



Republic of Malawi

NATIONAL CONSTRUCTION INDUSTRY POLICY

APRIL 2015

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FOREWORD

Malawi's long term development plan, Vision 2020, envisages the country a middle income economy by 2020. It also states that *“Malawians aspire for a well-developed and maintained economic infrastructure”* so that *“By the year 2020, Malawi as a God-fearing nation will be secure, democratically mature, environmentally sustainable, self reliant with equal opportunities for and active participation by all, having social services, vibrant cultural and religious values and being a technologically driven middle-income economy”*.

One of the Vision's strategic options is the development of a National Construction Industry Policy that would ensure an efficient construction industry with increased local participation alongside providing indigenous people access to capital, technical skills and technology, and developing local building materials.

In line with these strategic options, the Government has developed the Malawi Growth and Development Strategy II (MGDSII) which is a medium term strategy that is facilitating the reduction of poverty through sustainable economic growth and infrastructure development. The National Construction Industry Policy therefore complements these overarching strategies by focussing on the Construction Industry.

Although there had been tremendous efforts in the past, initiatives to develop the local construction industry were not sufficiently backed by the Government policies and strategies. Under these circumstances, the industry relies heavily upon the services of foreign firms, even for repair and maintenance work that could otherwise be performed by local firms. The formulation of the National Construction Industry Policy and the Implementation Plan will go a long way in arresting these challenges.

Through this National Construction Industry Policy, the Government has entrenched the idea that planning, construction and management of the country's infrastructure requires the collaboration of both the public and private sector. The Policy also fosters the intent of the Government of Malawi to divest itself from direct service delivery in order to improve the effectiveness and efficiency of the provision of public infrastructure.

The National Construction Industry Policy also addresses promotion initiatives to build the capacity of local construction industry players (contractors, consultants, private and public agencies, material manufacturers and suppliers and other stakeholders) and create an empowering environment in all sub sectors of the construction industry.

This Policy has the full commitment of the Government and therefore, all stakeholders, both in the public and private sectors are urged to embrace and implement it for the continued social and economic development of our country. Successful implementation of this policy, strategies and the implementation plan will undoubtedly go a long way in fulfilling Government's obligation towards the development of the construction industry, the MGDSII and Vision 2020.

Hon. Francis L. Kasaila MP
Minister of Transport and Public Works

PREFACE

This document details the direction and intent of the Government of Malawi in facilitating the growth and development of the construction industry in Malawi. The National Construction Industry Policy aims at guiding the Construction Industry in ensuring an enabling environment for the development of a vibrant, efficient and sustainable local construction industry. This Policy provides a platform for the construction industry to overcome challenges and embrace opportunities which exist within the Industry. It will also facilitate the effective and active participation of the local industry in the development, maintenance and management of the physical infrastructure.

The industry has been experiencing a number of challenges including low capacity of local industry players; inadequate and erratic work opportunities; lack of supportive institutional capacity; weak and non-effective policies and regulatory framework; corruption and financial mismanagement in both the public and private sectors among others.

Despite these challenges, numerous opportunities exist. These include the growth of the economy; increasing demand for construction services in the country and abroad; existence of some enabling regulations and laws; and existence of established Professional Boards and Associations in the construction industry.

The National Construction Industry Policy identifies seven major priority areas namely: Improvement of the regulation of the construction Industry; Capacity Development of the construction industry; Improvement of standards, quality assurance; Increased Productivity; Regional and International cooperation; Good Corporate Governance and Strengthening of the Institutional framework and Cross Cutting issues.

These priority areas were identified as critical success factors in ensuring accelerated growth of the industry and maximising its contribution to the growth of the economy at large.

The development and preparation of this policy involved extensive and wide consultations. A multi-sector Steering Committee was set up to spearhead the whole process. As such the policy document is a product of inputs from the major stakeholders including representation from Government lead agencies, consultants and contractors.

Moffat J. Chitimbe
SECRETARY FOR TRANSPORT AND PUBLIC WORKS

LIST OF ACRONYMS & ABBREVIATIONS

AIDS	Acquired Immuno Deficiency Syndrome
ACB	Anti Corruption Bureau
BOE	Board of Engineers
BoAQS	Board of Architects and Quantity Surveyors
CIDF	Construction Industry Development Fund
CPD	Continuous Professional Development
NCIP	National Construction Industry Policy
COMESA	Common Market for Eastern and Southern Africa
DoB	Department of Buildings
DoDMA	Department of Disaster Management Affairs
ELCAMA	Electrical Contractors Association of Malawi
EIA	Environmental Impact Assessment
GATTS	General Agreements on Tariffs and Trade
GDP	Gross Domestic Product
GoM	Government of Malawi
HIV	Human Immuno-deficiency Virus
KPA	Key Priority Area
IOD	Institute of Directors
ICT	Information Communication Technology
LA	Local Authority
LDF	Local Development Fund
MABCATA	Malawi Building and Civil Contractors and Allied Trades Association
MBAQS	Malawi Board of Architects and Quantity Surveyors
MBE	Malawi Board of Engineers
MBS	Malawi Bureau of Standards
MCCCI	Malawi Confederation of Chambers of Commerce and Industry
MCFTC	Malawi Competition and Fair Trade Commission
MGDS II	Malawi Growth and Development Strategy II

MIA	Malawi Institute of Architects
MIE	Malawi Institute of Engineers
MIPP	Malawi Institute of Physical Planners
MIRTDC	Malawi Industry Research Technology Development Centre
MIS	Management Information Systems
MITC	Malawi Investment and Trade Centre
MRA	Malawi Revenue Authority
MoAIWD	Ministry of Agriculture, Irrigation and Water Development
MoE	Ministry of Energy
MoEST	Ministry of Education, Science and Technology
MoFEPD	Ministry of Finance, Economic Planning and Development
MoFAIC	Ministry of Foreign Affairs and International Cooperation
MoGCSW	Ministry of Gender, Children and Social Welfare
MoH	Ministry of Health
MoM	Ministry of Natural Resources, Energy and Mining
MoJCA	Ministry of Justice and Constitutional affairs
MoLMD	Ministry of Labour and Manpower Development
MoLH	Ministry of Lands & Housing
MoLGRD	Ministry of Local Government and Rural Development
MoIT	Ministry of Industry and Trade
MoTPW	Ministry of Transport and Public Works
NCI	National Construction Industry
NCIC	National Construction Industry Council
NCST	National Commission for Science and Technology
NGO	Non Governmental Organisation
NRA	National Roads Authority
ODPP	Office of Director for Public Procurement
OPC	Office of the President and Cabinet
OSH	Occupational Safety and Health
PMC	Project Management Committee

PVHES	Plant, Vehicle Hiring and Engineering Services
R&D	Research and Development
RA	Roads Authority
RFA	Road Fund Administration
SADC	Southern Africa Development Community
SIA	Social Impact Assessment
SIM	Surveyors Institute of Malawi
SMEs	Small and Medium Entrepreneurs
TEVETA	Technical Education, Vocational and Enterprise Training Authority
WTO	World Trade Organisation

GLOSSARY

Informal Sector refers to business undertakings that have small capital (below K5 million categories) and hence cannot be registered by the NCIC.

Small and Medium Enterprises are business undertakings that are categorised in and below the K500 million categories by the NCIC.

Good Corporate Governance refers to adherence to financial, legal and audit establishments specifically as set in the NCI Act and other overarching legislation that manage Construction Industry Professional Boards and Associations, Public Procurement, State owned enterprises, and public finance.

Environmental Impact Assessment refers to the process of evaluating the likely environmental impacts of a proposed project or development, taking into account inter-related socio-economic, cultural and human-health impacts, both beneficial and adverse.

Social impact assessment involves the processes of analyzing, monitoring and managing the intended and unintended social consequences, both positive and negative, of planned interventions (policies, programs, plans, projects) and any social change processes brought by those interventions. It primarily aims at bringing about a more sustainable and equitable biophysical and human environment.

1 INTRODUCTION

This policy details the direction and intent of the Government of Malawi in facilitating infrastructure development in Malawi. This Policy aims at guiding the Construction Industry in ensuring an enabling environment for the development of a vibrant, efficient and sustainable local construction industry in line with the Vision 2020. The Policy, therefore, provides a platform for the local construction industry to overcome challenges and embrace opportunities. It will also facilitate the effective and active participation of the local industry in the development, maintenance and management of the physical Infrastructure.

1.1 Background

The construction industry is a sector of the economy that transforms various resources into physical, economic and social infrastructure necessary for the socio-economic development of the country. It includes processes and stakeholders involved in the planning, designing, procurement, construction/ production, alteration, repairing, maintenance and demolition of various physical infrastructures. The infrastructures include:

- i. New or existing commercial, industrial or domestic buildings or structures;
- ii. Any preliminary site preparation work (including pile driving) for the construction or erection of such building or structure;
- iii. Transportation systems and facilities such as airports, harbours, highways, subways, bridges, railroads, transit systems, pipelines and transmission and power lines;
- iv. Energy generation and transmission structures;
- v. Structures for containing, controlling and distributing fluids, such as water treatment and distribution, sewage collection and treatment distribution systems, sedimentation lagoons, dams, and irrigation and canal systems;
- vi. Underground structures, such as tunnels and mines; and
- vii. Electrical or metal work associated with other engineering projects.

Prior to 1996, Government through the Ministry of Work and Supplies used to construct all public infrastructures. However, there has been a number of Government led initiatives directed at developing and strengthening the local construction industry. These include the establishment of the National Roads Authority (NRA) in 1997, increased outsourcing of works and services to private sector and the establishment of the National Construction Industry Council (NCIC) in 1996. Despite its significance to the economy and various initiatives undertaken, the state of the local construction industry has persistently remained weak and poor.

Although tremendous achievements have been made in the sector, there has not been sustainable growth. This is evidenced by heavy reliance on the services of foreign firms even for repair and maintenance works.

The Government decided to come up with the National Construction Industry Policy in order to guide operations in the construction industry and to ensure an enabling environment for the development of the sector.

1.2 Status of the Construction Industry

The construction industry plays a crucial role in the economy because it cuts across a lot of the sectors of the economy including housing, transport, water, agriculture, education, health, and mining among others. The World Bank¹ has found that the share of construction in Gross Domestic Product (GDP) tends to increase with the level of per capita income in the first stages of economic development and that when countries reach a certain level of economic development, the construction output will grow slower than national output in the later stages of their development. . Furthermore, experience has shown that the development of a strong construction industry should fully involve local firms and professionals as well as be supported by sector and macro-economic policies geared towards stimulating growth and competitive positioning of the local actors.

The industry contributed 3.0 percent of the Gross Domestic Product in 2010, and has been contributing 2.8 percent every year since. The Construction Sector grew by 2.6 per cent and 7.1 percent in 2012 and 2013 respectively after reducing by 2.1 percent in 2011 (Annual Economic Report 2013).

The participation of local industry players in most African countries is generally low. In the Southern Africa Development Community (SADC) region, local contractors and consultants have approximately 30 percent market share. South Africa is an exception as local contractors and consultants have 85 percent market share. In Swaziland and Tanzania, local contractors and consultants have 35 percent and 20 percent market shares, respectively.

In Malawi, the NCIC Register of Firms shows that over 95 percent of Civil, Building and Electrical Contracting firms registered by April 2014 are Small and Medium Enterprises (SMEs) (MK5 million-MK500 million) with the remaining 5 percent in the MK1 billion and Unlimited categories. Despite the heavy presence of local firms, participation in the construction industry in Malawi is dominated by foreign firms which constitute only 2.8 percent of registered firms taking 85 percent of the construction business by value with the local firms scrambling for the remaining 15 percent.

1.3 Linkages with Other Relevant Policies

Vision 2020 stipulates Malawi's long term development aspiration of moving the country from a low-income to a middle-income economy by the year 2020. The Vision identifies developing economic infrastructure as one of the key priorities of which improving the construction industry is one of the strategic outcomes.

According to this Vision, one of the strategic options for the development of an efficient construction industry with increased local participation includes formulating a National Construction Industry Policy.

In order to manage the Vision 2020, Government implements 5 year development strategies. The Government developed the Malawi Growth and Development Strategy II (MGDS II) in 2011 which sought to reduce poverty through sustainable economic growth and infrastructure development. The construction industry is, therefore, an integral part of the development process in Malawi.

The formulation of the National Construction Industry Policy has, therefore, taken into account the strategies stipulated in these two documents. In addition, the nature of the construction industry to cut across all the sectors of the economy, necessitated that the Policy should take into account several policies that have linkages to the construction sector. These include, but are not limited to:

- i. The National Disabilities Policy
- ii. The National Disaster Risk Management Policy
- iii. The National Education Policy
- iv. The National Environmental Policy
- v. The National Gender Policy
- vi. The National Employment & Labour Policy
- vii. The National Decentralization Policy
- viii. The National Transport Policy
- ix. The National Youth Policy
- x. The Occupational Health and Safety Policy
- xi. The National HIV and AIDS Policy
- xii. The National Social Support Policy
- xiii. The Mines and Minerals Policy
- xiv. The National Export Strategy
- xv. The National Energy Policy
- xvi. The National Land Policy

1.4 Problem Statement

The inefficient and underdeveloped state of the construction industry has detrimental effects on the achievement of national development goals. Some of the key weaknesses, problems and constraints hampering the performance and development of the industry include:

- i. Low capacity and capability of the local contractors and consultants due to weak resource base and inadequate experience;

- ii. Inadequate and erratic work opportunities as well as inappropriate contract packaging of works which favour foreign firms in donor funded projects;
- iii. Lack of supportive institutional capacity in terms of equipment for hire, ownership and professional development;
- iv. Lack of supportive mechanisms in terms of financial credit facilities for local firms;
- v. Unfavourable donor conditions which tend to marginalize local construction enterprises;
- vi. Unfavourable macroeconomic environment relative to neighbouring countries;
- vii. Poor working environment, low standards of safety and occupational hazards on construction sites;
- viii. Weak and disintegrated policies, and regulatory framework;
- ix. Low productivity and quality;
- x. Low technological base and advancement and
- xi. Corruption and financial mismanagement in public and private sectors.

1.5 Purpose of the Policy

Given the important role that the construction industry plays in economic development as articulated in the Vision 2020, Government has developed a Construction Industry Policy to guide the industry in terms of:

- i. Strengthening institutional arrangements to enhance the capacity and performance of the construction industry;
- ii. Improving participation of local firms- where the capacity of local firms is developed and enhanced in order to be able to improve productivity and compete effectively
- iii. Enhancing standards enforcement and monitoring;
- iv. Advancing research and technology that sustainably supports knowledge generation and retention;
- v. Synchronization of different industry related acts and policies to enhance coordination.

The National Construction Industry Policy will ensure that all construction related issues are effectively coordinated for an efficient and vibrant construction industry. The Policy will facilitate and set principles, which ultimately will be used to set the long term direction for the industry.

2 BROAD POLICY DIRECTIONS

2.1 Vision

A dynamic construction industry that fosters economic growth and international competitiveness.

2.2 Goal

To develop an internationally competitive construction industry that will be able to undertake most of the construction projects in Malawi and export its services and products and ensure value for money to industry clients as well as promote environmental sustainability in the implementation of construction projects.

2.3 Policy Outcomes

The following are the policy Outcomes of the National Construction Industry Policy:

- i. Improved regulatory environment;
- ii. Enhanced capacity of the local firms;
- iii. Increased participation of local construction players in the international market;
- iv. Improved corporate governance in the construction industry;
- v. Institutional framework strengthened; and
- vi. Improved mainstreaming of cross cutting issues.

2.4 Policy Objectives

Within this policy framework, the construction industry policy Goal will be achieved through specific objectives. The following are the specific objectives:

- i. To develop robust, comprehensive, clear, and easily administered registration, classification, and enforcement procedures and processes;
- ii. To enhance the capacity of the local firms so that they provide quality works, and competitive services in the construction industry at local, regional and international markets;
- iii. To promote regional and international collaboration and ensure that the local industry take full advantage of special and differential treatment provided under General Agreement on Tariffs and Trade (GATT) and other regional and international trade protocols;
- iv. To improve corporate governance in the construction industry;
- v. To strengthen the institutional framework and improve coordination for The National Construction Industry Policy implementation; and
- vi. To mainstream cross cutting issues such as environmental management, occupational safety and health, gender equality, HIV and AIDS, Disaster Risk Management, in the industry.

3 POLICY PRIORITY AREAS

This section outlines the areas the Policy has identified to guide the Industry. Under each Policy Priority Area are policy statements that will guide the implementation of the Policy. There are seven Policy Priority Areas.

3.1 Regulation of the Construction Industry

The National Construction Industry (NCI) Act of 1996 gives powers to NCIC to regulate the construction industry. Part IV, Sections 11 and 12 of the Act specify the regulatory functions and powers of NCIC.

The Council has systems of classification for all persons engaged in the industry, registration processes, and enforcement of provision in accordance with the Act. However, there are some challenges being experienced in the processes including long processes and unclear criteria for registration.

Policy Statements

The Policy will:

- i. Develop and maintain classification system that facilitates growth, maximum participation, and efficiency for the consultants, contractors and construction material manufacturers and suppliers;
- ii. Ensure that transparent, and well defined registration criteria and procedures for enterprise registration and approval processes are developed;
- iii. Ensure that only qualified and experienced individuals in the construction industry register as persons engaged in the construction industry;
- iv. Develop information system for data input, evaluation, verification and inspection of applicants;
- v. Promote small and medium scale contractors' growth against large contractors that bid for works meant for the small and medium scale contractors; and
- vi. Ensure that tenders for projects of public interest will only be accepted from service providers that are properly registered in accordance with the regulations.

3.2 Capacity Development for the Construction Industry

Capacity constraints are manifested through inadequate skills, inadequate capital base and inadequate equipment. These inadequacies have led to low participation of local firms in the industry, less trust in the local contractors and constrained growth of the firms themselves.

For instance, since the discontinuation of the engineering diploma courses offered by the Polytechnic Board of Governors, there has been a growing gap between the graduate engineers and the artisans.

The absence of village polytechnics also meant that aspiring labourers and skilled artisans at community level are denied opportunities for development. The Malawi Government, realizing this problem, is constructing community technical colleges in each district, these colleges will provide an opportunity to out of school youth and those who are not able to proceed to tertiary institutions, to acquire skills to enable them get employment or go into self employment. The introduction of community technical colleges is a major initiative of Government to increase the skills of artisans in the country.

In addition, the certification mechanisms for Continuous Professional Development (CPD) are uncoordinated due to the combined effect of CPD not being incorporated in both the Engineers Act and the Architects and Quantity Surveyors Act.

Inadequate availability of equipment for construction works is one of the major problems facing the local construction industry mostly by the small and medium-scale contractors. The performance of the State-owned the Plant and Vehicle Hire Organisation (PVHES) has not lived to the expectations of the industry partly due to inadequate and aged plant and equipment.

There has also been low participation of the youth in the technical fields of construction. Most youth with great potential have misdirected their energies resulting in involvement in self destructive behaviour. In other instances training has not incorporated practical experience.

Policy Statements

The Policy will:

- i. Segregate the roles of clients, contractors and consultants;
- ii. Facilitate sustainable level of works and services, skills and technology transfer;
- iii. Provide for the establishment of working capital and guarantees on easier terms than traditional banks to contractors;
- iv. Ensure that foreign firms fully adhere to joint venture and subcontracting regulations, and labour laws;
- v. Ensure that during negotiations for strategic development support the capacity of the local construction industry is considered;
- vi. Establish strategic partnerships, forums, and industry-wide database that gives research and development information;
- vii. Increase capacity for teaching and research in training institutions;

- viii. Promote the introduction of relevant courses in rural polytechnics, community colleges and teacher training institutions;
- ix. Promote Research and Development (R&D) at universities and colleges, Central Materials Laboratory, and other related research institutions;
- x. Enhance collaboration with existing education and vocational training institutions, such as The Polytechnic, TEVETA and other tertiary colleges, in curricula review, development and implementation;
- xi. Institutionalise monitoring and motivational tools that ensure that industry players engage trainees for their development;
- xii. Establish and maintain a system for professional development through compulsory Continuous Professional Development (CPD), industrial attachments and apprenticeships;
- xiii. Enhance the operations of the professional bodies and review the legal instruments / statutes;
- xiv. Establish and promote equipment acquisition, access and ownership scheme for local firms; and
- xv. Review the establishment of the PVHES into a semi-commercial entity.
- xvi. Ensure youth participation in research and development
- xvii. Facilitate career guidance and internship for the youth

3.3 Enhancing Standards and Quality

Quality Assurance and maintenance of nationally approved standards are some of the key mandates of the NCI Act. Section 11 (r) of the Act has specifically empowered the Council to “standardize quality control, contract documentation, codes of practice, procurement processes, and legal contractual procedures in liaison with other organizations”.

However, formulation of standards for the construction industry has not been aggressive. This is mainly due to lack of sufficient human and financial resources on the part of the Malawi Bureau of Standards (MBS) and lack of direct commitment by the industry in standardization work.

Policy Statements

The Policy will:

- i. Develop and enforce standards in the construction industry for construction enterprises;
- ii. Ensure development of standards of uniformity for procurement, design and implementation of projects;

- iii. Ensure that procurement procedures give favourable recognition of compliance with set standards in the construction industry;
- iv. Empower and equip the Central Materials Laboratory (CML) and establish a mechanism for regular calibration of testing equipment;
- v. Establish and equip specialised construction materials testing and research centres including the CML;
- vi. Provide framework for firms to acquire appropriate International Standards Organisation (ISO) Certification;
- vii. Enhance monitoring and compliance mechanisms in terms of cost, quality and time;
- viii. Ensure public agencies and departments do not register or operate as contractors and or consultants in the construction industry other than coordinating outsourced services in line with promotion of private sector development;
- ix. Monitor the conduct of project procurement and implementing agencies and players in the construction industry
- x.
- xi. Promote the mergers and Joint ventures in projects;
- xii. Establish a mechanism for assessing and consolidating of construction industry needs and interventions;
- xiii. Promote and integrate the informal construction sector in the mainstream development and regulation activities;
- xiv. Determine and promote "Best Practice Standards" practices exemplified by leading Malawian and international firms;
- xv. Facilitate forums for shared learning and access to information;
- xvi. Promote strategic application of information technology, and technological development over spectra of professions; and
- xvii. Develop and maintain an enabling environment that enhances the competitiveness of the local industry in international markets.

3.4 Regional and International Cooperation

This priority area is aimed at guiding the improved participation of local firms in regional and international markets. It is widely acknowledged that the local Construction industry players participate less in international markets because there is little understanding of the General Agreement on Trade in Services (GATTs), the World Trade Organization (WTO), the Southern African Development Community (SADC) and Common Market for Eastern and Southern Africa (COMESA) and other trade protocols.

These protocols provide for preferential treatment in order to enhance regional development and the capacity and local enterprises in the construction industry. However, Malawi has not taken advantage of this.

Stakeholders have also expressed concerns over the limited involvement of technical experts when these agreements are being negotiated.

Opening up of markets and globalization has also increased competition which poses a challenge to local construction players.

Policy Statements

The Policy will:

- i. Create awareness of trade and investment protocols under the WTO, and regional groupings particularly COMESA and SADC;
- ii. Ensure that technical experts are involved in the negotiations of regional and international agreements;
- iii. Enhance collaboration among MoIT, MCCI, MITC, and NCIC and other relevant institutions on international trade facilitation; and
- iv. Enhance collaborative mechanisms that facilitate movement of construction resources, firms and personnel at regional level.

3.5 Corporate Governance

This section is aimed at improving Corporate Governance in the Industry. The provision for Corporate Governance in the Construction Industry is not clearly stipulated in the National Construction Industry Act. The ODPP has developed procurement guidelines for both the public and private sector based on the Procurement Act. However, there are limited mechanisms for ensuring private sector adherence to these in the construction industry.

Corrupt practices have also been rampant in the construction industry.

Policy Statements

The Policy will:

- i. Promote adherence to principles of good corporate governance;
- ii. Promote establishment of sector implementation agencies to manage government construction projects;
- iii. Ensure that construction players and stakeholders adhere to relevant regulations in procurement, design and contract administration; and
- iv. Ensure the adoption and promotion of principles of transparency and accountability in the inception, design, procurement and implementation of projects.

3.6 Strengthening of the Institutional Framework

This section is aimed at dealing with improving coordination mechanisms for the development of the Construction Industry.

Policy Statements

The Policy will:

- i. Ensure coordination among and regulation of relevant agencies from inception to project completion;
- ii. Influence macro-economic policies and public sector investment in construction;
- iii. Review and amend the laws establishing the Professional Boards;
- iv. Co-ordinate and promote the understanding and implementation of the Construction Industry Policy; and
- v. Monitor and provide advice on the effectiveness of government policies and programmes for the enhancement of industry development and performance.
- vi. Enhance mechanisms for management and maintenance of infrastructure

3.7 Crosscutting Issues

This Priority Area addresses the many cross-cutting issues affecting the Construction Industry. This is in acknowledgement to different challenges that are external to the sector but greatly affect it or are affected by it. These include the natural environment, natural and man-made disasters, occupational, safety and health, gender, culture and heritage and HIV&Aids.

a) Environmental Sustainability

The Construction Industry greatly contributes to deforestation, noise, dust and chemical pollution, soil erosion and physical disruption. In addition there have been a number of abandoned quarry sites which have been left without being rehabilitated and bitumen wastes dumped carelessly in roads projects. Some of these result in pollution of rivers and annihilation of aquatic life. While the Environmental Impact Assessment is mandatory for certain projects, however, there are no mechanisms for effective reinforcement.

Policy Statement

The Policy will:

- i. Ensure that the Construction Industry protects and harnesses the environment in line with national and international policies; and

b) Disaster Risk Management

Related to the environment, are the disaster risks presented through earthquakes like, landslides and floods. The choice of designs and methods of construction need to take into account various disaster mitigating factors and impacts of such risks in case of occurrence. This is to ensure that infrastructure development taking place in disaster prone areas need to recognise and address them.

Policy Statements

The Policy will:

- i. Sensitise stakeholders on disaster risks and mitigation measures in design and construction of various infrastructure;
- ii. Build capacity of industry players in developing appropriate designs and construction methodologies that take into account various disaster risks; and
- iii. Enforce compliance to relevant standards and regulations that mitigate disaster risks.

c) Occupational Safety, Health and Welfare

Occupational Safety and Health (OSH) is important cross-cutting issue for moral, legal, and financial reasons. All construction organisations have a duty of care to ensure a safe and healthy work place environment in order to guard against ill health, injury, and death.

In Malawi, however, most contractors do not provide any protection materials for the workers. This is further aggravated by the lack of adequate controls regarding workers' health in the construction sector.

Policy Statements

The Policy will:

- i. Reduce and eliminate the occupational safety risks and hazards in the Construction Industry; and
- ii. Ensure compliance by industry players to developed comprehensive occupational hazard mitigation schemes prior to being upgraded by the NCIC;

d) Gender

Gender is another crucial issue in the Construction Industry. There is a general misconception among girls and women that technical jobs are for men resulting into the gender imbalance in the industry. Sadly, gender main-streaming education and training policies have not yielded the desired retention of girls in primary and secondary schools, and the vocational and tertiary colleges. Hence, there is little participation of women in the formal construction industry.

Policy Statement

The Policy will:

- i. Ensure equal access to opportunities in the construction industry regardless of gender by implementing affirmative action measures;

e) HIV and AIDS

HIV and Aids, has not been adequately addressed in the Construction Industry. Before an industry-wide policy was launched in December 2013 construction stakeholders did not have guidance on mainstreaming HIV in projects. As such, clients had neglected HIV and AIDS issues when developing and funding construction projects. In turn, construction players have not been taking the HIV and AIDS issues into account when managing and executing contracts.

Policy Statement

The Policy will:

- i. Mainstream HIV and AIDS in the Construction Industry

4 IMPLEMENTATION ARRANGEMENTS

4.1 Institutional Arrangements

The construction industry comprises organizations and persons engaged in the Construction Industry. These include firms working as consultants, contractors, construction material suppliers and manufacturers, plant and equipment suppliers. The industry has a close relationship with various stakeholders who assume different roles including clients, Professional Boards and Associations, Government Ministries, Departments and Agencies, Financial Institutions and Civil Society Groups.

The key Stakeholders involved in the Construction Industry include:

i. Ministries and Departments

The Government is the principal regulatory authority and the main client of the local construction industry. This is achieved through mandates of various Ministries, Departments and agencies. The Government's commitment therefore, is crucial in the development of the capacity of the industry. The mandates of key Ministries are described below.

- a. **Ministry responsible for Transport and Public Works**, has responsibility for coordinating the development and implementation of policies and guidelines for the construction industry, for developing mechanisms for monitoring the achievement of the objectives, and more importantly the expected outcomes of the policy;

- b. **The Office of the President and Cabinet** responsible for providing overall policy guidance and direction;
- c. **Ministry responsible for Lands Housing and Urban Development** is mandated to provide policy guidance on land use and housing policies to the general public and all interested stakeholders/parties;
- d. **Ministry responsible for Industry and Trade** is responsible for facilitating trade and investment, setting and enforcing the standards on imported construction materials and equipment; and formulating trade and services policies;
- e. **The Ministry responsible for Labour and Vocational Training** is responsible for provision of policy direction on construction labour administration and vocational training matters. It is also mandated to protect and develop the labour force;
- f. **Ministry responsible for Environment and Climate Change Management** has responsibility for Management of Natural Resources and Environmental Policies which is greatly affected by construction activities;
- g. **Ministry responsible for Education Science and Technology** responsible for training and human resources development; and providing policy guidance and direction on all construction research, education, science and technology issues;
- h. **Ministry responsible for Water Development and Irrigation** responsible for water resources planning and policies and development of standards relating to construction in the Irrigation, Sanitation and Water Development sector;
- i. **Ministry responsible for Local Government and Rural Development** responsible for coordinating infrastructure development in the districts, towns and cities;
- j. **Central Materials Laboratory** responsible for construction materials testing and investigations and acts as the repository for as-constructed materials data; and research in materials-related problems in Malawi;
- k. **Ministry responsible for Justice and Constitutional Affairs** is responsible for drafting of regulations and legal instruments, the construction industry included;
- l. **Ministry responsible for Gender** responsible for policy guidance and advocacy in mainstreaming Gender for the construction industry;
- m. **Ministry responsible for Finance** responsible for fiscal policy and allocation of financial resources to State institutions engaged in public infrastructure; and

n. **Ministry responsible for Economic Planning** responsible for national development planning and allocation of resources including infrastructure development nationwide.

ii. Other Government Agencies

- a. **National Construction Industry Council of Malawi** will be responsible for the coordination of stakeholders in the construction industry; for the efficient regulation promotion and development of the construction industry and facilitating development and implementation of various policies and regulations for the construction industry;
- b. **PVHES** has the mandate to acquire fixed assets, vehicles, and plant and lend the construction players on a commercial basis;
- c. **Roads Authority**, established as a State agent to construct, maintain and rehabilitate public roads and advise the Minister of Transport and Public Works and, where appropriate, the Minister responsible for Local Government and Rural Development on the preparation and the efficient and effective implementation of the annual national roads programme;
- d. **Road Fund Administration** created to raise, administer and account for funds for construction, maintenance and rehabilitation of public roads in Malawi;
- e. **Malawi Bureau of Standards** responsible for coordination of development and enforcement of standards for different sectors and industries;
- f. **Malawi Energy Regulatory Authority** responsible for regulation of the Energy Sector including those that are engaged in the construction of power infrastructure;
- g. **Anti-Corruption Bureau** responsible for the fight against corruption in all sectors;
- h. **Office of the Director of Public Procurement** responsible for development and enforcement of procurement policies including those for the construction sector;
- i. **Malawi Trade and Investment Centre** responsible for regulating entry to the Malawi markets by foreign investors and traders; and
- j. **Malawi Competition and Fair Trade Commission** responsible for ensuring fair competition amongst players in the industry.

iii. Professional Boards and Association

- a. Malawi Board of Engineers responsible for registration of engineers;
- b. Malawi Institution of Engineer responsible for the protection, promotion and development of the Engineering Profession;
- c. Association of Consulting Engineers responsible for the protection, promotion and development of Consulting Engineers;

- d. Board of Architects & Quantity Surveyors Responsible for Registration of Architects and Quantity Surveyors;
- e. Surveyors Institute of Malawi responsible for the protection, promotion and development of Surveying Profession;
- f. Malawi Institute of Architects, responsible for the protection, promotion and development of the Architectural Profession;
- g. Association of Material Suppliers and Manufacturers, responsible for protection, promotion and development of material suppliers and manufacturers;
- h. Malawi Institute of Physical Planners responsible for the protection, promotion and development of the Physical Planning Profession;
- i. Association for Procurement professionals, responsible for the protection, promotion and development of procurement professionals;
- j. Malawi Builders and Civil Contractors and allied Trades Association responsible for the protection, promotion and development of contractors and allied trades;
- k. Master Builders Association responsible for the protection, promotion and development of Contractors; and
- l. Electrical Contractor Association of Malawi responsible for the protection, promotion and development of Electrical Contractors.

iv. Financial Institutions Banking and Insurance Firms

Various banks and insurances firms will be responsible for provision of finance, credit facilities, transaction services, technical advice in financial matters and insurance services.

4.2 Implementation Plan

The implementation, monitoring and evaluation of the Policy will involve numerous stakeholders including: Government Ministries and Departments, Professional Boards and Trades Associations, City and District Councils, other quasi-government agencies, tertiary training and research institutions, and clients of construction infrastructure themselves. The details are contained in the Implementation Plan and Monitoring Framework.

4.3 Financing

The financing of the NCIC is crucial for the sustainable execution of its regulatory and development role. The Construction Levy and subscriptions and other fees that the NCIC collects will go towards financing of the operations of the Council and construction industry development interventions. Specific roles by other agencies shall be funded by those implementing agencies.

4.4 Monitoring and Evaluation

The Monitoring and Evaluation Framework highlights the strategies for implementation and how progress will be measured. The policy objectives have been broken down into output areas and performance indicators and targets have been established. The effectiveness of the National Construction Policy will be reviewed every five years. Detailed Matrix for the Monitoring and Evaluation Framework has been presented in the accompanying document.