, at the same time, will contribute to poverty reduction.

Reorienting construction policies, streamlining the labour market and opening the way for employment are clear demands for Lesotho's un(der)-employed, both for the country in general and for the Construction Industry in particular.

Legal, practical structural reforms and organizational changes to the labour market policies are necessary. These corrective measures will also be geared towards facilitating the process of restructuring and implementation of reforms that would be part of the overall recovery process of the country's construction industry. Such are the mandates and ultimate objectives of the present assignment.

I.T. Transport Ltd has been awarded a five month consultancy contract by the Government of Lesotho (GoL), Ministry of Public Works and Transport (MOPWT) to undertake a study in order to assess the status of the Construction Industry and provide findings and recommendations as means to improve the situation.

This Inception Report has been prepared to show the Consultant's progress and achievements during the first 6 weeks of the consultancy period since the initial mobilization date. The report also includes a plan for the project deliveries beyond the initial few weeks, as defined by the assignment's terms of reference (TOR). An updated schedule and an outline of how the Consultant will contribute to, and assist the Client in, achieving the project outputs, its purpose and objectives, within the scope of this assignment are also detailed within this report.

In cooperation with the Client during the early part of this inception period, the various categories of stakeholders were identified and representatives contacted. A set of questionnaires¹ was distributed to the various parties as a first step in a fact finding exercise. This was followed by an initial set of meetings with core members of a cadre of supporting stakeholders to the industry.

The findings from these initial sessions will be used as important references which define the scope and content of the initial Stakeholder workshop in June, and the subsequent three workshops which the small consultant team will conduct for specific sections of industrial Stakeholders over the next four months²

This report will also focus on critical activities and developments since the Project Proposal was made. Among others, these include necessary changes to the team members' time line due to the late start of the project, and which tasks and issues will be attacked in the period ahead, listed in Section 4.

¹ Refer Appendix I.

² Refer Appendix II

2 PROJECT DEFINITION

2.1 BACKGROUND AND OBJECTIVES

2.1.1 Background

The Kingdom of Lesotho is a land-locked country of about 30,500 km², with a population of approximately 1.9 million people. The country is characterized by extremely mountainous terrain over approximately two thirds of its area, in which population density is low.

Approximately 70% of Lesotho's population live in the lowlands or in the foothills zone of the country. The remaining 30% are spread between the mountain area or in the Senqu River Valley Zone³. With such an uneven distribution of the country's low population the development and provision of a sustained and adequate infrastructure is difficult. To create a relatively even distribution of employment opportunities remains a high priority and is a tremendous challenge for the GoL and in particular for the main vehicle to address such needs: *The Construction Industry*.

Lesotho's economy is presently dominated by the construction, textiles and mining industries. Infrastructure in the form of roads, electricity and water supplies is the corner stone of all development. For Lesotho this is particularly important in order to improve and expand various levels of the country's income and employment generating industrialisation schemes.

While many foreign investors are ready to locate in Lesotho, investments are presently constrained by the lack of reliable infrastructure and adequate business skills⁴.

Poverty is multi-faceted and deeply entrenched in Lesotho, with a third of the population barely surviving on under half of the poverty datum⁵. Subsistence agriculture, the main standby in many other parts of Africa, is not able to support many rural households in competition with lower-cost producers in South Africa. Internal migration in search of employment is resulting in increasingly high levels of poverty in the lowlands and around the towns.

The GoL has a well-defined development framework – concerning what is to be done – in its Poverty Reduction Strategy (PRS). This plan is emphasising the pursuit of economic growth as the main remedy, supported by better living conditions for the poor (with improved education, health and environment) and public sector reforms including the establishment of effective and sustainable local government institutions and improved public services

Improved and increased opportunities for gainful employment is clearly on the minds of the country's citizens. For them, a redefinition and regulation of the construction industry as a whole is a priority and the review and improvement of the individual sectors of the industry is a natural demand.

³ 2011 Edition: Lesotho Review

⁴ 2011 Edition: Lesotho Review

⁵ EU Strategy report 2008-2013

The Construction Industry is the backbone of providing the necessary infrastructure to the country. By improving, protecting and expanding the industry in a legally, technically and conventionally solid manner GOL will both streamline and solidify the country's economy. Unfortunately, in spite of a range of strategies that have been followed for some time the country still suffers from a missing formal Construction Industry Policy.

Under the Road Rehabilitation and Maintenance Project (RRMP), the promotion of human resources was identified as an indispensable part of a long-term strategy of the GoL for a balanced and sustainable development of the country. Local Construction Industry Development (LCID), particularly the identification and delivery of contractor training needs for the future road construction and maintenance requirements of the Nation of Lesotho, was an important part of this Project. This has been addressed at various levels of recognition and seriousness over the years with a substantial amount of foreign and local investments and efforts, some of which appear now to have been placed on hold.

The Government's aim is now to move towards a Construction Industry with a strategy which creates employment and addresses any lack of local capacity⁶ to compete on the international stage.

Scope and Impact of the Construction Industry Study

In this context, the scope of IDA Project No.: P075566-LSO was drafted, and the present study was initiated. The study is crucial for the local Construction Industry. Drafting and implementing legal frameworks to solidify and protect the various stakeholder positions in the industry will be done; both with a view of strengthening local capacities, and to strengthening the recognition of the various representatives of the industry beyond the borders of Lesotho.

Based on its broad local and international experience, I.T.Transport Ltd has been awarded a consultancy contract by the GoL, Ministry of Public Works and Transport to undertake a relatively short study in order to identify how to improve the technical, administrative, legal, operational and financial management capacity of local Construction Industry. The main tasks in this assignment pertain to drafting the relevant policy paper for review and implementation together with draft legal instruments to transform that policy into action.

Overview

In 2006, the MoPWT prepared a Transport Sector Policy which was approved by the Cabinet. The Ministry subsequently requested the International Development Association (IDA or World Bank) and European Commission (EC) to appraise certain elements of the policy for possible funding, to assist the Government in achieving its objectives. The IDA and EU have agreed and, with the help of the Ministry, identified the "Integrated Transport Project" (ITP).

The total original cost of the ITP was estimated at US\$38.5 million. Under the proposed ITP Project, IDA will fund US\$23.5 million, EC US\$9.5million and the Government US\$5.2 million.

It was originally anticipated that ITP would be completed over a period of four years and would include civil works involving road rehabilitation, upgrading and emergency repairs, bridge construction as a follow up Programme to the RRMP that was successfully completed in December 2003

⁶ Refer Lesotho Budget Speech for Fiscal Year 2010-2011

In December 2010 EC advised the World Bank that the ITP Grant Agreement will be extended to December 31st 2011.

Goals of ITP

The overriding goal of the ITP is to contribute to economic growth and the Government's poverty reduction strategy through improving road infrastructure and maintenance, institutional reforms, and strengthening management of the transport sector generally.

The three specific components of ITP are:-

- i) Policy and Institutional Reforms in the Transport Sector
- ii) Infrastructure Investment and:
- iii) Project Management and Monitoring and Evaluation

e.g.: to provide appropriate road transport infrastructure on a sustainable basis, to encourage an environment in which affordable transportation services are available to service the economy and the citizens of Lesotho, and to extend, as far as possible, reliable access into isolated areas where the poorest sector of society require access to basic services.

• Transport Sector

It is imperative for Lesotho to have an efficient transport system, which ensures cost effective access to economic opportunities, internal and external markets and basic services. The country's mountainous terrain and landlocked situation creates an immense challenge to construct and maintain all weather roads to an adequate level. Hence, a reliable road network has been a lifeline to residents in the highlands and lowlands for centuries. This fact remains an increasingly significant priority for the Government as well as visitors to the country and the citizens.

Lesotho's road infrastructure comprises 7,484.7 Km ⁷ of which only 16% is paved, 51% is gravel and 33% is earth. Road transport is the primary means of travel and road transportation services are almost entirely provided by the private sector. It would therefore be natural to assume that a primary source of upgrading, expanding and maintaining Lesotho's road network would come from the private sector, which is not the case.

⁷ EU Strategy Report and Africon 2003 report

Table 1 Lesotho Road Network

Agency	Paved (km)	Gravel (Km)	Earth (Km)	Total (Km)
Roads Branch	1,150.0	1,150.0	0	2,300.0
Department of Rural Roads	0	2,140.0	1,360.0	3,500.0
Ministry of Local Government	28.50	184.60	778.40	991.50
Maseru Municipal Council	83.30	283.30	326.60	693.20
Total	1,261.80	3,757.90	2,465.00	7,484.70

The development of the road network has various focus sectors, from access to water and sanitation to accessibility, institutional development and capacity building within the industry.

Further discussions with BDS will be held over the next few weeks to determine the size and scope of the Building sub sector. The current consultancy study of Lesotho's Construction Industry is extremely timely and relevant with the present activities and the need for a review of the development situation in the country. From the Consultant's discussions with the MOPWT during the inception period, it is envisaged that the new Transport Sector Policy will take into account the conclusions and recommendations from the present study, and hopefully result in a formally approved document thereafter.

The proposals in the draft Sector Policy of 2006 are based upon previous Transport Policies. Our understanding is that this Policy will be updated to incorporate current issues, which are as follows:

- a) The creation of peace and stability and the rule of law through interest groups in policy development;
- b) Encourage economic growth to address unemployment;
- c) Facilitate the development of appropriate infrastructure and services to develop human resources; especially in health and social services;
- d) Facilitate the development of appropriate infrastructure and services to develop Priority Economic Sectors and Priority Social Sectors;

Further to the above, the necessity for a solid Transport Sector Policy as well as the required results of this ongoing consultancy, (in parallel to relevant tasks in contract development and training performed by SMEC, Arup and other concurrent studies) is further amplified by the following facts;

- **Construction Industry/General facts⁸**

- ✓ According to IMF projections, economic growth in Lesotho will reach 12.1 % in 2015 due to the impact of LHWP II.
- ✓ A target population of 150,000 will benefit from the Rural Water Supply and Sanitation project.

⁸ Lesotho Review 2011

- ✓ Lesotho has received World Bank funding to an estimated amount of M 264 million for the implementation of the New Road Management System⁹
- ✓ Extensive infrastructure development through MCA's health sector development program include (among others) providing laboratory equipment to 14 hospitals, construction of a central blood transfusion facility, construction and refurbishing 138 clinics, and renovation of NHTC (National Health Training College).
- ✓ In addition to construction of LHWP, an amount of approximately M 418 Million has been proposed for 2010/2011 for developing of other water distribution projects across the country.
- ✓ By 2010 the number of households that can enjoy electricity had risen to 20%, from only 5% 10 years ago; thanks to the National Rural Electrification Program
- ✓ The expansion of mobile phone network and internet is continuing an exponential growth, which is also reported in the last fiscal year according to report by Central bank. Another impressive indicator is the report by the Universal Access Strategy and Fund Guidelines that all villages with at least 150 households must have network coverage and service access points. This enables a range of commercial functions to be carried out quickly and easily.

• Water Sector

The EC funded "Lesotho Water and Sanitation Sector Programme" contributes to the provision on reliable and affordable water and sanitation services for domestic and industrial use in the Lesotho Lowlands. The project covers repair and upgrading of the wastewater treatment in the capital Maseru, upgrading of water and sanitation services in three towns in the Lesotho Lowlands and the design of a medium to long-term investment program for the Lesotho Lowlands bulk water supply

• Power Supply

A comprehensive statement of overall Government Policy was set out in the Sixth National Development Plan (1996/97-98/99). This has been added to and amended in policy speeches and in special policy and planning initiatives, such as the "Vision 2020" and "The Poverty Reduction Strategy". Government has also committed to addressing the Millennium Development Goals. In the Transport Sector, the policy set out in the Sixth National Development Plan was based upon the Letter of Roads Sector Policy.

• Public-Private Partnership (PPP) in development and Construction

The Government of Lesotho, IFC, and the World Bank hosted a PPP awareness workshop in Maseru on January 19 2011 that attracted participants from both the public and private sectors. The workshop covered many key areas, including the various models that other countries have used to develop PPPs, and lessons learned from successful PPP international programs.

⁹ Lesotho review 2011

Saleem Karimjee, IFC Country Manager for Lesotho, said, “IFC supports Lesotho’s commitment to adopt innovative approaches to leverage the private sector to develop infrastructure and deliver efficient and high quality public services at the lowest cost.”

PPPs are contracts between governments and the private sector that have proved an excellent model for countries to develop large infrastructure projects.

Ruth Kagia, World Bank Country Director for Lesotho, said, “Public-private partnerships are needed to bolster economic growth and boost service delivery. As an early pioneer, Lesotho has shown how such partnerships in the health sector can improve coverage, quality, and human welfare.”

IFC and the World Bank are helping Lesotho develop an appropriate policy to provide the institutional and legal framework for encouraging the private sector to play a larger role in financing infrastructure projects and services. This is an encouraging, and needed, partnership with the legal aspects being reviewed and drafted under the present Construction Industry Study.

2.1.2 Objectives

The official name of the assignment is: “Study on Local Construction Industry Development”

The MoPWT is the executing Ministry, through which the client of the consultancy is The Ministry’s Principal Secretary. Management of the study is being done by a steering committee chaired by the Roads Directorate.

Overall Objective

- To create a sustainable Local Construction Industry and Built Environment Professions with the ability to participate competitively and undertake works efficiently and effectively with continuous growth and performance to meet the current and future needs of the contracting/construction industry and its contribution to the economic growth and the poverty reduction strategy for Lesotho.
- To promote best practice that supports the long-term development and addresses many of the present deficiencies and constraints within the industry.

Specific Objectives

The Specific Objectives are as described in the six outputs listed in TOR in Section 2.2 below.

2.2 TERMS OF REFERENCE

The terms of reference are unchanged from those in the original RFP and annexed to the signed contract.

The six Specific Objectives with scheduled output dates as per the Timeline/Work program in Appendix II are as follows:

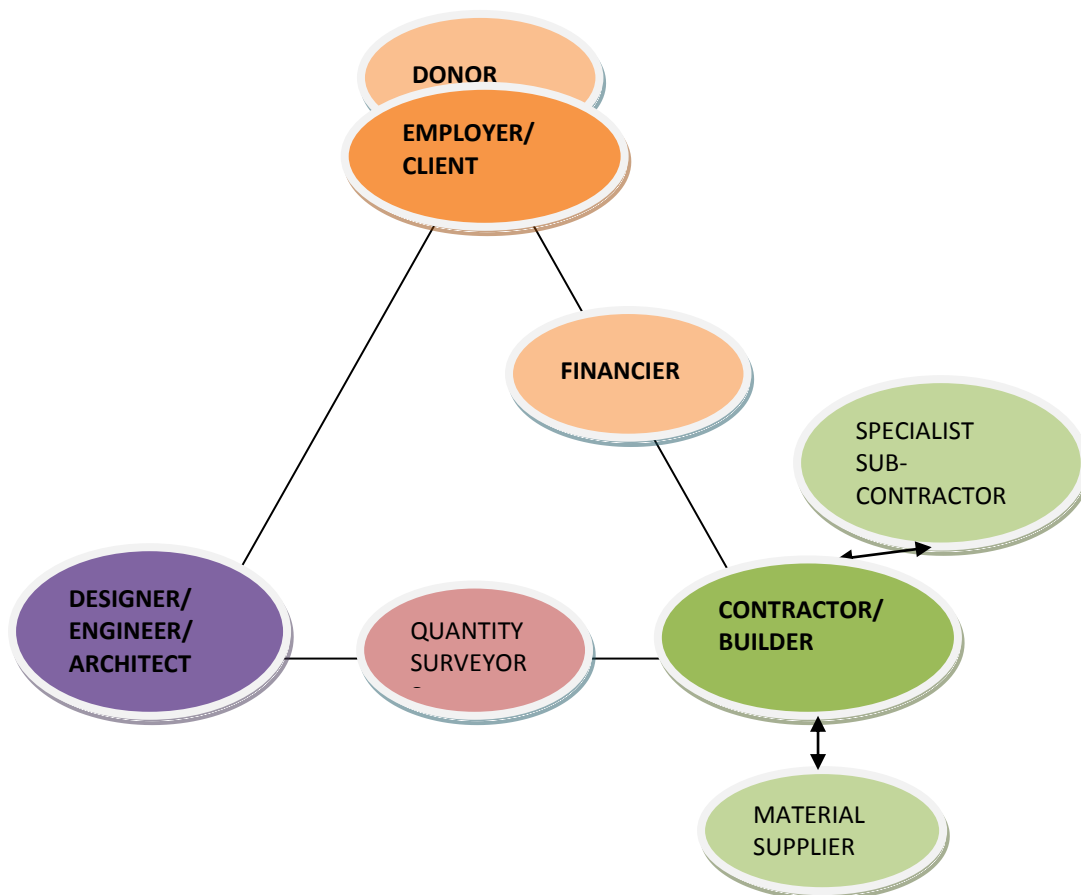
- a) To develop and draft the Construction Industry and Built Environment Professions Policy
- b) To develop and draft Local Construction Industry Development Act
- c) To review, develop and draft Built Environment Profession Act; including (but not limited to): Lesotho Association of Engineers' Act and Lesotho Association of Engineers, Architect and Surveyors.
- d) To draft guidelines for promotion of Best Practice, which will support the long term development and address many of the present deficiencies and constraints within the industry.
- e) To streamline the current Public Procurement Legislation to cater for/or facilitate the procurement of construction services.
- f) Prepare an "Action Plan" for implementation taking into account the time it takes for approvals of policies and legislations.

At the meeting with MOPWT's P.S on May 16, the key topics to be addressed as well as the various groups of stakeholders to attend the workshops was discussed.

The draft Work Program of Workshop # 1 is enclosed in Appendix VIII

2.3 ORGANIZATIONAL STRUCTURES

The construction industry in most countries is structured on a traditional, triangular platform of roles between the Client/Employer, the Designer/Architect and the Builder/Contractor. This simple triangle is further enhanced with supporting roles from Financiers, Quantity Surveyors, specialist sub-contractors and material suppliers, who all support one or more of the nodes of the triangle.

Figure 1 Construction Project Organisation

In many countries further support to the industry has been established with specific objectives such as to build capacity of local construction industry to compete for regional or international projects, to improve standards within the industry as a whole, or to ensure properly accredited persons or bodies participate in the industry projects. This additional support can take the form of registration boards, industry development councils, Business/Trade associations, accreditation boards and training regulators among others. At present the construction industry in Lesotho has none of these additional supporting institutions, at least none that are active.

2.3.1 Clients

The Lesotho Construction Industry Development study is funded by the World Bank Integrated Transport Project (ITP) through the implementing client organisation of the Government of Lesotho, the Ministry of Public Works and Transport. The study will be guided by a steering committee made up of senior officers of the client Ministry who met with the consultant team at the start up meeting of the study on 27th April 2011. The agreed minutes of that meeting are attached in Appendix I. Specific points of contact for the Consultants with the client and the steering committee were identified as the Manager Road Network Planning of the Roads Directorate and for the Building Design Section the Acting Director agreed to appoint an appropriate person, who has not yet been identified within the

Inception Period. The ITP project is fully involved with steering the study and all branches of the client ministry are being kept informed.

In Lesotho, government is one of the major clients and financiers of construction in the country. A number of large development projects have been key to the growth of the construction industry over the recent past and continue to be the major source of construction projects. Many of these are Government projects whether funded directly by revenue or through government borrowing or Donor grants and loans. Private sector financing while generating a large number of small (mainly house building) projects does not constitute a major portion of the construction industry finances.

In the past the Ministry of Public Works and Transport has been the main client ministry for all government funded construction including roads and all government buildings, as well as construction and maintenance work in foreign missions (Embassies). All publically funded construction work was procured through the Ministry of Works.

With the recent changes to the Procurement regulations in 2007 this situation has changed and now all Ministry Departments are required to have their own procurement unit and are procuring construction work for themselves using outsourced designers, inspector and supervisors, with no recourse to the MOPWT for building regulation, control or approval. This makes many Government departments players and major stakeholder in the construction industry and complicates the stakeholder analysis.

Alongside MOPWT in terms of major government clients for construction works is the Ministry of Local Government MOLG who deal with urban and rural roads and other construction projects in the Towns and Districts under their mandate.

Ministry of Local Government approves building plans and issues building permits, while LSPP under MOLG gives legal entitlement of acquired land. In the bid to regularize the industry, it is essential to investigate whether the MOLG has enough capacity, or whether they are the right institution to be carrying out this task. This has a huge bearing on the Built Environment and the physical planning of the towns.

Other Major clients in their own right are :-

- The Lesotho Highlands Development Authority (LHDA), the second phase of which is due to commence soon.
- The Lesotho National Housing Commission (LNHC) with major investments and projects in urban areas.
- Millennium Challenge Corporation, with the present compact of value US\$700 million due to complete in 2013.
- HABITAT Lesotho

2.3.2 Major Stakeholders

The construction industry and its products affect the whole population. The built environment is where the majority of the world's population resides and survives. Very few people live in a completely natural environment these days and while the degree to which any particular individual's environment is "Built" varies it is seldom zero. This means that we are all stakeholders in the construction industry to some degree and any regulatory influences that

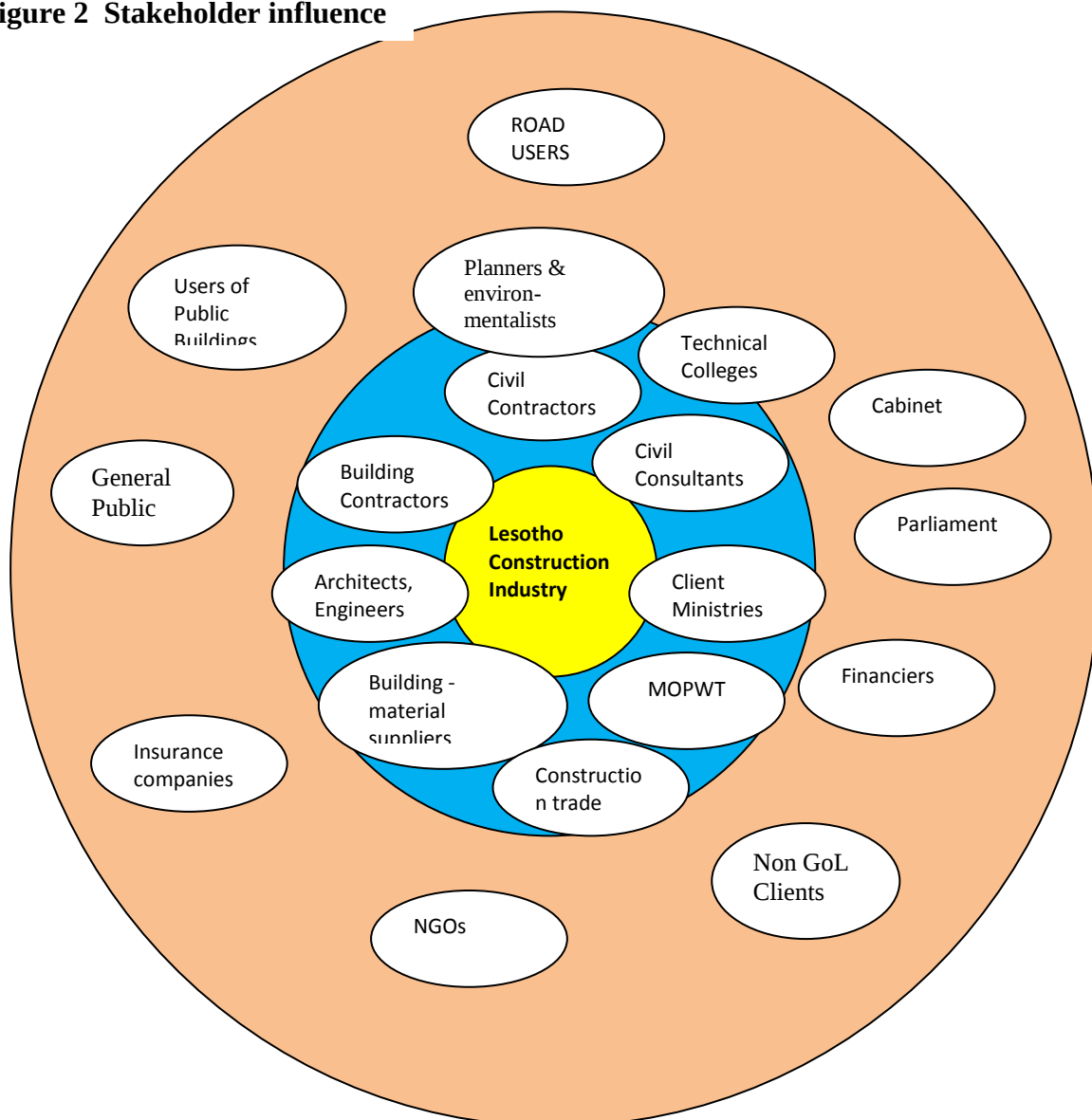
affect the industry will affect us all. However there are clearly sections of the population that have more influence upon the workings of the industry as well as those who are more closely affected by the workings of the construction industry than others. One of the first tasks in any analysis of the stakeholders is to determine the outer limits of the analysis in order to restrict the analysis to a manageable and sensible scope.

When looking at the development of the construction industry it is best to confine ourselves to the people and organisations who:-

- a) most influence the workings of the industry and
- b) are most affected by the industry's operational processes.

In this way stakeholder groups can be categorised into inner and outer circle groups based on their effect from or affect upon the industry such as the figure below

Figure 2 Stakeholder influence



At the same time as assessing the relative strength of each stakeholder effect, it is necessary to identify which stakeholders have influence and which are affected by the Construction

Industry's operations. There are clearly a number of stakeholders who both have a significant influence on the industry and are heavily affected by any operational procedure or process controlling the workings of the industry. The interaction between the various stakeholders is multi-faceted and virtually every stakeholder interacts in some way with every other one either directly or indirectly.

This means that a global interactive analysis (network diagram) covering the whole industry would be superfluous to our study at this stage. A more detailed analysis of the inner circle relationships may be useful at a later stage in the study

This assignment cannot be delivered without consultation with key stakeholders who are required in order to:

- (a) Ensure local ownership of the study results;
- (b) Develop an understanding of the current state of the construction industry and environment professions;
- (c) Obtain facts regarding concerns and problem areas;
- (d) Obtain proposals and strategies for improvements to the industry.

An initial analysis carried out during the inception period has led to the identification of the following key stakeholders:

- Clients :**
- A.1 MOPWT** – roads
 - bridges
 - buildings
 - airports
 - rail
 - A.2 MOLG¹⁰** – urban roads
 - rural roads
 - A.3 Agric** – access roads to Project site / stores
 - irrigation pipelines and dams
 - soil conservation works
 - A.4 WASCO** – Water and Sanitation works
 - A.5 LEC** – sub-stations
 - powerlines
 - access roads to sub-stations and hydro-power plants
 - A.6 LHDA** – Access roads to dam sites
Camp site infrastructure (buildings, roads, water, etc)
 - A.7 LNHC** – Sites & Services i.e provision of serviced sites.
 - A.8 ETL** – Telephone transmission lines

¹⁰ Note: Approval of plans and provision of building permits, acquisition of land

A.9 LNDC – serviced industrial sites and factory shells and associated access roads

A.10 Metolong Authority - Metolong Dam

Access roads

Water reticulation infrastructure

A.11 Mining Companies (Ministry of Natural Resources)

A.12 Environmental Organizations and Specialists

2.3.3 Cooperation and communication

ITT realizes that the cooperation of all stakeholders is critical for the success of this consultancy. It realizes as well that the methods used to reach one stakeholder may not necessarily work for another for various reasons. One issue has been that no official representative or collaborator as a study contact person of BDS has yet been appointed. In other cases it can be time consuming, or otherwise difficult, to work around individuals' or organizations' work schedule and programs to connect. These efforts will continue throughout the consultancy period as the facts, opinions, aspirations and constructive recommendations and actions become clearer.

Different methods of reaching and communicating with stakeholders at various locations and levels have been devised. These methods include structured interviews/meetings, workshops and questionnaires.

A careful analysis will be made to determine the continued method best suited for each stakeholder in order to ensure effective communication and results. ITT and its team will ensure that information and relevant data obtained from the stakeholders will be checked for accuracy before it can be acted upon, or included in the final recommendations to MOPWT which actions to be taken to meet the expected results as outlined in the TOR.

3 ACHIEVEMENTS TO DATE

3.1 INCEPTION PHASE

As outlined in the work plan, the team followed a systematic step-by-step approach to achieve the various tasks assigned during this initial period. The conclusive results and recommendation at each category of activity will act as a foundation and reference to the subsequent tasks. In this process, while the various activity milestone; e.g. each Stakeholder workshop and subsequent Policy Report will conclude a chapter. The findings, material and recommendation of such will also be a guide in the approach and information sought during the next session.

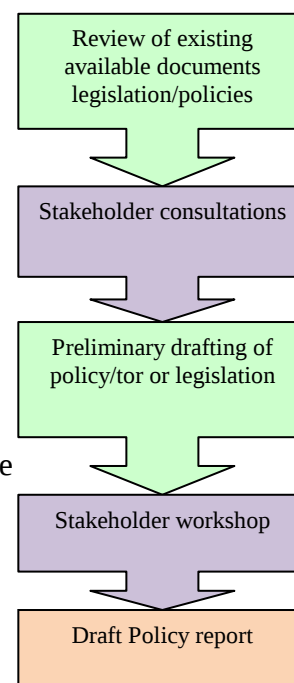
While the periods of No Objection and contract ratification were extended beyond what was originally anticipated, the consultant's team remained the same and mobilized and started their tasks without delay, as described in section 3.2.

The standardised workflow is shown in the adjacent diagram. This example is for the output "Construction industry Policy" but this process will be followed for each of the 6 required outputs more or less in parallel. During the inception phase the consultant has undertaken the first two of the activities shown. That is review of documents and stakeholder consultation.

It should be noted that both these initial activities review of documentation and consultations will continue beyond the Inception Period. Additional cooperation and coordination for the review of documents currently being produced by consultants with similar assignments to exchange facts and findings in the course of the consultancy is being facilitated by the client contact persons and the steering committee.

This work will also include a review of relevant documentation from neighbouring countries. The reason is that South Africa, and SADC countries, exercise a clear influence as a major role on Lesotho's efforts in shaping behaviour and policies.

The sequence of these various outputs will be adhered to as much as possible, while the target dates will be adjusted within the consultancy period, as indicated in Section 4.3



During the first week from the date of mobilization a small local project office was set up in Maseru to stay within close proximity of the various office locations of the Client.

To expedite the tasks during the initial 7-10 days, we worked around the Public Holidays in April, contacted local stakeholders, conducted the initial "kick off" meeting with the Client, obtained information of Building and Roads Contractors listed with MOPWT, prepared and distributed a set of facts finding questionnaires to contractors, consultants etc to obtain current and factual feed back on the industry's situation and what the main active players recommend in order to solidify, expand and protect the Construction Industry.

As a result of the feed back from these questionnaires and meetings with a range of entities which are closely connected with the Industry (e.g. banks, donors, training institutions, quantity surveyors, contractors etc), the approach and analysis of the current situation can be

described in section 3.3. , A cross section of the responses to the questionnaires (and the consultant's initial ideas for recommendations) is shown in section 3.4.

The most important clients for the construction industry locally are made up of government departments and various funding sources. Funding of most major construction jobs in the country comes either directly from Government of Lesotho or from external sources channelled through government departments. This makes central Ministries and Departments a major source of the information and data for this study. During the inception period the team have had a number of discussions with officials and advisers to Ministry of Public Works and Transport and Ministry of Local Government. There are a number of further "Client Ministries" from whom information and data will be required even after the initial 6 weeks, and these departments will be interviewed and also invited to participate in the appropriate data collection and analysis workshops to be conducted during the course of the study

Our meeting with the PS MOPWT on May 16th 2011, in particular gave the team a very valid insight of what the Ministry expects of this study and the important role the outputs and recommendations will play in the Government's move forward to protect the country's Construction Industry.

3.2 MOBILIZATION OF CONSULTANT

In accordance with the Consultant's Proposal, the team composition and individual periods of inputs are as follows:

- 1) Team Leader; Input: 4.25 months.
- 2) Facilitator; Input: 1.75 months
- 3) Legal Specialist; Input: 2.00 months
- 4) Support Staff; Continuous input

The initially proposed periods of intermittent inputs by the facilitator and the legal specialist have been amended from the original period to suit the needs on the ground. The first local inputs by these experts were not anticipated until after the first month. This was revised slightly due to the logistics and need for the entire team and the local associates to be on site shortly after the official mobilization date.¹¹

In addition to the above core project team, ITTransport is also assisted by its local partner: *S.M. Consulting Engineers* through a separate internal agreement.

The tender submittal deadline for the project was October 20th 2010. The contract was only signed on April 4, 2011, which was after completing the contract negotiation with the Client in Maseru, followed by the World Bank's No Objection at the end of March.

In spite of this extended period from the submittal of the project proposal until contract ratification and award, the Consultant's team were able to mobilize on April 18th.

All original three members of the team were on board from the outset in order to set up the small project office in Maseru, recruit support staff, start with coordination meetings with the partner consultant SM Consulting and conduct a "kick off" meeting with the Client on April 27th. (Refer Appendix I)

¹¹ Refer Appendix I & II

3.3 REVIEW OF EXISTING CONDITIONS

The critical role played by the construction industry to social and economic development in Lesotho cannot be overemphasized. In 1996, the construction sector contributed 11 percent to real GDP, and also became a top performer on the African continent.

The local construction industry is made up of Clients, Consultants and Contractors for the design and construction of buildings, roads, bridges, dams, water supply, sewerage, etc. Sizeable projects such as the national referral hospital in Maseru presented a unique opportunity for the growth of the sector.

Construction clients are represented by public and private sector organizations. The public sector is made up of GOL ministries, departments and parastatals as listed in sub-section 2.3.1 of this report. Currently the private sector has a limited capacity and is only active in the construction of small to medium sized buildings (Refer tables in Annex VI)

The Ministry of Public Works and Transport is the recognised custodian of the construction industry as it does not only oversee the creation of infrastructure assets, it also registers and monitors performance of professionals and contractors through BDS.

The Millennium Development Account (MDA) presents further job opportunities for the sector with an ongoing programme of construction of health facilities including hospitals and clinics, rural and urban water supply systems, etc; with technical and financial support which should last until the end of the Compact in 2013.

The sector is expected to experience a further boost in activity in the context of major forthcoming construction projects such as the Metolong Dam and Phase 11 of the Lesotho Highlands Water Project (LHWP). In addition, it is envisaged for the mining industry to expand. The Ministry of Trade and Industry, Cooperatives and Marketing is tasked with enhancing institutional capacity to promote industrial expansion as well as creating the appropriate investor-friendly policies¹²

Notwithstanding the job prospects referred to above, there is a general outcry from the majority of contractors and consultants alike about the lack of projects necessary for sustainable livelihoods and businesses into the long term.

The Consultants comprise architects, quantity surveyors, civil and structural engineers, electrical and mechanical engineers, environmentalists and land surveyors. The number of these professional firms for each discipline is currently unknown due to lack of registration. Appendix V shows a list of 28 firms which are members of Lesotho Association of Consultants (LAC) specifically formed for the construction of Polihali Dam

The capacity status of local consulting firms in terms of size and expertise varies from 1-2 persons to approximately 30 employees. (Refer Appendix V). Only a limited few of these firms have the capacity to implement larger scale construction projects such as either the New Referral Hospital at Lepereng in Maseru, Polihali Dam, or major road or bridge construction projects. As a result, such projects are normally awarded to companies from outside the country, often with little or no input from local companies. An amendment in the present

¹² Refer page 25, Lesotho Review 2011

procurement regulations which will strengthen and protect local capacities (e.g. through Joint Venture or Partnership) will change this in favour of the participation of local capacities, even at the level of sub-consultant or sub-contractors.

According to the latest information from the Ministry of Public Works and Transport, there are currently fifty nine (59) civil-road contractors in the country.(Refer Appendix VI).

This categorization was done by the former Roads Branch (RB), and it is encouraged through to review and update reflecting the current situation in the country and the region. Unfortunately a significant number of trained and experienced labour-based road contractors did not apply for categorization as they understood that they were already categorized by DRR into road construction and upgrading (ROCAU) and road maintenance and regraveling (ROMAR).

The majority of both building and road contractors lack essential technical, managerial and business skills. The ROCAU and ROMAR contractors (labour-based) received formal classroom, field training and employment opportunities in the early 90s which thereafter could have been followed by an appropriate mentorship to sustain development of these contractors. The lack of these essential skills in the majority of contractors is a major constraint to their growth and development hence they constantly occupy lower categories meant for implementation of small projects only.

The fifty nine road contractors are broken down in 6 main categories (A through F) plus an “open” unspecified (NIL) group. The breakdown of road contractors per category is as follows:

Table 2 Registered Civil (Roads) Contractors

Category (last rating)	Number of Contractors
A	2
B	5
C	7
D	6
E	5
F	5
“NIL”	29
Total	59

The building contractors are classified into 4 different categories in the records maintained by the Ministry in accordance with the Procurement regulations of 1973..

Table 3 Registered Building Contractors

Category	Number of Building Contractors
A	34
B	198
C	555
D	575
Total	1,362

A list from January 2001 was updated in May 2011, which contains one thousand three hundred and sixty two (1362) building contractors broken down in 4 various categories, refer Table above and in Appendix VI.

The majority of the building contractors are located in Maseru. 32 of the listed 34 Category A contractors are based in the Capital. It is hoped that the local expertise will be distributed more evenly through the 10 Districts in the months to come, as a result of new projects and future institutional capacity building, training and legislation from this and other studies which are in progress and due to be completed within the next few months.

It appears from initial discussions and interviews with stakeholders that the registration of contractors does not presently go hand in hand with regulation or monitoring of their performance in works situations. Development of these contractors is also a matter for the individual and no coordinated programmes of contractor development are currently active. Further investigations into this apparent situation will take place during the remainder of the study.

3.3.1 Legal and administrative challenges

Previous attempts at creating a unified and representative body for the built environment professions have not been successful. This renders it impossible to verify the numbers of consultants and professionals active in the local industry. Private sector activity in the construction industry is minimal and contractors and consultants therefore have to compete fiercely for public sector projects. Some of these major projects do not lend themselves to execution by local contractors or consultants due to their size and complexity. This effectively shrinks the amount of work available to them.

The industry is facing numerous other challenges which impact on the ability of contractors and consultants to access jobs. These include the lack of capacity, technical, management and other skills, financial and other resources, and an enabling and supportive policy and legal framework.

One striking example is the situation that is currently created by the 2007 Procurement Regulations. These regulations were intended to repeal the 1973 Regulations, but they have not themselves as yet been rendered operational as this was left for a ministerial notice in the government gazette that has not appeared.

3.3.2 Procurement issues

Both government and the industry stakeholders consider the 2007 regulations to be the applicable regime for the award of government tenders. A salient feature of these regulations is the decentralization of public procurement so that there is no longer a central tender board serving the whole country. All public bodies including government departments and parastatals are authorized to set up their own procurement units, while the oversight function rests with Procurement Policy Advice Division (PPAD) in the Ministry of Finance. The new regime though is faced by the challenge of the lack of technical and other skills, in the new procurement units, necessary for tender evaluation and assessment. This has meant that some of the structures of the old regime have had to be maintained as a stop gap measure, with obvious resultant irregularities and uncertainty by those dealing with government and public bodies.

In a virtually unregulated environment, people who suffer disadvantage or harm as a result of these irregularities and uncertainty have no voice, no support and nowhere to turn to. Addressing these challenges must be a prerequisite for the development of an efficient and effective construction industry, with role players that are better able to take advantage of available opportunities both within the borders of Lesotho and in the broader SADC market.

The government appears to be moving to overhaul and constantly update its procurement policy, with special emphasis on the system of tendering which will be constantly reviewed to make it more efficient and where possible minimise waste. This will be achieved through the provision of a more open system of information sharing.

This study is intended to address some of the challenges mentioned above and has the specific expected legal oriented outputs listed in Section 5.3.2 of the TOR and Section 2.2 above.

It is envisaged that one of the results from interactions at the four workshops will provide a basis for recommendations formulated in a Streamlined Procurement Legislation. The intention is to address some of the anomalies within the current procurement situation and avoid fraudulent practices, reduce evaluation procedures of tenders, achieve full transparency of evaluation results among other..

The approach towards a successful output of this consultancy in step with the Client will be through consultation with all relevant industrial partners by producing and implementing long overdue regulations, while bearing in mind the locally established traditions.

3.3.3 Cash flow and quality control

The construction industry has many constraints which do not affect the contractors alone, but are shared between clients, consultants and contractors alike. Hence the resolution of these issues must be attacked by all parties. The most important constraint on the industry is lack of continuous work due to unsustainable funding by GOL and the private sector. This leads to the closing of businesses, both of consultants and contractors as well as a serious deterioration of public buildings and roads. Other common constraints affecting the business of consultants and contractors are as follows:

- a) Delayed payments which lead to serious cash flow problems and bankruptcy;
- b) Absence of professional bodies such as construction development board to regulate the construction industry;
- c) Lack of support from the financial institutions;
- d) Lack of accredited trained personnel;
- e) Lack of regulated professional body to monitor and maintain codes of conduct among members;
- f) Shortcomings of IFMIS system

Clients are not only faced with lack of funds but they also have institutional problems which negatively affect their capacity to implement or manage projects. Thus clients continuously transform to reduce these institutional problems; a recent example being in MOPWT where DRR and Roads Branch merged to form the Roads Directorate.

3.4 APPROACH AND METHODOLOGY

In order to deliver this assignment, ITT's approach and methodology will be highly focused and coherent. We will:

- carefully carry out an identification and analysis of all critical stakeholders including contractors, consultants, representatives of the public and private sectors, financiers, insurers, training institutions, materials suppliers and members of the general public;
- engage in in-depth consultations with identified stakeholders through the use of questionnaires and structured interviews to obtain up to date information;
- adopt a participative approach to ensure ownership of the study results by the affected stakeholders. Participation will not be confined to central government ministries and departments, but will also cover representatives of local government in the districts;
- carry out internal investigations and desk studies of relevant internal policies and documents as well as those from other SADC countries and beyond;
- workshop initial findings with stakeholder representatives from all over the country;
- Carefully analyse the findings and all data obtained and use these to produce the draft policies, legislations and best practice guidelines for presentation to the more focused stakeholder workshops whose inputs will be incorporated before the final submission of a report and the draft policies and laws;
- In view of other studies currently being conducted for MOPWT by SMEC and ARUP, inter alia, and which have a bearing on this study, ITT will, to the extent possible, work closely with other consultants to avoid duplication and ensure alignment and harmonization of the work and recommendations.

From the Consultant's initial 6 weeks of the study (i.e. the "Inception Period") it is obvious from the interviews and surveys that were made that there is clearly both a will, desire and need to improve the Construction Industry in Lesotho.

These efforts of improvements should be made through parallel efforts of multiple tasks and initiatives due to the present situation which is entrenched in old methods and procedures, which are often confusing and not producing the intended results:

A healthy and solid Construction Industry with qualified and registered professionals and companies including a sustained flow of projects that will provide gainful employment is the main objective of intended institutional reforms to the sector.

This improvement should best follow rationalization efforts from inside the industry itself with consolidation and joining of efforts and skills of the main player from the stakeholders; i.e. contractors, consultants and financial institutions but spearheaded by the "leading" entities like the various Ministries and Departments through steps of drafting and implementing

As a supplement to the meetings, interviews and review of present activities in the Construction Industry the Consultant is using a survey questionnaire as a fact finding tool from a cross section of the Industry's Stakeholders. Although we will continue receiving and reviewing these questionnaires in the next weeks and months the results so far give a clear indication of the present situation. Based on this, the team will provide recommendations on which the Ministry and others should act to move the industry in the right direction away from its present quagmire.

Findings and recommendations from the return of a cross section of completed survey questionnaires (Refer Appendix III) are listed in the tables below:

I

❖ Question:

“How do you see the current Construction Industry in Lesotho compared to 5 years ago”.

Response:

- a) Improving. Strong reliance on the forthcoming LHWP Phase II.
- b) Concern that the next Highland Project will be another industry “bubble” like the first. Refer Central Banks graph in Appendix IV
- g) Also concern of the general regional and global economy....questions where will the funds come from, and what projects will be funded
- h) Concern of being side stepped by RSA companies on larger projects.

❖ Consultant’s Comments and initial recommended actions:

- GoL procurement regulations and classification/accreditation of the higher Industry personnel and Companies must be amended to protect the local resources.
- If necessary, on larger contracts where the local expertise is insufficient new regulations must ensure that new contracts will have means to use local expertise, even if it will be as Sub Contractors, Partnerships or support functions.

A market survey within the 2020 plan should be completed related to TNA (Training Needs Assessment) in line with future demand

II

❖ Question:

“What were the reasons for why you were not successful in recent tenders?”

Response:

- ✓ Primarily due to underbidding by other companies due to the slow market.
- ✓ Saturation of contractors on the present Construction Market results in low bid and often heavy losses.

❖ Consultant’s Comments and recommended actions:

- Reasonable cost limits must be enforced by Procurement regulations. The budget must be based on quality engineers.
- A screening and reclassification is necessary for building contractors as well as road contractors.
- For larger projects Joint Ventures (in particular of Multi - Disciplined format) should be

encouraged to share the responsibilities.

III

❖ **Question:**

“Will it make a difference for the Industry if Engineers and Contractors are registered?”

Response:

- a) For ICB of larger projects, local registration should not be required
- b) To protect local Industry a system of testing, registration and accreditation should be implemented.

❖ **Consultant’s Comments and recommended actions:**

- a) New Procurement regulations should not enforce local registration of international contractors, but it should be enforced by the contract that a certain minimum % of local staff should be employed, however not only on a flat % base, but through a quality based screening which could require skills training to enhance local capacity
- b) All local Contractors should be registered, The present lists of contractors should be re examined and based on similar standards as SADC.

IV

❖ **Question:**

“What specific actions do you recommend to be taken by the Private sector or the Public sector which will improve the present situation for Contractors or Engineering companies to excel on the national or international Construction Industry??”

Response:

- a) Better in house Project Management
- b) Fair and open tendering procedures
- c) Better packaging of project components
- d) Better balance between quality and price when evaluating tenders
- e) Avoid awarding low bid contract from “claims agents”

❖ **Consultant’s Comments and recommended actions:**

- a) A complete overhaul of management Training, contract procurement and format of contract documents are required.
- b) A consolidated tendering policy is imperative to move away from the present practice with each Department is tendering and awarding jobs independently and interpreting the

- 2007 regulation subjectively.
- c) Introduce an objective quality based pre-screening and evaluation methods; e.g .refer to models followed in RSA

Some of the tasks of this study are also part of the TORs of the other consultancy assignments with SMEC, and ARUP , with which we will work closely over the following weeks.

Note:

As far as the Industry's current absorption capacity (Refer Section 3.6.1) it is clear from the present supply and demand between projects and available companies (whether consultants, contractors, quantity surveyors etc) as well as job opportunities for graduated students who intend to enter the Construction Industry that the market is flooded with talent at various levels and trades. Hopefully work which is being generated through Industrial development and the results of the present objectives and outputs will improve this.

Recommended immediate and long term actions by GoL to salvage national quality capacity and allocate funds for a wider range of projects, (and not place all efforts on a few projects) will be outlined as part of the results and recommendations by the aforementioned studies and others.

3.5 SOURCES OF INFORMATION

3.5.1 Central Ministries and Departments

The most important clients for the construction industry locally are made up of government departments and funding sources of one sort or another. Funding of most major construction jobs in the country comes either directly from Government of Lesotho or from external sources channelled through government departments. This makes central Ministries and Departments a major source of the information and data for this study. During the inception period the team have had a number of discussions with officials and advisers to Ministry of Public Works and Transport and Ministry of Local Government. There are a number of further "client Ministries" from whom information and data will be required and these departments will be interviewed in the coming weeks and also invited to participate in the appropriate data collection and analysis workshops to be conducted during the course of the study.

Government Ministries and Departments / Parastatals

The Government ministries and departments/ parastatals which have been / will be contacted in order to provide essential information regarding local construction industry are¹³:

- a) Ministry of Public Works and Transport and three most relevant**

¹³ Note: Other Institutions and Ministries do also conduct trading some of which are related to the Construction Industry; e.g.: BEDCO, Ministry of Trade and Industry, Cooperatives & Marketing, Ministry of Gender and Youth, Sport & Recreation

departments are:-

- Roads Directorate
- Building Design Services
- Planning Unit

a) Ministry of Local Government and Chieftainship and relevant departments / parastatals are:-

- Maseru City Council
- Lesotho Housing and Development Corporation LHDC)
- District Council Secretaries, 10no.

b) Ministry of Finance and Development Planning and relevant departments / parastatals are:-

- Road Fund
- National Authorizing Office (NAO)
- Procurement Policy and Advice Division (PPAD)
- Lesotho National Development Corporation (LNDC)

c) Ministry of Energy and Natural Resources and relevant departments / parastatals are:-

- Water and Sewerage Company (WASCO)
- Lesotho Electricity Company (LEC)
- Lesotho Highlands Development Authority (LHDA)

d) Ministry of Tourism, Environment and Culture and relevant departments are :-

- Department of Environment
- Department of Tourism

e) Ministry of Education and Training

- Education facilities Unit (EFU)
- Lerotholi Polytechnic
- National University of Lesotho
- Vocational Schools

3.5.2 External Sources

With the assistance and support of the UK head office, IT Transport will carry out investigations to identify similar studies that have been done in the SADC region and beyond, with a view to doing a comparative analysis. Desk research will also be done to learn from the legal and policy frameworks obtaining in other SADC countries, as well as contractor and professional bodies established. This information will not just be imported by the study, but will be used as background material which will inform the study on aspects that have or have

not worked in other countries, and the reasons therefore, and thus help in ensuring that the outputs of this study do result in tangible benefits for the affected stakeholders.

The Lesotho Construction industry cannot survive in isolation. The ultimate quantity of construction work available solely within the country and funded directly by GOL is not sufficient to sustain an industry with the critical mass to make industry development initiatives cost effective.

This means that the industry and those of us involved in and supporting its development must look to the extent of external funding and regional opportunities that the local industry can access. Information and data from that potential region of influence and source of opportunity must also be a major source of information for this study.

It is vital for all sectors that represent the Construction Industry of Lesotho, (both private and public) of those who are able and fully dedicated to take constructive actions to move beyond the present situation of isolation and lack of recognition. Therefore, a registration and accreditation format in Lesotho on par with those of the region; e.g. RSA's CIDB system, will be a valid solution to provide companies and/or individuals with such credentials to be competitive within the region.

The present studies by ARUP and SMEC will provide recommendations in relation to contract development, training, performance and quality control, The overall objectives of the studies are to improve the technical, administrative, operational and financial management capacity of local contractors.

3.5.3 Regional Departments

Some of GoL ministries mentioned under 3.5.1 above have regional offices in the ten (10) districts of Lesotho. For example, Roads Directorate has regional offices in Maseru, Hlotse and Maseru plus a Training Centre in Teyateyaneng. These regional offices are another source of information and they will be visited in order to obtain essential information for the study.

BDS has representative offices in all Districts, each headed by a Construction Manager.

3.5.4 Educational

Training institutes in Lesotho such as National University of Lesotho, Lerotholi Polytechnic and vocational schools are sources of information with respect to annual numbers of students entering the construction industry from these institutes.

The Industry will benefit from embracing what the students have been taught, take advantage of the level of qualification and encourage entry into the industry as technician or artisan, and coordinate with the institutes the annual demand of the various fields and levels of the demands and absorption capacity of the industry itself.

While the country has Vocational Institutes spread out in 6 other Districts, the Lerotholi Polytechnic is the only local polytechnic source in Lesotho.

At present, the School of The Built Environment offers a 3 year Diploma Course for Technicians, and a 2 year Certificate Artisan program.

A) The technician program is broken down in the following 4 faculties:

- Civil Engineering
- Architecture
- Construction Management
- Water and Environmental Engineering

B) The “Crafts”/Artisan program specializes in three fields of vocational skills training:

- Plumbing
- Carpentry
- Bricklaying

The Civil Engineering Department of the 3 year program enrolls students twice a year (January and July), while the other Departments only recruit once a year.

While the last enrolment of students in the Civil Engineering courses was only 80, that was selected from a group of 550 applicants.

The remaining faculties had an application/acceptance ratio approximately the same, the last first year enrolments were: Civil: 80, Architecture: 30, Construction Management: 60 and Water and Environmental: 60.

The Lerotholi Polytechnics has a good reputation in South Africa if the graduates choose to continue the studies; only the University of Wits or Pretoria University do not provide full credit for entering their programs.

- The Technical Institutes of Leloaleng, Leribe and Thaba Tseka also teach trades like bricklaying, carpentry and electrical installation. However it is difficult to obtain records of the percentage of the graduates in fact join the Construction Industry.
- In Lesotho there are also presently two secondary (11-16) programs:

COSE (Cambridge overseas secondary education) and
IGCSE (International General Certificate in Secondary Education).

If students are selected from the local schools they do the IB at Machabeng alongside Machabeng students. Those students that perform well and have studied Mathematics Standard Level/Mathematics Higher Level, Physics Higher Level and Chemistry Higher Level end up studying engineering at University in SA

3.5.5 Unions and the Industry

Interview of local contractors reveal that the Construction Industry does not have any trade unions like the Manufacturing Industry which has unions such as Lesotho Clothing & Allied Workers Union. Contractors remember that during Phase 1A of Lesotho Highland Water

Project there used to be a union called LECAWU. Attempts by Consultant to meeting LECAWU has not been successful.

However Consultant will continue to make further attempts to meet LECAWU or any union for the industry. Information to be sourced from the unions shall be mainly construction problems related to workers such as fair wages, health and safety, number of working hours, workers' compensation, etc.

3.5.6 Sector Reform Status, Cross cutting activities and priorities for expansion

By incorporating established and functional policies, procedures and ideas from neighbouring countries, the future expansions and industrial strengths will prosper.

It is suggested that the stakeholders of the Industry take note of establishments like the neighbouring country's Construction Industry Development Board (CIDB). This Board was mandated through the Construction Industry Development Board Act # 38 as far back as 2000, which was established to support contractor development and emerging sector participation throughout government and the industry.

The Ministries in Lesotho could take up the principles of South Africa's National Contractor Development Program (NCDP) and similar concepts in the region. The NCDP is a government program comprising of a partnership between the CIDB, national and provincial public works and other willing stakeholders; i.e. a potential role model to follow.

3.6 FINDINGS AND RECOMMENDATIONS

3.6.1 The Absorption Challenge

Today's Construction Industry in Lesotho is experiencing an increasing imbalance between supply and demand of qualified built environment professionals, managers or skilled tradesmen who are willing and able to join the industry at various levels.

Between the encouragement for the young people to enrol in courses, through supporting that policy with scholarships etc., the lack of employment opportunities down stream is creating an artificial excess of qualified "stand by" groups who cannot get a post graduation job.

Taking the example from above, from the group of enrolled 80 Civil Engineering students twice a year accepted from a group of 550 applicants, there would be a total of 940 (470 x 2) without a place.

A similar % of unsuccessful candidates will be created in other fields.

In addition, even the graduates will have no guarantee of employment after completion of their studies. They all faced a mixed bag of opportunities, none of which, unfortunately, will

boost the future expansion of the various sections of the Construction Industry, which needs to expand and sustain the national development impact.

Due to the reduced opportunities in the Government due to new employment freeze, there are only a handful of opportunities for the graduates: Private Sector, Further Studies, Teaching or Unemployment.

While there is no “silver bullet” that will resolve this problem overnight, it must be recognized that there is a need to train skilled professionals and contractors to a level of an accredited recognition for competition for construction opportunities in SADC. This is critically important and should be taken up as a real challenge as well as an obligation by the Authorities to tackle with active support from the region.

The issues addressed in this Construction Industry Study, and complementary studies which are ongoing will hopefully provide options that gradually will resolve the stalemate issue mentioned above, and provide options how to prevent and/or resolve similar problems which the Industry is facing.

The recommended actions that should be provided at the conclusion of this and other studies, whether through legal manifestations and improvements,(i.e. accreditation, registration, re-classification of Contractors, Engineers, Architects, etc) plus by continued training and by providing solid financial boosts in the arm of the Industry, should be launched sooner rather than later, and at appropriate phases of the Construction Industry.

Only results from real and pro active constructive efforts as outlined above, will shortly tell which approach should be followed and by whom.

4 WORK TO BE DONE

4.1 ACTIVITIES

4.1.1 Construction Industry & Environment Policy

While construction plays such a major role in the social and economic development of the country, it has become clear to ITT through consultations with stakeholders that there are virtually no policies regulating the construction industry. This has been cited as one of the major impediments to the growth and development of a vibrant industry. Without a clear policy which encapsulates the baseline conditions, identifies the strengths and challenges of the industry, and sets a clear vision for the future, the role players in the industry may never be assured of the protections necessary for growth.

ITT will follow the approach and methodology outlined above to produce a draft policy for the construction industry and environment policy. Other government policies and priorities will be carefully studied to ensure close alignment and a fulsome and secure contribution to national development. The policy itself will be broad enough to cover all the major areas of concern with clear goals, roles and responsibilities.

4.1.2 Construction Industry Development Act

Preliminary consultations and research during the inception period point to a need for the creation of an institution to spearhead the implementation of an integrated strategy for the development and growth of the construction industry. It is believed that this should be an independent body mandated to act in the best interests of all participants in the industry. Among others, this body should provide strategic leadership for the promotion of industry efficiency, competitiveness and performance, best practice guidelines and standards, and uniform application of policy throughout Government on matters such as procurement for instance. It should play an active role in the registration and categorization of contractors and projects. It should engage in research and policy development and advise government on the impact of policies on the industry.

Following the approach and methodology outlined, ITT will engage in further and more detailed consultations to determine what other functions this body would be charged with, its composition and governance, as well as matters pertaining to how its finances would be raised and managed. A draft Local Construction Industry Development Act will then be produced for consideration by MOPWT

4.1.3 Contractors Association Act

One of the needs that have been identified by ITT through consultations during this inception phase is for legislation to facilitate association among contractors in the industry either by their different trades or along their different categories. Associations are seen as necessary for self regulation and protection and promotion of members' common interests, and for assuring consumers and clients of value for money. Issues such as the training and skilling of members, affiliations and accreditations, the improvement of their work relations, the provision of technical, specialist, insurance and safety information and general news, the promotion of uniformity in the custom and practice of the industry sector, helping members with contractual and technical matters, and representing them on policy- making and professional bodies have been cited as examples.

Membership of associations is seen as crucial for providing vital knowledge, robust protection, a vibrant network and a powerful voice.

Following the ITT approach and methodology already alluded to, a further investigation of the challenges faced in this regard and the recommended solutions will be made. Draft legislation will be produced and submitted to MOPWT, based on what is considered most appropriate for Lesotho's Construction Industry. In line with the practice in other countries and in the SADC region issues of Contractors Associations could be addressed under a generic as opposed to a specific piece of legislation.

4.1.4 Environment Professional Regulations

During the inception period, ITT has learnt through stakeholder consultations that one of the biggest challenges facing the professions in the built environment is the lack of professional bodies charged with the responsibility for their registration. The difficulty that this gap creates for professionals is that advertisements for jobs normally require registration. In the result, engineers and architects, for example, have in practice to be registered in South Africa or other countries to be able to tender for work locally. This anomaly, it has been suggested, must be cured by the enactment of legislation that facilitates local registration for professionals and brings to a stop the unfair advantage afforded foreign registrations. Professionals in this industry seek the normal protections and regulation similar to those afforded legal and medical practitioners, among others.

The aspects sought to be regulated under the legislation include the promotion and maintenance of education and training standards, the registration of professionals as a prerequisite for practicing their professions, the upholding of accountability and ethical behaviour, and the protection of the public against unprofessional conduct.

Detailed information on all that needs to be captured by this legislation will be sought in accordance with the proposed approach and methodology, and will form the basis for a draft law to be submitted under this deliverable.

4.1.5 Guidelines for the Promotion of Best Practice.

Best Practice Guidelines normally represent the best current knowledge on a subject. They evolve constantly as new knowledge comes to the fore, and therefore constitute an adaptive learning process and may not be fixed. They promote standardization and uniformity. In South Africa and other countries, there is a construction industry development board or council who publishes best practice guidelines on issues such as procurement, for instance, which have general application across the whole industry and on all procurements.

Consultations will be carried out with stakeholders to determine the issues on which guidelines are required, who should publish the guidelines, and the level of guidance needed to guide the implementation of any particular guideline issued. The findings from these consultations will be used as a basis for the drafting of the guidelines.

4.1.6 Streamlining current Public Procurement Legislation

As stated under 3.3.2, current Public procurement legislation is in a state of disarray and needs harmonization and streamlining. More detailed investigations will be carried out by ITT on the aspects already covered and any other that may need clarification. The ITT approach and methodology will be followed, and the findings will inform the draft legislation.

4.1.7 Implementation Plan

It is ITT's understanding that this plan relates to the implementation of the study recommendations, all of which, with the exception of the Best Practice Guidelines, are policy and legislative instruments which require extensive canvassing before they are presented to Cabinet and to Parliament for the necessary approvals. With respect to the Best Practice Guidelines, more time will be required as they effectively can only be published after the creation of an Industry Board or Council pursuant to the enactment of legislation calling for such board or council.

ITT will consult with stakeholders, particularly officials within the MOPWT and the Attorney General's department within the Ministry of Justice and Constitutional Affairs to obtain their inputs on the individual steps that need to be followed and the time horizons required for the whole process. ITT will draw from the experiences of these officials based on past policy and legislative instruments they have been involved with. Inasmuch as the instruments in question have the effect of almost revolutionizing the construction industry, adequate contingencies may have to be allowed.

ITT will in this regard bring the experiences of other SADC countries to bear on the drawing up of the implementation plan, taking into account the roles of different government officials and their availability, as well as issues that may in their experiences have necessitated more thorough canvassing before approvals were obtained.

The plan will include an itemized listing of the actions, an allocation of responsibilities, time frames and resources required. A draft plan will be presented to focused stakeholder workshops and the findings incorporated into the final draft before submission to MOPWT. which will be submitted to MOPWT.

4.1.8 Capability Assessment of Local Contractors

As mentioned above, local contractors are not capable to implement large scale and sophisticated small projects based on the consultant's local knowledge, previous studies and initial interviews of practitioners in the industry. The next step is to confirm this statement by collecting essential information regarding:-

- a) size and nature of projects implemented by contractors during the last five years;
- b) current organizational structures;
- c) list of project implemented in the last five years and which of those were implemented by foreign firms and why;
- d) list of projects implemented by local contractors in the last five years and find out if these projects were completed on time and within the original budget or where projects were not completed, and reasons for non completion.

4.1.9 Institutional development

In the weeks ahead the consultant in consultation with the stakeholders through interviews and workshops will be developing policy and draft acts for the creation of various institutions to support the construction industry. The shape of these institutions, their mandate and scope of activity will be discussed and defined. Policy and legislation alone is not sufficient to ensure institutional establishment and development. In the end the institutional development of these new organisations will depend on people.

- It is hoped that the results from the streamlining of current procurement methods and policies as well as implementation of a Best Practice Guideline will create a strategy which hopefully will maintain sustainability of regulating the Construction Industry in the future as well as continuing to enforce and amend policies and regulations to the benefit of the country in general and the Industry in particular
- Political will, organisational leadership and vision, and industry support will be necessary for the establishment and successful operation of the supporting organisations.

Part of the study and its methods is designed to investigate, confirm and generate the level of support from stakeholders and find the right form of organisation that the stakeholders want, and will support. In this way the study will attempt to provide the highest level of potential for success and sustainability possible.

The exercise of institutional development proposed for the construction industry will benefit from the experiences of other SADC countries as shown in the table below:

Country	Institution	MANDATE	Legislation in place	Comments
South Africa	Ministry of Public Works	Regulate industry. Regulate use of Registers for procurement	Default residuals after CIDB act.	Ministry role remains in regulation, daily management of industry transferred to CIDB
	Construction industry Development Board.	Register contractors. Register Projects Issue permits to build. Manage Best Practice recognition scheme	CIDB Act 38, 2000	No contractor can work on Public Financed projects unless registered with Board. Client departments including Public works, must obtain permit before procurement process.
	Construction Stakeholder forum.	Advise CIDB on all issues	CIDB Act 38, 2000	Meets once or twice per year. Wider participation than board
	SABCA / TECASA ¹⁴	Support to Sub-contractors	Not yet	Confusion over legality and mandate.
Malawi	Ministry of Transport Public Works and Housing			
	National Construction	Regulate the	NCIC Act	

¹⁴ Note: Also refer to IDC (Industrial Development Corporation) of South Africa which promote entrepreneurship through building competitive industries and enterprises. Also SAFCEC (South African Federation of Civil Contractors) , which is an employment body representing South Africa Civil Engineering Contractors

	Industry Council (NCIC)	construction industry, Register contractors.	July 1996.	
	Malawi Construction Contractors Association (MCCA)	No data Found	None	
	Traditional Council of Chiefs	Issue Permits to construct in District rural land	Town and country Planning Act 1991.	
Zambia	Ministry of Works and Supply	Legislation and regulation framework for construction industry.		Government consultant on construction, engineering, quantity surveying, architecture.
	Road Fund Agency	Control of funds for road work Payment of all road work contracts	National Road Fund Act 2002	
	Road Development Agency	Implementation of all road work. Certification of payment certificates	Public Roads Act. 2002	
	National council for Construction	Build Capacity of Local construction industry.** Register contractors. Manage Construction industry training school	NCC act. 2003	Self Financing, levies on all construction projects, registration fees, fines and penalties.
	TEVETA	Training Accreditation for all vocational and technical courses	TEVETA act. 1998 Amended 2005	No accreditation for roads training school courses of NCC.
Tanzania	Ministry of Works,			
	National construction council			
	Contractors registration board (CRB)	Register and categorise Contractors. Inspect construction sites	Contractors Registration act. 1997	

		for Health and safety, registration.		
	Engineers Registration board (ERB)			

4.2 METHODS

4.2.1 Surveys and data collection

The approach and methods which the consultant is following to collect data and information, complies with what ITT mentioned at the early stages; i.e. in their comments to TOR; i.e. by adopting a participation approach to the assignment in a “step by step” manner.

As documented in the section of Reference Material, plus from ITT’s own years of first hand experience with Lesotho’s Construction Industry; a large number of studies have been conducted and documents produced over the years related to improvement of the Country’s Construction Industry.

While the facts, findings and recommendations which are provided from such material mostly are solid, relevant and important, and as such work often has produced important policies or procedures, this assignment intends to use such information as reference material, but go beyond the reading only. This will hopefully avoid too much repetitions and rather provide specific recommendations and findings based on current situations which in turn will be vital for the future of the Industry. (Refer to Sections 2.2, 3.3 and 3.4 above).

In conjunction with the required outputs listed in the assignment’s TOR, the five main pillars of the assignment during the 6 week inception period were:

- 1) Mobilize, settle and prepare, 2) Investigate the situation on the ground (Facts finding)
- 3) Collect and review relevant material, 4) Meet and exchange ideas with senior Representative of key stakeholders, and 5) Plan and document the post investigation tasks and programs.

This last task will start with the first Stakeholder workshop to be held in mid June (Refer Appendix VIII), which will be attended by a cross section of a large number of representatives from all sectors of the Industry. From the outputs of this initial workshop the topics, participants and expected results from subsequent workshops (3 in all) will be clearer.

To obtain facts of the current situation of the Industry is imperative, but likewise to receive information how the various players see the future and what is expected and required to achieve. Therefore, strategically important meetings were held over the last 5-6 weeks with: Banks, Donors, Contractors, Consultants, Legal Institutions, active local QS companies and representatives of learning institutions. Meetings and interviews with key stakeholders like the EU, Embassies etc will continue and are already set up in the near future.

In addition, to follow up on the tasks ahead, the team, or individuals thereof, strive to continue communicating and meet with the Client’s representatives as often as possible, including MOPWT’s P.S. as time permits.

An initial fact finding survey was also started by distributing a set of Questionnaires to the broader range of stakeholders (primarily Contractors and consultants). A summary of findings and the consultant's recommendation is covered in section 3.4 above. The review and suggested actions as a result of the outputs will continue of the remaining weeks.

4.2.2 Workshops

The collection of data will be enhanced by the participation of key stakeholder in a series of workshops. The purpose of these workshops is to confirm, consolidate and expand on the detailed data and analysis of the processes, procedures and regulations required to develop the local construction industry. The first workshop is scheduled for the 14th June 2011. This will be a large information dissemination and collection workshop for all key stakeholders and their representatives. An outline of the workshop programme is attached as annex xx. This workshop will inform all stakeholders about the study, generate ownership and produce a scoping framework for further data collection and the detailed discussions to take place in subsequent workshops.

This initial workshop will concentrate on identification of the problems both institutional and legislative currently experienced by the construction industry in Lesotho. The TOR for the study has already brought together results of previous studies and investigations into the problems and this, together with our initial findings from the inception phase will form the basis of the discussion with the stakeholders. The key questions to be answered by the stakeholder in this initial workshop will be:-

- a) Institutional reform: Does Lesotho require a Construction Industry Development Board/Council similar to that in other SADC countries? Most other countries in the region have bodies (with different names) that carry out a number of functions to support the construction industry. The most highly developed (although not necessarily the most successful) is that of Lesotho's dominant neighbour, South Africa.
- b) What roles and mandate could/should such a body have? Countries within the SADC region and SSA region have different models of such bodies that will be presented in the workshop for discussion and consensus. The results of the discussions from this workshop together with the results of the data collection from questionnaire, stakeholder interviews and district visits will inform the study recommendations for both the Construction Industry Development Policy, and the Draft legislation for the Construction Industry Development Board or similar body.

Also within this initial workshop the other roles of the LCID study will be introduced and the dates and format of the subsequent workshops for detailed discussion of these issues will be determined by the participants.

It is the intention to advertise this initial workshop widely throughout the country using all the public media such as radio, newspapers and other information outlets. The intention is to reach as many stakeholders as possible and give them the opportunity to apply to take part in the workshop. Workshop numbers will be limited by practicalities and a small committee will be convened to select the participants from as wide a range of participants as possible

ensuring to include the inner circle representatives and those whose input to the workshop will be critical. The participation will be partly guided by the analysis of stakeholders. The newspaper advert of the workshop and the application form to participate are contained in Appendix VIII to this report.

The other workshops to be promulgated are:-

- i) A Contractors workshop to determine the issues and solutions for the formulation of an effective association of contractors to advance and develop the interests of the local contractors in securing work in the country and in the region.
- ii) A workshop for Technical Professionals working in the Built Environment. That is Engineers, Architects, Surveyors, Quantity Surveyors, and others. This workshop will discuss the problems and issues associated with accreditation and registration of professionals and routes to achieve the proper internationally recognised registration of such professional in Lesotho.
- iii) A final workshop with participation from a core group of inner circle stakeholders at which the draft final report of the study will be presented and discussed before finalisation.

4.2.3 Analysis of data and findings

To get a better understanding of all the initial data and information obtained through the research methods followed, ITT has had to carry out a quick scan of same in order to decipher what the stakeholders think on the specific issues addressed by this report. For the interim and final reports, ITT will have to carry out a more detailed and careful study of information and data obtained through the questionnaires, interviews, workshops and such other methods as may be employed before making any inferences or judgments about the status of the local construction industry, its challenges and measures proposed for its growth and development. ITT will not rush to make any recommendations until proposals have been checked with stakeholders. A careful analysis of the data and information will have the added advantage of driving informed and acceptable judgments even where there are observed differences of opinion between stakeholder groups. This approach has the benefit, not only of verifying and validating recommended actions, but also of creating and strengthening stakeholder ownership. This in turn fosters continued and shared commitment as well as sustainability of the study results.

4.2.4 Legislative Drafting

For the purposes of clear and effective communication with all stakeholders about expectations, rights and obligations under the formal documents arising from this study, the Simple Language drafting style will be adopted. This manner of legislative drafting had its origins in the USA and has now been embraced by a substantial number of jurisdictions in both the developed and developing world, including Lesotho. It is characterized by an emphasis on the importance of simple, clear and easily understandable language which facilitates effective communication. It was born out of a general disenchantment with the verbosity of legal documents which effectively kept the majority of the people it addressed in the dark, and necessitated expert legal assistance with the simplest of legal issues. In so far as

language is concerned, the final documents will, to the extent possible, avoid the use of difficult, foreign (Latin e.g) or technical terms.

Where these cannot be avoided, they will be written in italics with footnotes explaining their respective meanings which can also be contained in a definitions clause. Sentences will be short, expressed in the active, and not the negative or neutral voice, and gender neutral.

The general layout and design of the documents will be such as to make them attractive to the reader and user, and not unwieldy and cumbersome. Documents will be divided into chapters, and will also have a table of contents, index and bibliography. They will, where appropriate, have headings and subheadings with clear chronological numbering.

4.3 CONSULTANT'S WORK PLAN

The sequence and outputs of the consultancy as described in the original Work Plan remain unchanged, as shown in Appendix II and outlined in section 2.2 in the text.

- To attend to the real situation on the ground, both the facilitator and the legal specialist joined the team leader earlier than originally planned. In stead of mobilizing in week 5 as proposed, the whole team was on board locally after one week. This was done in order to kick start the project as early as possible, meet up with the Client and other stakeholders, plan the tasks and timing of work ahead and also to link up with the local SM Consulting Engineers' team. (Refer timeline on updated Work Plan)
- The sequence of outputs as per the TOR and Work Plan will remain as follows:
 - 1) Construction Industry Professions Policy Report
 - 2) Construction Industry Development Act
 - 3) Guidelines for Best Practice for long term development of the Industry
 - 4) Streamlining of Current Procurement Legislation
 - 5) Environmental Profession Policy Act and Lesotho Association of Engineers Act
 - 6) (Estimated approval of) Implementation Plan of Policies

The dates of various other tasks and outputs; (e.g. dates of workshops, interim report, etc), will be amended as necessary in conjunction with the above, which will also determine the specific dates of intermittent inputs by the Legal Specialist and the Facilitator, which also are bound by the budget. Based on the progress of works at the end of the Inception period, and based on the estimated outputs from the four workshops, the estimated periods of completion of above tasks (subject to minor adjustments) are as follows:

- Construction Industry Professions Policy Report and Construction Industry Development Act: July 19th.
- Guidelines for Best Practice: Pending clarification form the Client on what is intended as format and contents. Tentative date: August 13.
- Streamlining of Current Procurement Situation: First week of August
- Lesotho Association of Engineers Act and Environmental Profession Policy Act; August 9th
- Estimated plan for implementing of Policies: August 10.

REFERENCES

- **MOPWT; Standard Tender Document; 2011 Master Model**
- **“IFC Supports Lesotho’s Infrastructure Development”**
(Article by Linda Larbie; January 2011)
- **“IFC Africa and World Bank assistance in Lesotho’s PPP”**
(IFC Press Release; E Motseki; Jab 2011)
- **“Vision 2020; “National Vision Document”**
- **Lesotho/EC Country Strategy Paper; (2008-2013)**
- **MCC Compact: USA/The Kingdom of Lesotho; (July 2007)**
- **DFID: “ Construction Sector Transparency Initiative”; (June 2007)**
- **Transport Sector Policy;(Feb 2006)**
- **Local Building Construction Industry; Volumes I and II**
- **World Bank; “Private Solutions for Infrastructure in Lesotho”**
(A Country Framework Report; 2004)
- **MOPWT Final Strategy Plan; (Africon August 2010)**
- **Labour Based work in Lesotho: “ Capacity Building and Development of Contractor Industry”; (Mrs C Pama; May 1999)**
- **2004/5- 2006/7 Poverty Reduction Strategy**
- **2010 Millennium Development Goals in Lesotho**

APPENDICES

Appendix I:	Key Correspondence
Appendix II:	Updated Work Plan
Appendix III:	Survey Questionnaires
Appendix IV:	Construction Sector vs GDP (<i>Central Bank records of 2009</i>)
Appendix V:	Lesotho Association of Consultants (LAC); Phase # 2 LHWP
Appendix VI:	Lists of Roads and Building Contractors
Appendix VII:	Letter of Introduction
Appendix VIII:	Workshop #1 Program

NOTICE

CONSTRUCTION INDUSTRY DEVELOPMENT WORKSHOP

The Ministry of Public Works and Transport is carrying out an analysis of the local construction industry with a view to developing policies and regulations aimed at protecting and enhancing the local industry.

As part of this process a one day workshop will be held on 17th June 2011 in Maseru.

Interested parties are encouraged to apply, using the form below, to the workshop organisers at the following address:

- IT Transport Office, c/o Sigma Construction Compound, Plot 167 Maseru Central, Moshoeshoe 2 Road. Fokohti, Maseru
- Fax: +266 223 124 73/ 223 20956
- E Mail: ittmaseru@gmail.com
- Postal Address: ITT Construction Industry Workshop; P.O.Box 4373 Sebaboleng, 104 Maseru

Lunch will be provided at the venue. There will be no charge for participation, but spaces are limited.

Please complete the form below and deliver to the address above NO LATER THAN JUNE 11, 2011.

WORKSHOP APPLICATION FORM

NAME of INDIVIDUAL PARTICIPANT PROPOSED	
WHICH ORGANISATION ARE YOU REPRESENTING (if any)	
TYPE OF ORGANISATION	
FOR CONTRACTORS PLEASE ADVISE CATEGORY	
DISTRICT IN LESOTHO WHERE ACTIVE	
REASON FOR PARTICIPATION	
PROVIDE CONTACT DETAILS; PHONE/FAX/E MAIL;	

CONSTRUCTION INDUSTRY DEVELOPMENT WORKSHOP

**VENUE: Manthabiseng
Convention
Center**

DATE 17/06/2011

TIME	SESSION	CHAIR
8:30 to 9:15	Registration of Participants	ITT
9:15 to 9:45	OPENING SESSION	MOPWT
9:45 to 10:00	INTRODUCTION TO WORKSHOP	ITT
10:00 to 10:30	PRESENTATION OF ISSUES	ITT
10:30 to 11:00	BREAK	
11:0 to 11:30	PRESENTATION OF REGIONAL COMPARISON	ITT
11:30 to 13:00	FOCUS GROUP DISCUSSIONS	
13:00 to 14:00	LUNCH	
14:00 to 15:30	Plenary Presentation by groups	MOPWT
15:30 to 16:30	Plenary discussion and conclusions	ITT
16:30	Next steps and close	MOPWT