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An Evaluation of the Citizen Contractor Development Component of the Citizen Empowerment Policy in Botswana

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A research report submitted to the Faculty of Engineering and the Built Environment, of the University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master Science in Engineering.

Johannesburg 2009

DECLARATION

I declare that this research report is my own, unaided work. It is being submitted in partial fulfilment of the requirements for the degree of Master of Science in Engineering at the University of the Witwatersrand, Johannesburg.

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Student signature

……. Day of……..2009

ABSTRACT

The Government of Botswana, since independence in 1966 has initiated several schemes in a bid to support and development its local construction Industry. In 1975 the Government established Botswana Enterprises Development Unit (BEDU) with the assistance of international donor agencies. The Government realised that sustainable development would based on meaningful participation of citizens in private sector, by engaging in greater agricultural production, by increasingly become engaged as businessmen in trade, in manufacturing and I providing an expanding services. BEDU was responsible for introducing the then new concept of local entrepreneurship.

Development of local human resource and localisation was one of the priority objectives of the Botswana Enterprises Development Programme. In 1975 BEDU replicated Kenya's NCC (National Construction Corporation) a small contractor development agency, just like the Kenyan NCC BEDU did not achieve much of the set objectives.

In the 1980's the Government of Botswana formulated preferential schemes that favoured and protect citizen contractor against foreign construction companies. Despite government's commitment to citizen contractor empowerment, there have been reports of poor performance by citizen contractors. Between 2001 and 2005, 93 per cent of public projects undertaken by citizen contractors had cost and time overruns, 16 per cent of the 187 projects investigated had been abandoned. The Government had to spend over P 70, 000,000:00 (seventy million Pula) to get these projects completed by others. There is strong evidence that Botswana as a developing country has a potential of utilising the infrastructure development projects for the benefit of socio-economic development by engaging meaningful participation of citizen in the construction industry. The existing available data was analysed as an attempt to establish the cause of failure and what should be done to improve the prevailing situation.

The Literature review has revealed good examples of countries that have embarked on a long-term indigenous construction industry development as national project and have successfully achieved their set objectives. Botswana can learn from countries such as Singapore, Malaysia and its neighbouring state South Africa on how to set up an appropriate Construction development programme.

ACKNOWLEDGEMENTS

I would specially thank Professor R.T. McCutcheon for his enriching experience and guidance on this research work.

I would like to thank Mr Harry Quainoo, Research Fellow at The University of Witwatersrand, Civil Engineering School for taking his valuable time to peruse this research work and giving it the necessary criticism in accordance its objective set forth. I would thank him for his kind support and encouragement when I was experiencing medical problems.

I would also express my sincere appreciation and gratitude to my fellow postgraduate research students in the Civil Engineering School, Project Management Programme for their participation and contribution at presentation sessions.

DEDICATION

I would dedicate this research to my entire family for their support, especially my wife for taking care of our children, while I was enrolled in this programme.

Finally I would like to dedicate this research to Mr William Lee my mentor, Senior Business Partner for being the motivator for my career development and for allowing me to enrol in this programme during the economic lean and hard times.

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ACRONYMS AND ABREVIATIONS

AU	-	African Union
BEDP	-	Botswana Enterprises Development Programme
BEDU	-	Botswana Enterprise Development Unit
CAB	-	Cabinet Directives
CDA	-	Contractor Development Agencies
CDM	-	Contractor Development Models
CIDB	-	Construction Industry Development Board
CMP	-	Construction Management Programme
CTB	-	Central Tender Board
DBES	-	Department of Building and Engineering Services
DCEC	-	Directorate of Corruption and Economic Crime
DFID	-	Department For International Development
EIIP	-	Employment Intensive Investment Programme
HRD	-	Human Resource Development
ILO	-	International Labour Organisation
IYB	-	Improve Your Business
IYCB	-	Improve Your Construction Business
MDG	-	Millennium Development Goals
MFDP	-	Ministry of Finance and Development planning
MOWT	-	Ministry of Work and Transportation
NCC	-	National Construction Corporation
NGO	-	Non-Government Development
ODA	-	Overseas Development Administration
PPADB	-	Public Procurement and Asset Disposal Board
PWD	-	Public Works Department
REC	-	Regional Economic Communities
SIDA	-	Swedish International Development Agency
SME	-	Small-Medium Enterprises
UNCHS	-	United Nations for Human Settlements
UNDP	-	United Nations Development Programme

CHAPTER 1: Introduction

1.1 Background to the problem

At Independence in 1966, Botswana was classified among the poorest nations in the world. Like most developing countries, Botswana was faced with challenges of ever increasing unemployment and extreme poverty of a large percentage of its population. From the outset the government's major goals were to engender financial independence and to provide a basic economic infrastructure, including clean water, schools, clinics, roads, electricity and hospitals.

In the early 1970s, as a result of minerals discovery, Botswana became one of the fastest growing economies in the world. Revenues from minerals sales enabled the Government to embark on extensive infrastructure development throughout the country, thus creating employment opportunities and alleviating poverty.

The majority of the population was unskilled and therefore the country relied heavily on expatriates for skilled human resources. During the early years of independence the nation's founding fathers realised that a genuine sustained development should involve citizens as entrepreneurs. The Botswana Enterprises Development Unit (BEDU) was established by the Government under the Ministry of Commerce and Industry to encourage local entrepreneurs to firmly establish themselves as producers of certain local goods and services, as well as to develop a certain degree of confidence in local industry in terms of competitiveness and quality. The fulfilment of these ambitious aspirations depended on having sufficient funds to successfully carry out the National Development Plans (NDP), the first of which was published in 1968.

According to the Botswana Enterprises Development Unit (BEDU) the first President of Botswana, Sir Seretse Khama, in his foreword to the National Development Plan 1973 – 78 was recorded as saying *" …… yet, in future, genuine sustained development must be based on a steady increase in the income earning activities in the private sector. Not only do we need greater agricultural production, but also Batswana must increasingly become engaged as businessmen in trade, in*

manufacturing and in providing a variety of basic services. The time has come for the nation to look firstly to its own people for initiative and entrepreneurship outside the traditional sector". Certainly these words were an inspiration to a newly born nation, as they emphasised that effective localisation was to continue to be one of the top priority objectives of the Government. Of equal importance was the recruitment of citizens to enable transfer of skills from expatriate to locals (ter Haar 1976; page 3).

It is regrettable to note that over 40 years later, little has been achieved in the construction industry in terms of citizen contractor development and localisation in both public and private sectors responsible for the implementation of Government development projects. Despite government efforts and interventions that are meant to support, develop and protect citizen contractors against their foreign counterparts, the country still relies heavily on expatriate personnel in the construction industry and the Government continues to lose huge sums of money on abandoned projects by citizen contractors. This is an indication that there is a deficiency in approach and implementation of the government initiatives.

1.2 Problem Definition

Since independence, Botswana has adopted policies in its construction industry aimed at developing its citizen contractors and recently citizen consultants to enable them to compete in the global market in a bid for employment creation. The Government instituted a number of interventions such as a 30% Reservation Policy which ensures project allocation to citizen contractors; and once the contractor secures a project, the government provides contractors with an advance loan to enable them to mobilise. Such facilities were supposed to greatly enhance their capacity for success.

Despite Government interventions, it is apparent that the expected results of employment creation, poverty alleviation and citizen empowerment have not been realized and that citizen construction companies continue to fail. Among the schemes introduced to assist citizen owned contractors are: the controversial P 50 million case-by-case bailout of 1998, the 30 % reservation policy for 100% citizen owned

construction firms for Government projects in excess of 1.8 million Pula, the preferential and reservation scheme for citizen owned companies in project tenders, waiving of performance bond requirements and reduction of retentions on contracts, and the advance mobilization loan scheme (CAB 32 B; page 1-4). The above are considered to be mechanisms for citizen economic empowerment to enable citizen-owned construction firms to be sustainable and compete favourably in the open market, and thus retain the scarce financial resources, which the Government invests in infrastructure construction development projects.

However, there are many reported cases of non-performance by citizen contractors resulting in abandoned projects, terminated construction contracts, and delayed project completion dates, resulting in escalation of project costs. For example, between 2001 and 2005 the Government has spent over P70 million on abandoned projects, excluding overrun projects (CAB 32 B; page1-4).

In order to objectively and critically assess and evaluate Botswana citizen empowerment programmes concerning the "Building Construction Industry", a comparison has to be made with the already developed principles and strategies on Small Contractor Development worldwide, especially in developing countries. There are disturbing reports of an exodus of citizen professionals from public employment to private sector or even abandon their careers. The study will attempt to review career development, institutional, organisational and human resource capacity within the Department of Buildings and Engineering Services (DBES).

The context of the policies in place has been evaluated to measure their alignment to the broader development objectives of Citizen Empowerment on Built Environment in Botswana.

1.3 Objectives of the Study

- The objective of this study is to briefly review literature on small contractor development programmes carried out in developing countries.

- To briefly review literature on institutional, organisational and human resource development.
- To analyse the concept of small contractor and related institutional, organisational and human resource development.
- Seek to establish the relevance of institutional, organisational and human resource within public and private sector.
- To identify lessons of success and problems experienced in the implementation of small contractor development.
- To compare and contrast with Botswana's initiative on citizen contractor empowerment.
- To make recommendations of solutions in cognisance with what literature has revealed in order to improve the prevailing situation.

1.4 Goal and Benefit of this study

The study attempts to emphasize the fundamental fact that poverty alleviation initiatives will not succeed without sustainable employment opportunities and also to establish and reveal the shortcomings of the current citizen contractor assistance schemes, and prompt the Government to consider setting up a programme specifically for the implementation and co-ordination of Government policies on citizen contractor development, which involves the entire construction industry and interest groups.

According to International Labour Organisation (ILO) the development of the local contracting industry in developing countries should be able to mobilise and effectively utilise local human and material resources and is recognised as an important means to promote employment, improve efficiency and at the same time develop an efficient way to develop and maintain infrastructure (ILO, 2006; page 1). Utilisation of local human and material resource would mean that government should invest on skill development of its citizens in both material manufacturing and building construction sectors.

1.5 Scope

This study is not reviewing the performance of labour-based contractors development programme in Botswana, it is rather primarily concerned about continuous failure of citizen “building” contractors despite government long-term support with several interventions and also the study attempt to ascertain whether current schemes are strategies to address main national objectives, which are employment-creation and poverty alleviation. The study attempt to unveil prevailing problems within Botswana’s building industry. However, building construction sector is labour-intensive by its nature, but it requires high level of skilled labour force as compared to civil works construction sector. Contractors in both sectors share common problems when it comes to institutional and organisational capacity or capability. Therefore, there are lessons to be learned by reviewing literature on labour-intensive programmes.

It is important to point out that Public Works in Botswana are fragmented into implementation ministries and departments. For example, building works and related infrastructure (civil) works are under the Department of Building and Engineering Services, Ministry of Works and Transport (MOWT), Water supply and sewer reticulation works are under Department of Water Affairs, Ministry of Minerals and Energy, District Councils under Ministry of Local government are responsible for all infrastructure development at Local Government level or rural areas, and Roads Department under Ministry of Works and Transport is responsible for national roads.

Summary

It is apparent that immediately after independence the founding fathers had a vision and a commitment to poverty alleviation in this country, which was then considered among the poorest countries in the world.

They established the permanent presidential commission, which was responsible for localisation and training of citizens with the mandate of accelerating the process. Many citizens who are holding high position today either in the government or private

sector benefited from that initiative. It can be said that the initiatives were good steps in the right direction.

Chapter 1: A brief background of Botswana's construction industry since independence. It also highlights schemes and policies government has implemented as a bid to assist citizen contractors to build their capabilities in order to compete in the open market.

Chapter 2: Literature review to establish successful small contractor development programmes undertaken in various developing countries (especially in Africa) which can be considered as examples for other developing countries and be compared with Botswana's programmes or interventions.

Chapter 3: Methodology

This study has adopted qualitative analysis method, existing data was analysed in order to discern and establish meaningful interpretation of objectives and goals.

Chapter 4: Research Results based on evaluation of citizen preferential schemes implementation guidelines and data analysis of project performance executed by citizen contractors under those preference policies.

Chapter 5: Conclusions and Recommendations

Conclusions are drawn from issues discussed on previous chapters, recommendations made for implementation consideration, and areas of further study are stated.

CHAPTER 2: Literature Review on Small Contractor Development (Part One)

2.1 Introduction

In this chapter of literature review the role and importance of small (indigenous) contractor in the socio-economic development of a country, and the need for emerging contractor development programme in developing countries are discussed. Institutional, organisational and human resource developments are also discussed. The framework of this research on construction industry in general with a focus on Building Sector and is based upon the work of United Nations Centre for Human settlements (UNCHS) and the work of McCutcheon who has written extensively about labour-intensive construction which is also a sector of the construction industry.

2.2 Small Contractor Development

Many writers have cited that construction industry in general plays a very important role in the socio-economic development of every country. The building and infrastructure facility projects undertaken by Governments and other developers make such developments possible, while contributing directly to this growth itself and stimulating activities in several sectors to which it is linked (UNCHS, 1996; page xi-xiii). According to Ofori, UNCHS is among the few researchers who have tried to look beyond the problems by the construction industry in the developing countries to identify and study the factors that lie at their roots (Ofori, 1993; page 16).

Small businesses have been advocated as an important means of generating employment. It has been observed that they generate more employment per unit of expenditure than large companies. For example, in South Africa a noted scenario forecaster for a major mining company has not just argued for the importance of small enterprises with respect to employment generation. It has categorically stated that neither government nor big business can do so (McCutcheon and Taylor Parkins, 2003; page 317).

According to Croswell and McCutcheon (2001; page 641-652), development of small contractors for the construction industry has been advocated and explored in two different contexts in Sub-Saharan Africa. Since the late 1970's it has been advocated

in relation to the industry as a whole. In the late 1980's it has been pursued in relation to the employment-intensive construction and maintenance of infrastructure, particularly low-cost, low-volume rural roads and other civil infrastructure.

Croswell & McCutcheon (2001; page 641-652) state that, the investigation of Sub-Sahara experience suggested that lessons learned from study on each context should be incorporated into future programmes of small contracts development and employment generation. Time, cost and resources are pre-requisite for measurable results to be achieved. It is essential to link substantial training to provision of infrastructure through a long-term programme approach to development, first outline the arguments that have been put forward for the development of small contractors in the construction industry as a whole in Sub-Saharan Africa. Secondly, they provide a sketch of the employment-intensive content within which it is deemed important, even essential to introduce it to small contractor's development in sub-Sahara Africa within the construction industry as a whole.

The origins of small contractors develop stemmed from two major concerns:

(i) Lack of local indigenous contractors

(ii) The dominant presence of large expatriate contractors

The main objective was to generate local entrepreneurial capability.
At the time various difficulties were identified which opposed the formation and success of small contractors. These included a shortage or complete lack of the following:

- Capital
- Expertise: entrepreneurial, managerial, technical and administrative skills
- A track record

Even after these deficiencies were overcome, the smaller contractor faced other difficulties including the following:

- An inability to provide sureties, raise insurance cover and obtain professional indemnity.
- A lack of resources for large or complex projects.
- The contracts were invariably packaged in such a way as to virtually exclude small contractors.
- An inadequate approach and insufficient knowledge, time and experience required for the whole process of finding possibilities for work, and once found, insufficient understanding of the contract documentation and the preparation and submission of tenders.
- Inadequate technical, administrative and managerial skills required for the implementation of a project.
- The lack of continuity in relation to type, scale and location of work.

According to Ofori (1993; page xi) for over forty years many writers have suggested various ways and means of improving the construction industry of the developing countries. Its has been observed that no matter what approach is chosen and regardless of the circumstances in which it is applied, the inter-related nature of the varied aspects of construction implies that the co-ordination, monitoring and review of any measures or programmes for improving the construction industry are of utmost importance. A central agency that administers the continuous development of the construction industry appears necessary in each country, and for the developing countries, such an agency is crucial.

In many countries the construction sector is surrounded by serious difficulties, including import dependency, shortages of semi-skilled and skilled labour, a low degree of local participation in contracting, inadequate production of building materials lack of capital, equipment and tools and poor quality of management and supervision. These problems are often aggravated by the adoption of designs, technologies and standards that are inappropriate to conditions. Thus, it can be concluded that in the majority of developing countries, the construction sector is not fulfilling its potential positive role in the development process (UNCHS, 1982; page 1)

Ofori observed that UNCHS has depicted the same problems another way, that in developing countries, construction projects were often subjected to long delays and increased costs. The contributing factors to this state of affairs were: difficulty in obtaining tenders; inefficiency in planning design and construction; difficulty in obtaining vital resources – materials, equipment and skilled personnel – and their high costs; poor estimating and financial planning; inappropriate tendering and contractual procedures; and inefficient on-site construction.
Construction tended to act as a drain on the foreign-exchange reserves of most developing countries, as some 30 per cent of total output (and 60 per cent of materials) comprised imported inputs. The local construction industries were generally insufficiently developed. Indigenous contractors undertook the smallest projects and lacked the necessary technical and managerial expertise, although they might be good entrepreneurs. The production of materials was generally undeveloped. The items produced also had a low quality (Ofori, 1993a; page 15)

Further, Croswell and McCutcheon (2001; page 641-652) state that since the late 1970's two major approaches have been applied to overcome these obstacles.
The first approach focused upon the management and operation of the contracting company itself. This resulted in a great deal of literature production about almost every aspect of the management of a company with insufficient attention being paid to the entrepreneurial aspects of contracting in particular, the need to identify those people with entrepreneurial capability, and who are prepared to take risks through psychometric testing and the subsequent fostering of potential entrepreneurs.
The second approach has focused upon policies and regulations which would at best foster the growth of small contractors or at least temper the obstacles to their formation and operation.

Central to both approaches has been to the development of successful, profit-making companies. Recently there has been some rhetoric regarding the importance of social benefits, such as local development, community participation and employment generation from the perspective that small firms generate more employment than large ones. In South Africa special attention has been given to empowerment through the provision of opportunities to previously disadvantaged groups by way of tender preferences and "*unbundling*" the packaging of large contracts in such a way as to

enable the participation of small contractors and improve their access to components of the projects.

Despite all these efforts, it has been realised that small contractor development still emphasises the same set of problems that were identified over twenty years ago, such as lack of continuity of work that has tended to be replaced by "the lack of *sustainability"* (McCutcheon and Taylor Parkins, 2003; page 324).

2.3 Important Role of a Small Contractor in Developing Countries

The majority of the population of most developing countries are poor and unskilled, even in countries that may be considered as middle income with extensive infrastructure development projects. Infrastructure development has proven to be a source of a sustainable poverty alleviation and employment creation. In developing countries, construction industry is mainly controlled by foreigners, who are primarily not concerned about employment creation and poverty alleviation, but rather to maximise profit. They utilise mechanical equipment or employ foreign skilled labour to achieve their objective.

Small and Medium-sized Enterprises (SMEs) play a very important role in the construction industry of developing countries by creating employment and economic opportunities and thus provide socio-economic benefits. It is therefore imperative that small contractors be developed to a level where they will effectively manage their business from the perspective of sustainability, which ultimately contributes to the socio-economic development of local communities and society at large (Ofori, 1993; page 15)

Dlungwana and Rwelamila (2004; page 1-12) argue that it is important therefore to have a clearly focussed development programme that entails the provision of assistance to contractors in developing their skills, knowledge and competencies in such a manner that will enable them to operate their enterprises on a sustainable basis. The process of development needs assessment in order to achieve continuous improvement in each contractor's performance. There are strong indications to suggest that the effective development of small and medium-sized contractors can

have a huge impact on socio-economic development and better management of the environment for developing countries. Additional benefits can also be realised, such as increased spending in the country's economy by local contractors, a growing entrepreneurship base of the country's citizens and improved delivery of infrastructure. When there is an abundance of SME talent it could become easier to speed up economic development and employment creation.

UNCHS (1996; page2) hints that the role the construction industry plays in socio-economic development is very essential to developing countries. It makes direct contribution to growth like sectors such as agriculture, manufacturing and services and indirectly it provides the basis upon which other sectors can grow, by constructing the physical facilities required for the production and distribution of goods and services. Small contractors undertake the smaller and simpler construction projects, invariably using labour-intensive methods. The role of construction industry in the socio-economic development is shown by figure 1 below. The importance of small contractors have been cited by many writers as a reason for obtaining sufficient number of indigenous contractors.

UNCHS (1996; page 37) defines small contractor as the only firms willing and able to undertake the small, scattered projects, especially in rural areas, which are among the key components of development and which are required to satisfy the basic needs of the people such as housing, heath facilities, sanitation and geographical mobility. The problems that are experienced by small contractors in developing countries prohibit countries deriving the benefits that the nature of construction activity and its linkage effects can offer as depicted on figure 1.

Soweto major urban civil works project that was incorporated into a small-contractor development programme, revealed that community-based construction undertaken by small firms compared with the conventional construction in terms of cost was 6-15 per cent less expensive for upgrading of secondary water mains; 16-19 per cent cheaper for installation of low voltage cables; and of similar cost for upgrading of roads using water-bound macadam. 30-65 per cent of the expenditure was retained in the community. A number of job opportunities and skills transfer were created by

the projects, local community were taught commercial, administrative, managerial and technical skills (UNCHS, 1996; page 3).

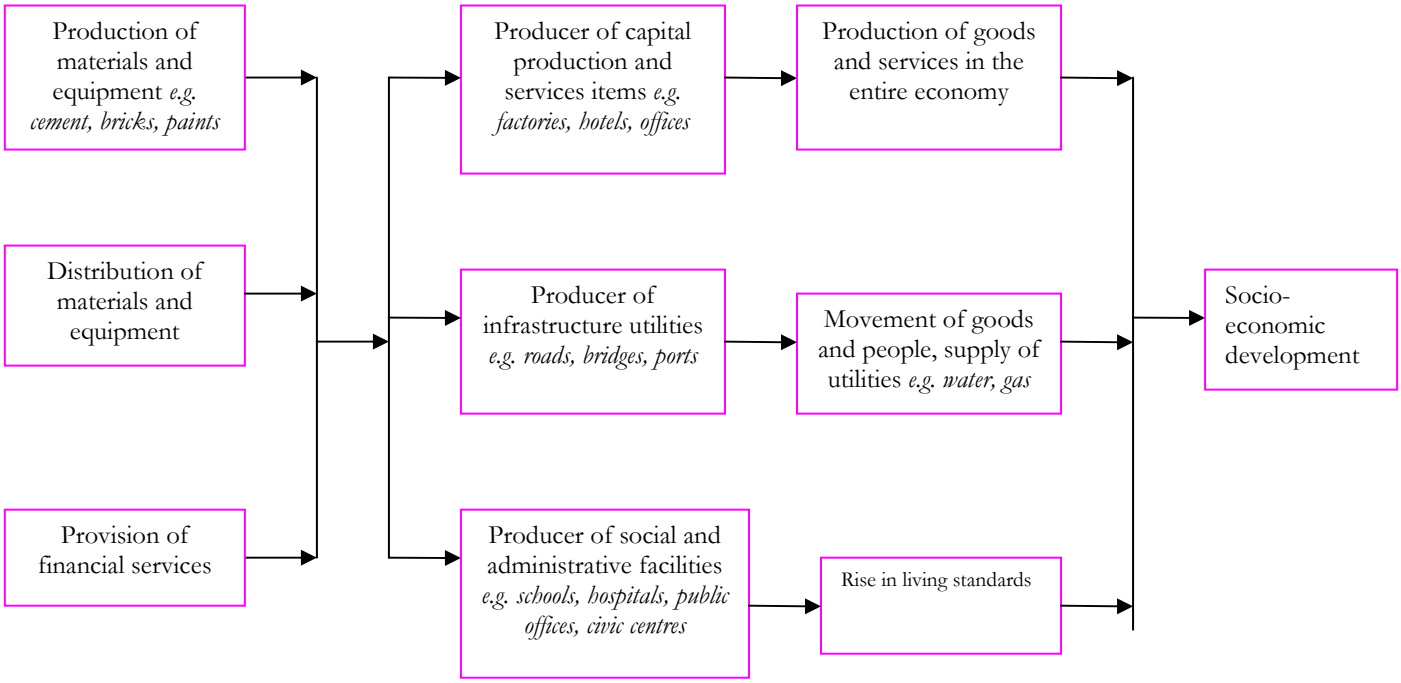


Figure 2.1 Construction in development
Source: Ofori 1994

Construction industry provides the physical infrastructure throughout developing countries into isolated rural communities, and thus creating employment for the local population and lead to their social upliftment. As small contractors undertake most of the projects in rural areas, they are important vehicle for the socio-economic development of these areas. Programmes of rural and community development can be used to upgrade small contractors (UNCHS, 1996; page 4)

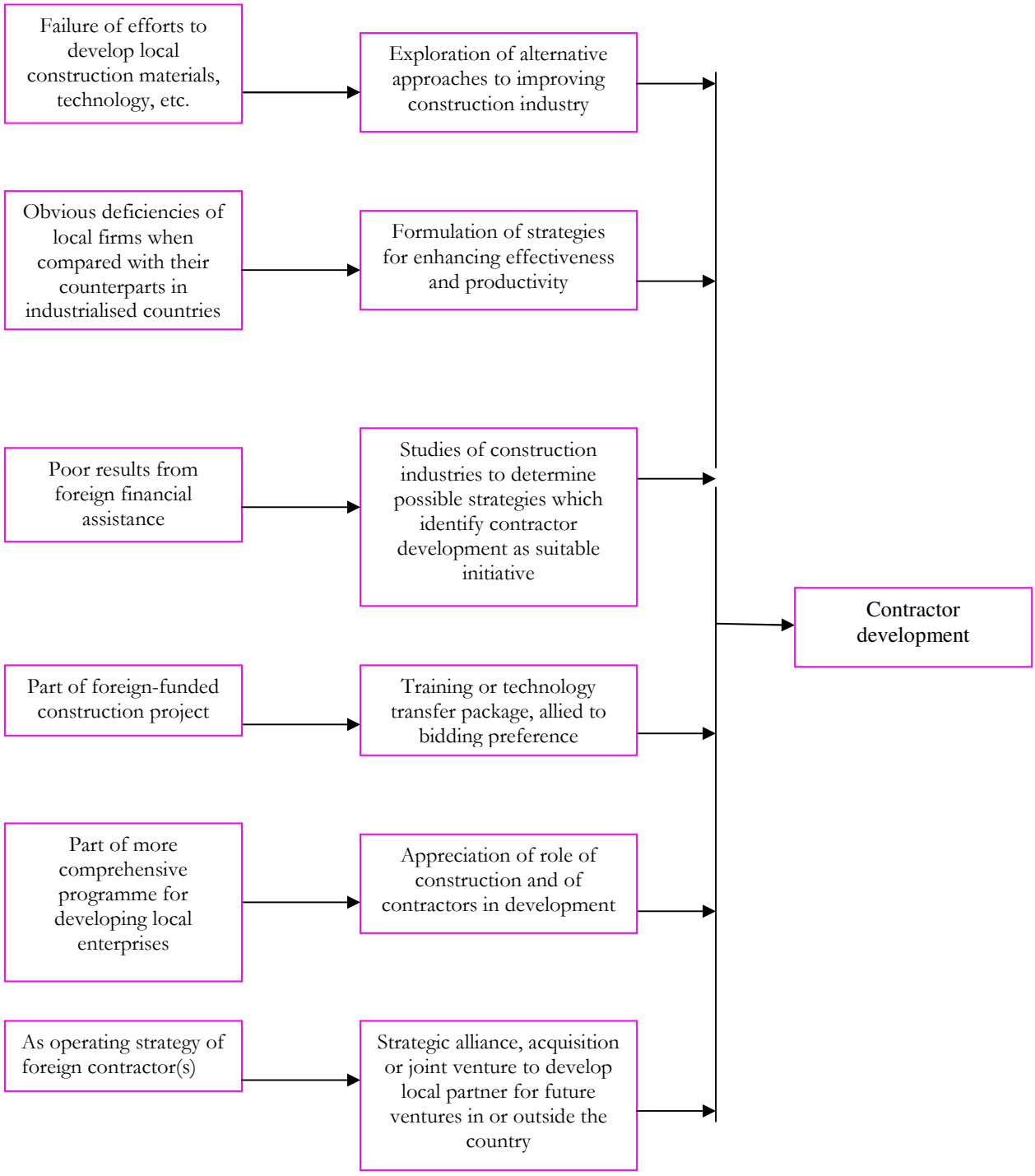


Figure 2.2 Factors giving impetus to contractor development

Source: Ofori 1985

UNCHS (1996; page 5) states that Ofori observed that over the past decades many developing countries have implemented initiatives to improve the performance of local construction contracting firms, either as part of, or in isolation from, comprehensive programmes for improving the construction industry. Figure 2 outlines factors that give impetus to contractor-development. The attempts to resolve other construction problems, such as acute shortage of materials that development of local construction materials was intended to address, have failed to succeed.

Since the 1970's, the International Labour Organisation (ILO) has been advocating for the development of national construction capacity and the dissemination of construction management knowledge and skills. The ILO Construction Management Programme has been aligned with the infrastructure programmes and effective utilisation of locally available human and material resources (ILO, 1993b; page 1).

In the early 1970's the Overseas Development Administration (ODA) supported the United Kingdom based Intermediate Technology Development Group to start management training for owners and managers of contracting firms in newly independent developing countries. The demand for the assistance grew rapidly and thus required a larger organisation with greater resources and more international links. The ILO with its highly reputable general Management Development Programmes and special interest in the development of small construction enterprises seized the opportunity and started to promote programmes that assist the development of indigenous construction industries in member countries. The development of programmes was implemented in three distinct phases (ILO, 1993b; page 1)

1. Exploration of needs and priorities; development of pilot training material.
2. Pilot regional programmes, including seminars and workshops to discuss experiences, formulate strategies, and test out and publish training materials.
3. Institutional building, primarily through the design and implementation of national technical cooperation projects.

The exploratory phase brought out the appreciation of the importance of small contractor enterprises. The Government of Norway agreed to support the ILO for the

African Region to provide basic capability for delivering management training to small-scale building contractors. The second phase included an examination of the policy constraints, which adversely affected the performance of domestic construction industries in developing countries. The third phase involved the policy constraints that adversely affected small contractors, and it became clear that more efforts were needed towards institution building in order to achieve suitable sectorial development (ILO, 1993b; page 1).

It has been observed that the above three phases are lacking in the Botswana building construction industry. This report attempts to highlight these critical deficiencies of the current schemes and policies for small (citizen) contractors development. It has been noted that in the three phases, there are factors that are necessary for sustainable small contractor development programmes such as:

(a) Training of owners and managers in both technical and managerial skills.

(b) Examination of policy constraints that adversely affect the performance of domestic contractors, and that means Government policies should be formulated to assist development of local contractors and organisational capacity building.

(c) The necessity for institutional building in both central and local government in order to achieve sustainable development.

There are various ranges of construction management training systems today in the market. The ILO is one of the first international organisations to develop such a programme called Construction Management Programme (CMP), which can be divided into five categories. This report will focus on one category, which is “Improve Your Construction Business.” The CMP derived its experience from an earlier ILO Programme – IYB or “Improve Your Business” (ILO, 1993a; page 2). IYB consists of self- teaching material that introduces the user to basic management techniques such as business analysis, financial analysis and activity financial planning. This programme proved very successful in assisting small traders and manufacturers of simple products. However, this programme was not adequate for catering for the

specialized needs of small construction enterprises (ILO, 1993a, page 2). Then CMP utilised its experience from the IYB programme and developed a system that would meet the specific needs of small contractors called IYCB "(Improve Your Construction Business)". This programme was first tried in Ghana, at the request of the Government of Ghana for the ILO to improve the performance of local construction in Ghana.

It is quite interesting to note that many small–scale contracting firms in Ghana claimed to be capable of implementing basic building and infrastructure projects, but failed to deliver quality work at reasonable cost and time, which is a similar case in Botswana where citizens are continually awarded development projects under preferential schemes and they fail to deliver. It is noteworthy to highlight that in Ghana, clients, consultants and contractors realised the fact that small contractors required assistance and the Government of the Netherlands was approached to support an ILO-executed "Improve Your Construction Business" and again the ILO emphasised institutional support to ensure sustainability, so the project team identified ten major problems which are experienced by Ghanaian building contractors: (ILO, 1993a; page 3)

1. Contractual Procedures
2. Inadequate market opportunities
3. Financing the work
4. Obtaining performance bonds
5. Site operations
6. Quality control
7. Availability of plans
8. Lack of skilled labour
9. Manufacturers problems
10. Getting paid

It is apparent that indigenous small contractors in developing countries experience similar major problems, but the difference is the conditions and environment of operations. For example, in Ghana inadequate market opportunities and financing have been identified as some of the major constraints, but the Botswana government

ensures that citizen contractors are awarded projects through preferential schemes and also provides 15% of the value of the project in advance as a mobilisation loan.

The Ghana IYCB project discovered that the way in which the contractors conducted their business failed to deliver quality products within budget and designated completion periods. Therefore contractors required training in order to improve their business performance. The IYCB designed eight successive sessions on estimating and tendering to enable each participant to produce a model of the bidding process for his or her own business environment, which comprised the following:

- The participants take measurements and notes during a site visit, then:
- Prepare their own simple working drawings and site layout, then:
- Produce a basic set of standard specifications, and;
- Design a simple contract, then with the working drawings:
- Prepare a list of quantities which allows them to:
- Calculate direct project cost, and then to:
- Estimate indirect project cost, and finally:
- Prepare a quotation or bid

Estimating and tendering are very important activities for small contractors, if not for the entire construction industry because of fierce competition, when profit margins are low and a small mistake on pricing a tender document can make all the difference between a worthwhile profit and a serious loss (ILO, 1993a; page 3).

2.4 Challenges Facing Small Contractors in Developing Countries

In the construction industry in developing countries (especially Africa), small and medium-sized contractors need support in order to overcome specific challenges and to contribute to sustainable building in respective industries. According to Dlungwana and Rwelamila (2004; page 1-12), the following are some of the challenges.

- As a result of globalisation of economies, the poor state of the SME construction sector in many African countries renders the SME sector highly vulnerable to foreign competition. The absence of regulation, institutions and resources to support it is at the core of this challenge. In many African countries the capacity of this sector to deliver on domestic infrastructure projects has been severely depleted following the collapse of many contractors.
- There is often a lack of comprehensive models, programmes and tools to assist in contractor development in terms of, *inter alia*, assessment of training and mentoring. Where they exist, the programmes are often haphazard and unstructured, hampering the contractor's development effort instead of helping it.
- Lack of a balance between sustainable building trade-offs, for example the creation of jobs using local labour, has an impact on the quality of construction products due to high labour turnover. Quality can also vary due to the difference in the work ethic and skills levels in different geographical locations.
- Many contractors and other participants in the economy consider the creation of economic value (e.g. company profits) above environmental aspects (e.g. depletion of the ozone layer and forests) and social issues (e.g. the well-being of workers).

The above stipulated challenges are among others that require urgent attention from various stakeholders, particularly government and other public sector organisations involved in development projects and have great influence in the construction industry. A starting point for many construction industries in developing countries must be to address industry constraints at a basic level by developing the management skills of local contractors to deliver effectively on local projects. For example, developing countries should adopt national educational and training strategies, which set achievable targets for raising participation levels among young people and which make a strong commitment to adequate and sustainable investment in human resource development. While not all SMEs will thrive and become successful, some will emerge to become sustainable and globally competitive enterprises. An important balance should however always be maintained between three key sustainable building objectives, i.e. social development, economic

development and responsible management of the environment (Dlungwana and Rwelamila 2004; page 2).

Notwithstanding widespread acceptance of the importance of sustainable small contractors by many countries in the developing world and the fact that some countries have been successful, small contractor development remains an enigma to many Governments. For small contractor development to be successful, it should not involve only government officials, but all stakeholders and communities in order to address environmental and socio-economic problems with defined objectives (McCutcheon and Taylor Parkins 2001; page 317- 320). It has been revealed that the adoption of a well planned national programme on small contractor development and the increase in the visibility of a variety of sustainable building initiatives will help bring about the necessary understanding, learning and skills transfer in the construction industry, particularly in developing countries.

However, ILO statistics have also revealed that despite robust economic growth, the global employment situation improved only slightly in 2004 (Paratian, 2005; page 1). Employment creation remains a major challenge for policy makers. Decent work "deficits" still need to be eliminated, especially in the growing informal economy in many developing countries, as well as achieving a fairer globalisation and resolving the high youth unemployment if the situation is to improve. In most African countries, unemployment, under employment and poverty levels have continued to increase or have remained at extremely high levels despite considerable effort to promote sustainable development by African countries and international development agencies over the last 30 years. This calls for the need to recognize the centrality of employment as one of the major means to alleviate poverty and empower people to be part of the social, economic and political processes.

2.5 Selection of Participating Contractors for Development Programme

Selection of contractors to participate in small contractor development programmes is crucial; it ensures long-term commitment in the industry by those who are taking part. For instance, in Lesotho all citizen contractors that expressed interest on Lesotho's 20 years long-term development plan has to undergo assessment to determine their

background in contracting or other construction related fields (ILO, 1993b; page 9). At present in Botswana many small (citizen) contractors are emerging simply because of lucrative preferential schemes which government is providing to assist capacity building of citizen contractors (citizen empowerment). However, selection criteria of contractors vary from country to country depending on whom the programme is targeting.

The report now reviews selection criteria of the ILO's IYCB project employed in Ghana, Lesotho and Kenya.

In Ghana most of the small contractors identified for training at the inception of the project were already involved in the execution of road works using heavy machinery. Therefore these contractors had some knowledge of construction. The criteria for selecting contractors took into consideration the following factors:

- Contractor's ownership of Equipment;
- Contractor's fixed assets;
- Supervisory Capacity of the contractor, for example the education/ training background of staff;
- Experience of the firm in road works;
- Educational background of the Managing Director.

In Kenya, advertisements were placed in the three daily papers targeting districts and 64 companies registered their interest in the training programme. Small-scale contractors were identified with assistance from the Ministries of Works and Transport representatives in the respective districts. After reviewing qualification criteria data, only 24 firms were short-listed, and 12 contract managers from these firms were selected for training (ILO, 1993b; page 12).

2.6 Replication of the "Improve Your Construction Business" (IYCB) Project in Other Countries

In Ghana the IYCB approach proved to have worked well after three years in use, and a number of African countries showed interest in using this methodology to increase the productivity of their local construction industries. Some proposals resulted in concrete initiatives. A pilot project, testing the validity of the IYCB concept in Kenya was evaluated to determine whether a full-scale intervention was feasible. A similar test was undertaken in Malawi and a project to apply the IYCB concept to the development of labour-based road maintenance contractors in Lesotho started in April 1993 (ILO, 1993b; page 3-4).

Lesotho, like most developing countries initiated labour-based road construction and maintenance programmes in 1977 with two primary objectives: i) to promote efficient use of labour-based construction methods in Lesotho and ii) to create as much gainful employment as possible. It has since grown into a substantial organisation with more than 260 support staff and a manual labour force of approximately 1800 responsible for routine and periodic maintenance of about 700 km of gravel road. The Lesotho construction industry (just like in many developing countries) was dominated by foreign and non-Basotho, local-based contractors. There were no domestic contractors specializing in roads and civil construction and domestic building contractors were poorly capitalized and lacked essential managerial business skills. The development project was based on a step-by-step approach helping contractors to take advantage of relevant market opportunities. The suitable market for labour-based road maintenance is one that offers potential growth and an opportunity for domestic contractors to develop the basic business and technical skills that will be needed if they are to take a larger share of the civil works (ILO, 1993b; page 3-5).

2.7 Small Contractor Development Models

As stated previously, there is a wide range of Contractor Development Models (CDMs) that have been developed by many international organisations. This report will only highlight the key features of Contractor Development Models without discussing any CDMs in detail. According to Dlungwana and Rwelamila, contractor development models are more likely to achieve their goal if they are driven in

conjunction with a broader, long-term industry framework with which they share similar development goals. In order to contribute effectively and exert an influence on sustainable building, CDMs should be properly structured and supported. The following characteristics are considered as key features of the models (Dlungwana and Rwelamila, 2004; page 4):

- The models should aim to develop contractors' technical and management capacity over a sustained development period with a view to encouraging the competitiveness and growth of contractors. There must be a clear development path along which contractors will progress.
- The models should integrate the developmental activities of all stakeholders, from government to private sector. Procurement, training, mentorship and performance assessment activities are well integrated and complementary. In other words, the model should encourage partnering in all aspects of contractor development.
- The models should become an integral part of the entire industry development strategy and should be strongly championed.
- The models should be flexible enough to accommodate varying needs of contractors at different levels of development.
- The models should promote the adoption of best industry practices and be supported by excellent research practices in order to create and share knowledge.

Key processes in the functioning of a typical model are centred around the need to focus development efforts on small and medium-sized contractors. In brief, these processes involve:

- **Contractor selection and registration:** to ensure that the right type of contractors participate in delivering construction products;
- **Training and mentoring:** to ensure that entrepreneurs gain a basic capability to manage their enterprises on a sustainable basis;
- **Continuous contractor performance assessment, improvement and grading:** to ensure that contractors become competitive in providing

construction goods. Continuous grading validates the changing status levels of contractors as performance improves or deteriorates.

Ultimately, a successful Small Contractor development programme requires an integrated contractor development approach that places development models and the cultural values of organisations and industries at the centre for development effort to yield tangible improvement in the economies of developing countries, with socio-economic benefits.

According to the International Labour Organisation (ILO, 2002; page 1-9) Employment Intensive Investment Programme (EIIP) or Private Sector Development, an increased focus on labour-intensive construction and maintenance techniques in the development of the local contracting industry may significantly improve upon the effectiveness and efficiency of the operations, and at the same time, decrease poverty through increased employment creation and income generation. Work carried out by the ILO has shown that the constraints on the use of labour-intensive techniques by the private sector have more to do with the general problems faced by small-scale contractors than with any basic difficulty with the techniques themselves. This has a significant bearing on how one should foster the proper development of a local construction industry. When changing public executed operations to private sector implementation, the client must seriously consider these issues and address them through a programme approach to create an enabling environment.

In order to develop local capacity in the construction sector, all stakeholders including contractors, consultants and public servants, must understand fully the objective of the programme or intervention policy in order that they may set out organisational or departmental goals and strategies to attain them. It is very important to review the environment in which they operate. This includes the capacity and ability of the client organisations to cope with their new and changed role as contract managers. For small-scale contractors, creating an enabling environment includes removal of barriers to their entry into the market, and to their growth and sustainability (ILO, 2004a; page 1).

Without compromising on the demands of the finished product, the ILO has successfully demonstrated in a number of countries the viability of private sector executed labour-intensive programmes. These programmes include training and capacity building at various levels in both the public and private sectors, in labour-intensive technologies and in business and contract management.

The real challenge now being faced by governments is to facilitate real market driven growth and competition for the construction industry. This means setting up programmes and incentives to encourage the domestic private sector to be a viable option to the government driven contracting. These programmes should provide education and training that render individuals employable and help them gain access to a decent job, thus escaping poverty and marginalization. For this to happen, contractor associations and construction councils must take on responsibility for developing structured training and mentorship programmes and be fully professional and self-funding operators where possible (ILO, 2004c; page1).

All successful large-scale programmes have been linked to long-term, in-house training programmes. For example, in 1980, Botswana under the Ministry of Local Government, Lands and Housing established a District Road Improvement and Maintenance programme. After an initial implementation period with demonstration and training in Serowe, the programme expanded gradually to cover all nine districts in the country, employing 3200 casual labourers. A Field Training Unit was set up in Molepolole in 1985. This training unit is organized as a part of the Roads Training Centre under the Roads Department of the Ministry of Works, Transport and Communications. During the first years of the programme, the ILO was responsible for both programme management and training, but it subsequently focussed on labour-intensive technology training at the Field Training Unit. This included the further development of labour-intensive technology and in particular the introduction of effective systems and procedures for routine road maintenance. The ILO provided technical assistance and advisory services to the programme from its inception until 1995 with several experts funded from different sources (the World Bank, NORAD and Sida) (ILO, 1996; page 1). This indicates that when a programme is established with all fundamental aspects, such as training and institutional capacity can be successful.

During the period 1998 to 2000 the Botswana Roads Department with ILO assistance was involved in a NORAD supported project entitled “Application of Labour-intensive Methods in Maintenance and Construction”. Intrinsic to this component and the Road Department’s policy of outsourcing works, was increased use of labour-intensive and support to the development of the domestic contracting capacity. During the eighth National Development Plan (NDP8) which was implemented between 1997 and 2003, increasing shares of all contracts were tailored for labour-intensive methods to be executed by small to medium scale citizen contractors to facilitate their entry into and establishment in the market (ILO, 1996; page 1).
The ILO provided advisory and monitoring support to the Roads department for the application of labour-intensive methods in road maintenance and construction by:

- Giving advice on project planning and management and reviewing factors influencing the contracting environment including the sustainability of contract documents;
- Conducting regular technical audits on both subcomponents (maintenance and construction) as regards systems and procedure as well as contract execution;
- Participating in the Task Force (reference group for all stakeholders) meeting as a regular member.

In seeking to develop local capacity in the construction sector, i.e. contractors as well as consultants, it will be important to look at the environment in which they operate. This includes the capacity and ability of the client organisations to cope with their new and changed role as contract managers.

2.8 Lessons Learned from Various Contractor Development Programmes.

In 1995 the ILO (1999; page 17-20) commissioned a six African nation facts finding study to look at the various similarities and differences within the contractor development programmes with the objectives of highlighting common issues and problems. South Africa was included for the first time in the study because its development of labour-based technology in construction had already taken up prominent status in the country’s policy directives and regulations targeting

procurement procedures.

The study was intended to be the first phase of an overall objective to produce a guidelines document to assist and encourage those who are involved in this technology and in the development of the private sector. Towards the end of 1995, at a workshop in Zimbabwe a decision was taken to proceed with what was proposed to be a 2-volume document covering institutional and operational issues.

Project experiences in various countries were assessed. Those countries included Ghana, Kenya, Tanzania, Zambia, Lesotho and South Africa. The ILO study revealed that more has been achieved at the political level in South Africa than in other countries in terms of decisions regarding adoption and utilisation of public sector procurement as an instrument of social policy. Labour-Based technology is encouraged and supported wherever possible through specific measures of targeted procurement, which aims to provide employment and business opportunities for the marginalized individuals and communities. South Africa has formulated direct preference policies that assign small contracts to target enterprises, and on large contracts tenderers compete on the basis of both the product and the process with resource specifications being used to define social objectives and their associated acceptance criteria. The study report goes on to state that even at its early stage the policy proved to be successful in correcting uneven wealth distribution and in addressing poverty alleviation and employment creation. More importantly, it has gained wide acceptance within the construction industry and has moved labour-based technology from an orientation to a national programme basis (ILO, 1999; page 17-18).

Since November 1997 South Africa's Department of public works started an extensive process to address the challenges of growth, performance, improvement, delivery and transformation in the construction industry. Throughout the process the public and private sectors were involved in the formulation of a common industry development strategy, and the planning and legislation that defines the role of the Construction Industry Development Board (CIDB) in driving the strategy to implementation (GOVZA, 1999; page 6-20).

According to the CSIR Building and Construction Technology, the 1997 Green Paper entitled "Creating an Enabling Environment for Reconstruction, Growth and

Development in the Construction Industry", identified some of the challenges facing the industry, including: declining construction demand and the volatile nature of the demand; falling construction productivity and output quality; regulatory impediments to industry performance; participation of SMEs and the previously marginalized sector; public sector capacity to manage delivery; performance improvement of the South African industry. This prompted an extensive stakeholder consultation, resulting in the White Paper, which was published in 1998 establishing an enabling framework within which the construction industry can play a more strategic role in social development and economic growth. The framework has provided the basis for an integrated industrial development strategy and the institutional mechanism to drive such a strategy on behalf of all stakeholders (CSIR, 2001; page 1-3).

It is very important to note that the 1997 Green Paper called specifically for the establishment of a Construction Industry Development Board (CIDB). An Inter-ministerial Task Team was set up with the main objective of establishing the Construction Industry Development Board. For a period of three years the Task Team played a crucial role in assembling the capacity of all role players towards concrete deliverables of strategic objectives. Finally in April 2001, the Construction Industry Development Board was formally established. This was attained through formation of a Reference Group and several Focus Groups, interactions with individuals, community and practitioners within the public sector. More importantly, the Task Team concluded that the inclusive involvement of a wide range of expertise had identified and developed capacity to promote construction industry development in South Africa. The human resource constitutes a vital asset in challenges facing the new Construction Industry Development Board (CSIR, 2001; page 3-5).

Ofori (1993; page 3) suggest that construction industries of the developing countries can be disaggregated in many ways, one possible approach is by the classification of the various types of projects the sub-sectors undertake and requirements of such for design and construction expertise, various other construction resources and administration considerations. The developing countries require a very wide range of constructed goods to achieve their socio-economic development objectives.

Ofori (1993; page 4) state that Drewer suggested that the more appropriate subdivision would be into the international, large-national, medium-national and small-national sub-sectors. Ofori proposed an alternative system with two main divisions: formal and informal. For projects in the formal sector, designs are generally prepared and planning and building design approval obtained. Projects in the informal sector are mainly in the rural areas and the unauthorised settlements on the fringes of the centres. Construction in this sector is not constrained by statutory regulations, or codes of practices. Wither see the informal sector of the construction industry as having great potential, not only as a means of meeting the countries construction needs, but also for upgrading each country's entire construction industry. It is also seen as a vehicle for dispersing economic activity and raising the income levels of citizens. According to Ofori (1993; page 5), the United Nations Centre for Human Settlements suggests that Government should reformulate policies for the integrated promotion and development of the indigenous construction sector, placing emphasis on the potential of the informal sector as a matter of priority in order to formulate ways and means of ensuring its promotion and growth.

How can growth be measured in a contractor development programme? According Ofori (1993; page 13) says that UNCHS suggested a set of indicator that could be used to evaluate the extent to which the construction industry of any country is fulfilling its potential:

- The extent to which the construction project in a country's development plan are implemented on time and within budget;

- The percentage of imports of materials, tools and equipment and skilled human resources in total construction output;

- The degree of local participation in contracting, or the development of the local construction industry;

- The degree of development of the local building materials industries, including the quality and availability of local materials and costs and degree of protection of local industry;

- The overall efficiency/productivity of the construction sector as measured by cost per unit of output. Ofori adds that by any of these above indicators, the construction industries in many of developing countries fare badly.

2.9 Contractor Development Initiatives

Ofori (1993; page 50) has observed that the approach to the development of indigenous contractors differ from one country to another. Many developing countries have formulated entry barriers to protect their infant industry against foreign firms. The contractor development plans are often accompanied by some forms of protection for locally owned firms.

Ofori (1993; page 49) recorded that Davis, Belfield and Everest give an account of some of the statutes regulations in this regard in various countries. For example, Thailand forbids foreigners to practice as professional architects or engineers. In the Philippines, indigenous contracting companies and those that Filipinos are majority shareholders of at least 70 per cent are given a 15 per cent preference margin in bidding only for projects above certain floor limit.

2.10 Contractor Development Agencies

Many developing countries mostly in Africa have established Contractor-Development Agencies (CDA) in order to provide a comprehensive package of assistance figure 3 that includes;

- Project-related finance on soft terms which is either disbursed directly by the agency or through selected financial institutions;
- Construction projects obtained either as a result of the agency guaranteeing that the contractor would perform satisfactory and/or helping the company to submit a realistic tender, or the agency tendering for, or being offered, a number (usually public) projects which are then allocated to the contractors;

- Training on subjects such as tendering, contract scheduling and administration, site supervision, and general financial management; managerial advice is offered as an extension service;
- Supply of key construction materials which are either procured in bulk by the agency, or purchased by the companies from suppliers under special prices and terms arranged by the agencies; and
- Items of plant and equipment may be lent, or offered on hire-purchase terms, to contractors.

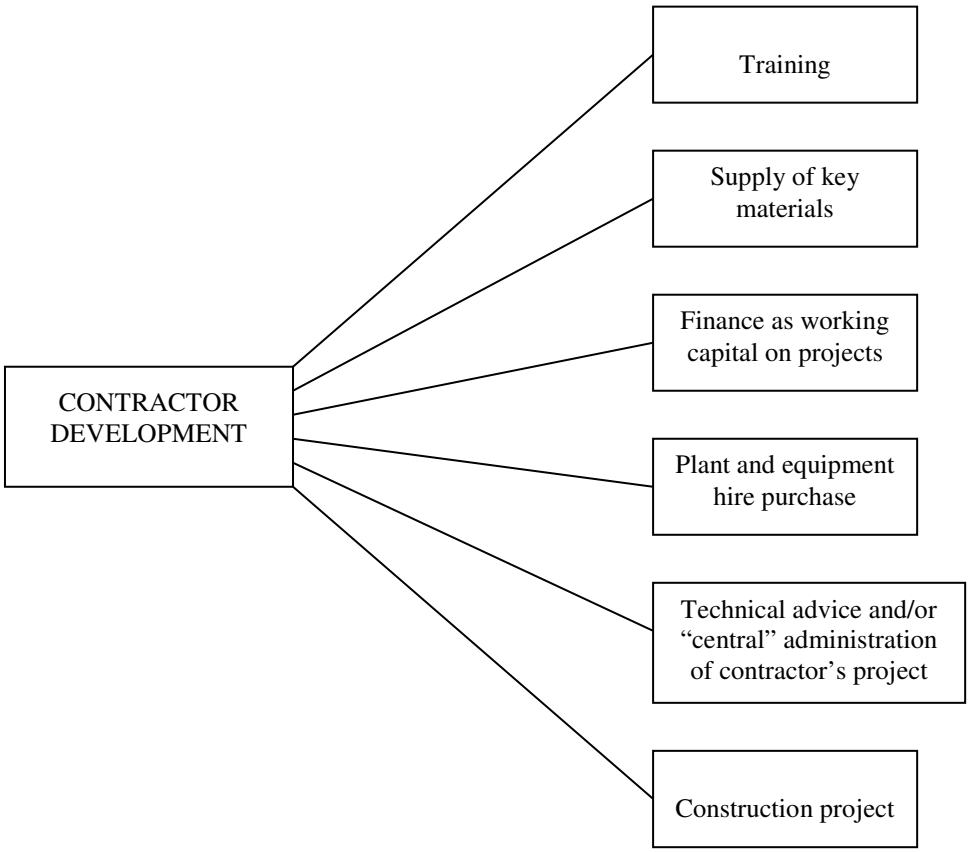


Figure 2.3 Key Functions of contractor-development agencies

Ofori (1993; page 51) reported that, The National Construction Corporation of Kenya was established in 1967 by Government with technical and financial support from the Norwegian Overseas Aid Agency. It was the first and largest contractor support agency in Africa in terms of number of firms supported, size of the revolving fund, and range of services offered. It got involved in the manufacture of construction materials and it proposed to develop itself into a bank and construction management consultancy organisation, and set up a contracting organisation to demonstrate modern technical and managerial techniques to its contractor beneficiaries and to generate income to support its activities. In 1989 the NCC was abolished by the Government of Kenya after contractors complained that it was competing with them for projects.

The Botswana Enterprises Development Unit (BEDU) and The Swazi Enterprises Development Corporation emulated the NCC model. They were up with aid from a number of countries and external aid institutions. However, unlike the NCC, their contractor-support activities were administered by Units which form part of National Agencies developing small-scale manufacturing enterprises. Again, unlike the NCC in Kenya, the NCC agencies in Botswana and Swaziland were not administered by Ministries responsible for the construction industry.

These countries are still faced with a scarcity of qualified and experienced local personnel; the two agencies have not achieved much (Ofori 1993; page 53). Lesotho is one of the countries that attempted to replicate the NCC model, which resulted in the formation of a sort of labour-intensive programme, the Basotho Enterprises Development Company discussed previously.

Botswana can learn from South Africa's example, of how its political will has influenced the mobilisation of all construction industry stakeholders and interest groups to establish a single National Body responsible for running and controlling industry issues, rather than having fragmented, ad hoc committees in various ministries and departments. Successful implementation of development projects or government policies on citizen contractor development programmes can not be possible without institutional and organisational capacity based on local human resources.

2.11 Small (Citizen) Contractor Development Situation in Botswana

As mentioned in chapter 1, at independence Botswana realised that construction industry can play an important role in the socio-economic development of the country, and that required full participation of citizens as contractors and entrepreneurs. In the early years of independence the Government established the Botswana Enterprises Development Unit (BEDU) under the Ministry of Commerce and Industry to encourage local entrepreneurs to firmly establish themselves as producers of certain local goods and services, as well as developing a certain confidence in local industry in terms of competitiveness and quality. Among others this included the construction industry. BEDU's advisory personnel were from SIDA (Swedish International Development Agency) and in addition extensive assistance were provided by Peace Corps and NORAD. However, effective localization continued to be one of the top priority objectives of the BEDU and Government. Local counterparts were recruited to understudy expatriates as a process of transfer of skills to enable localisation (ter Haar, 1976; page 3-7).

In view of the above, it is apparent that BEDU programmes did not achieve its objectives on localisation and local entrepreneur development. In view of what happened with Kenya's National Construction Corporation, this programme did not consolidate the entire national construction industry, and that is what might led to its failure.

Even though it is not clear what impact the BEDU has had in terms of socio-economic and poverty alleviation, there is no doubt that Botswana's construction industry as one of the main contributors to the economy, requires major reforms and development in terms of human resources, institutional and organisational capacity building. There is no literature or policy documentation on schemes and Government interventions for citizen contractor development plans or programmes because policies came about as Presidential Directives.

The existing schemes guidelines were evaluated to measure their alignment to the broader sense of small and medium contractor development programmes as

implemented in other developing countries. The modalities of the implementations of various assistance schemes by Government for citizen contractors have been reviewed in order to measure achievements made.

Interviews were held with Senior Government officials involved in the implementation of the policy. They requested a mini questionnaire to be formulated and circulated. This study is limited to the Ministry of Works and Transportation, Department of Buildings and Engineering Services, and focuses mainly on the building construction industry. It has been observed that at present there is no regular systematic data collection and recording system in place for each project at DBES, which would, entail monitoring and performance evaluation data.

Questionnaire respondent indicated the following reasons as causes for citizen contractor's failure:

- Poor management skills that result in cost and time overrun.
- Mobilisation advance being diverted.
- Lack of tendering experience that result in under pricing of projects.
- Unfavourable contract conditions, for example, fixed contract sum in an environment where it is impossible to predict cost of material six months in advance due to unpredictable cost escalations.
- Lack of a proper contractor development programme that constitute performance monitoring and controlling system. In the current situation a contractor who abandons a project still has a privilege to tender for other projects and qualifies for mobilisation advance, and that becomes a vicious circle.

Some respondent have suggested that government should establish a proper citizen contractor development with well defined objectives, set duration and milestones.

2.12 Registrations and Categorisation of Contractors in Botswana

According to the Public Procurement and Asset Disposal Board (PPADB), at present there is no specific technical skills requirement to register a building and construction company, especially at opportunity class Grade (OC). However, an individual who is registering a company must have personnel with relevant experience in that particular field.

Presidential Directives CAB 42 19 / 85, instructed that registration of construction companies should be in the following categories:

- Grades OC, A and B are reserved for 100% citizen contractors.
- Grade C is reserved for 100% citizen, and majority citizen owned firms.
- Grade D is reserved for 100% citizen, majority and minority owned citizens firms.
- Grade E is open to all contractors irrespective of ownership.

Tables 1 to 3 indicate ceilings of grades and activities for execution by citizen contractors on building, electrical and mechanical scales.

TABLE 2. 1: CONTRACTOR'S CEILING VALUES IN PULA, FROM 1 NOVEMBER 2004. Source: PPADB 2004

Sub Code	Grade OC	Grade A	Grade B	Grade C	Grade D	Grade E
01 to 06	500,000	1,600,000	3,000,000	7,000,000	14,000,000	Unlimited

SUB-CODES

01 Building construction
02 Structural steel work
03 Pre-fabricated building
04 Solar water heating
05 High rise buildings
06 Design and build

Table 2.2 Electrical Codes 02

Sub Code	Grade OC	Grade A	Grade B	Grade C	Grade D	Grade E
01 to 13	70,000	200,000	400,000	900,000	2,000,000	Unlimited

SUB CODES

01 General installations

02 overhead low-tension reticulations

03 overhead high tension reticulations

04 high-tension sub-station works

05 power-generating systems

06 fire detection systems

07 earthing and lightning protection

08 machinery and control systems

09 security systems

10 lifts, hoists and escalators

11 photovoltaic systems

12 airfield lighting

13 electrical fencing

Source: PPADB 2004

Table 2.3 MECHANICAL ENGINEERING Code 08

Sub Code	Grade OC	Grade A	Grade B	Grade C	Grade D	Grade E
01 to 14	70,000	200,000	400,000	900,000	9,000,000	Unlimited

SUB-CODES

01 air conditioning front discharge/split units

02 central air conditioning systems

03 ducting and ventilation systems
04 operation and maintenance of front discharge/split units
05 operation and maintenance of central air-conditioning systems
06 liquid petroleum gas installations and equipment
07 low pressure hot water systems
08 steam and boiler systems
09 kitchen equipment installations
10 refrigeration installations and cold rooms
11 laundry equipment and services
12 air compressors and compressed air services
13 general fabrication and machine shop services
14 Sewage pumps and moochers

Grades 06, A & B are reserved for 100% citizen owned contractors only.

Grades C & D are for 100% citizen owned joint-venture contractors, which means a foreign company, cannot tender a project in this category unless in joint venture with a citizen owned company.

Grade E is open to all contractors with the capability to undertake projects of that magnitude. (PPADB 2004, Registration Form)

2.13 Government Interventions

In the early 1970s the Government established the Botswana Enterprises Development Unit (BEDU) under the Ministry of Commerce and Industry, with the mandate to develop local entrepreneurs in all sectors of the economy including local contractor development. The Government has provided several interventions designed to enhance citizen contractors with capabilities to successfully compete in the open market. The government recruited BEDU technical advisory personnel from various international organisations such as SIDA, the UNDP, Peace Corps etc. to provide BEDU with the necessary skills in setting up small-scale industry programmes in various fields such as building/construction, textiles, woodwork, metalwork etc. According to the annual progress report on the Botswana Enterprises

Development Programme (BEDP) that covered, the period between 1st May 1975 and 30th April 1976, the development programmes impact was starting to be felt in different geographical parts of Botswana and in several industrial sectors. There was an increasing awareness, both within government and in the private sector (ter Haar, 1976; page 2-7).

BEDU's initial intensive campaigns geared to launching the then new concept of local entrepreneurship was slowly being replaced by the promotion of specific industries by the entrepreneurs themselves. It would appear that the development progress slowly died a natural death with the departure of international technical advisory personnel. Following that the government started introducing the Local Preference Scheme.

- Local preference scheme

This policy was first instituted in 1978. The purpose of the scheme was to direct a substantial share of the purchases of government, local authorities and parastatals towards local manufacturers as a means of promoting local production, and thus create job opportunities for citizens. The policy stipulated that goods of qualifying local manufacturers should be accorded a price advantage over foreign produced goods (CAB 32B)

In June 1985, the Local Preference scheme was extended to include small (citizen) construction firms, who tendered for government and parastatal projects. During adjudication and evaluation, tenders submitted by citizen contractors were to be adjusted downwards by 2.5% of their tender price for purposes of evaluation up to a specified maximum value.

- Case-by-case policy

In November 1995, Government pronounced the case-by-case assistance policy with the objective of assisting citizen owned contractors to complete on-going Government and local government (council) contracts they signed on or before October 20, 1995. The action was in response to an appeal for financial assistance

from Tshipidi Badiri Builders Association in October 1995. This assistance policy was limited to citizen contractors registered with the Central Tender Board (CTB) now known as the Public Procurement and Asset Disposal Board (PPADB), in the Ministry of Finance and Development Planning.

The case-by-case basis assistance policy was to be implemented in accordance with the following guidelines.

- Payment for Materials Directly to Suppliers and Payment for Wages for Work Done for that Particular Project.
- Assistance for each particular project was limited:
    a) To direct payment to suppliers for materials required for work to be done;
    b) In exceptional cases, to direct payment of wages to employees and domestic sub-contractors for work to be done;
    c) As a last resort, to settlement of up to 3 months wage arrears incurred on or after July 1, 1995 for work already done on site by employees and domestic sub-contractors; and
    d) To the duration of the contract including any extensions of time that may be granted.

In 1995 Government assisted citizen contractors with a total of ten million Pula to purchase materials and pay labour wages to complete the projects, which the contractors had failed to complete. In this scheme a project administrator paid both material and labour directly. This policy saved many citizen owned contractors from liquidation and was terminated after the affected projects were completed.

- Mobilization loan

The Government assisted citizen contractors with the advance loan as capital required to get the project started. The loan was fixed at 10% of the total construction sum, payable in three equal instalments with no interest; it was later revised to 15% payable in six equal instalments. This scheme was abused, because the secured funds were used elsewhere by many contractors rather than on the

supposed mobilization. The abuse of this scheme had raised some questions from the public such as: (2006/2007 Budget Speech) do the citizen contractors fully understand the fundamental principles of Government objectives on citizen contractor development? Do they have the necessary skills to achieve Government objectives? Do some contractors view this as a golden opportunity to enrich themselves?

- Advance Payments

An advance payment of 10% of the total contract sum was paid to the contractor on provision of a surety for the advance by the contractor. The surety was in a form of an undertaking from a bank or other financial institutions to guarantee the repayment of the advance within a specified period. This requirement could have been effective on identifying committed contractors. However, as revealed earlier, most citizen contractors could not raise the surety, and thus disqualified from the advance scheme.

- 30% Reservation Policy for building construction projects.

In 1997, through presidential directive, the Government issued a 30% reservation policy in which 30% of the total value of work undertaken in a particular year had to be reserved for 100% citizen owned contracting firms, for projects exceeding P1.8 million. All projects below this value were automatically reserved for 100% citizen contractors.

These policies are supposed to ensure that citizen contractors have works or projects at all times. The questions still remain whether citizen contractors understand the Government's main objectives of citizen contractor development aimed at assisting them to grow, to enable them to create employment opportunities and poverty alleviation for fellow citizens. The answer to this question is very important because most citizen contractors prefer to remain at a lower grade where they make money because they lack technical and managerial skills for more complex projects. UNCHS (1996; page 18) observed that the recent works stress the importance of entrepreneurship for corporate success in today's competitive global and national

markets. There is a common consensus that entrepreneurship is relevant to both small and large organisation. Other factors driving the need for entrepreneurship include: social and demographic changes, and psychological change. These factors would offer benefits and challenges. For example, how Botswana's small (citizen) contractors are responding to opportunities offered by preferential and advance schemes. Capacity building and training mentorship are crucial to small contractor development.

In broad terms, a contractor can be anyone who agrees to fulfill the terms of a legally binding agreement. Most commonly, the term "contractor" is used to describe an expert in the construction industry who hires skilled and unskilled workers to construct or build a financed project. An examining board should license a contractor before he or she can bid on the project. This bid is based on the estimated cost of the building materials, the wages of subcontractors and labourers and the contractor's fee for coordinating the project. A contractor should be able to offer his client more than just a low bid. What is more important is that the project must be delivered on time, on budget, and to an acceptable standard (Pollic, 2007; page 1).

2.14 Entrepreneurship

UNCHS (1996; page 16) argue that the contractor needs to be an entrepreneur, able to innovate and to seek and exploit opportunities in many geographical and business areas and combine a variety of resources in an environment fraught with uncertainty. In developing countries, the contractor's entrepreneurship should be of an even higher quality as the operating environment poses severe problems that can hinder running, and further growth and development of the company.

According to Wallener (2006; page 1) an entrepreneur is an individual who accepts financial risks and undertakes new financial ventures. The word derives from the French "entre" (to enter) and "prendre" (to take), and in a general sense applies to any person starting a new project or trying a new opportunity. Characteristics of an entrepreneur include spontaneous creativity, the ability and willingness to make decisions in the absence of solid data, and a generally risk-taking personally. An

entrepreneur may be driven by a need to create something new or build something tangible.

Entrepreneurs are generally highly independent, which can cause problems when their ventures succeed. In a small company the entrepreneur is able to personally manage most aspects of the business, but this is not possible once the company has grown beyond a certain size. Management conflicts often arise when the entrepreneur does not recognise that running a large stable company is different from running a small growing company (UNCHS, 1996; page 16-18).

Ofori (1996; page) defines an entrepreneur as someone who identifies a market of opportunity for products and creates organisation to pursue the opportunity. Successful entrepreneurs are able to identify potential business opportunities better than most people. They focus on opportunities not problems; they seek outside help to supplement their skills, knowledge and ability.

According to the above definitions of an entrepreneur, a contractor is (or can be) an entrepreneur and it suggests that any small contractor development programme that does not include capacity building or training in technical, managerial and entrepreneurship is bound to failure.

2.15 Fronting in Construction Industry

Fronting is often a very difficult term to define as people have many different perceptions about it. It is also difficult to distinguish or to draw a line between what fronting is and what corruption is as most people see them as the same thing. The Oxford Advanced Learner's Dictionary 6th Edition defines fronting as "hiding something illegal – a person or an organisation that is used to hide an illegal or secret activity for something". While this definition holds in some countries where fronting is illegal, it may not be useful in Botswana.

This is so because while people strongly believe fronting should be treated as an illegal activity, the law in Botswana does not cater for that and the result is that it now turns out to be an immorality issue. It is against this background that a working

definition had to be delineated as; "*any act by any person or organisation which is intended to or has been used to misrepresent information in order for that person or organisation to benefit directly or indirectly from any reservation or preferential scheme that is not intended for such a person or organization"* (Thupeng and Letsapa, 2005; page 3).

For example fronting infiltrated South Africa's policy of Black Economic Empowerment (BEE); the government had to clamp down on companies that claimed false black economic empowerment credentials to win contracts from the Department of Public Works. On 3 August 2005 the Minister of Public Works, Stella Sigcau, was recorded to have said that 15 companies with no BEE status had illegally claimed to be headed by black people. Government instituted a two-year investigation into the matter and discovered that the companies had defrauded the department of more than R 414 million. The Minister said the 15 companies would be blacklisted from the National Treasury and the Construction Industry Development Board. This clearly demonstrates government's commitment to black economic empowerment (Ntuli, 2005; page 1).

- Current reservation processes are easy to flout; the Directorate on Corruption and Economic Crime (DCEC) has noted that with every new reservation scheme that is being introduced to protect citizens from competition with foreigners for the provision of services within a given sector of the economy, there is an increase in the number of foreign owned companies turning citizen owned in that sector either by their directors acquiring citizenship or by the transfer of shares to citizens in an unprecedented manner, where share transfer may have been made to the indigenous citizen while the control of the company remains with the foreigner. It has also been noted that where the companies turn citizen by the transfer of shares, the kind of consideration paid is unjustifiable or there may be no proof of consideration paid at all (Thupeng and Letsapa, 2004 page 9). This is seen as defeating the whole purpose of reservation schemes because the same people the government is trying to protect citizen contractors in the industry from benefiting from preferential schemes end up getting round the system and re-entering the race. It must be noted that most of the time the foreigners who turn citizens may either already

have benefited in some ways from their countries, resulting in them being more financially powerful and technically advanced for an ordinary (indigenous) citizen to compete with.

DCEC has also observed that the directors who acquire citizenship generally have dependents (spouses and children) that still hold their country of origin's citizenships and only change their status once there is some unscrupulous share transfer that they may have found necessary to effect for them to continue benefiting from the citizen empowerment schemes; or to benefit from an emerging new scheme. This also shows that the benefits of the company in the reservation scheme will be enjoyed mostly by the non-citizen dependents that may opt to go back to their countries of origin once they have accumulated wealth (Letsapa, 2005; page 14). The fundamental question is who does government intend to empower and what action has been taken against those who defrauded the system?

- Management of reserved schemes by non-citizens; DCEC has observed that non-citizens who may not have the interest of the country and its citizens at heart normally carry out the identification and management of projects or items of work that should be reserved. It is also important to note that the current process of identifying work to be reserved does not comprehensively allow citizens or organizations representing them to have a say regarding work or part of work that may be reserved. This usually leads to disputes where organizations representing citizens may feel that work, which could otherwise have been reserved for citizens, had been misplaced at a stage where work may already be under execution. This is particularly common with housing projects where multiple units of the same size and shape are built because the criterion, which is usually used to determine if the project can be reserved or not is usually the total cost of the project. In such cases citizens usually argue that if the project could be sub-divided into different sections with smaller units in each section, then it could be simpler and hence would qualify to fall under their category (reserved). Other people however, argue that this may lead to delays in the completion of such projects and may cause some technical problems given the likelihood that the builders' performance may vary, leading to late completion of projects.

- Lack of capacity to monitor and implement reservation schemes; it has been realized that even though the provision of some services and the licensing thereof have been reserved for citizens, foreigners still take part in the provision of such services, works or supplies. This is caused by several factors such as lack of knowledge by the employees of procuring entities of the existence of reservation policies governing the procurement of such services, works or supplies; or by the non-existence of guidelines or criteria to use when determining if the provision of a given service, work or supply may be reserved or not; or a deliberate effort by corrupt employees who do not reserve work that qualifies for reservation; and so on.

Currently the implementation and monitoring of these schemes is done by procuring entities, the PPADB and management consultants. Procuring entities have several setbacks in their implementation of the reservation processes in that they lack knowledge of the reservation policies and do not have guidelines to follow when reserving work as earlier stated. The PPADB on the other hand may have the knowledge of the policies, but their main setback is in that even though they are in the process of developing some guidelines and criteria that will make the reservation process implementation easier, they currently do not have enough manpower to oversee the smooth running of the new process once it is in place.

Management consultants in conjunction with controlling bodies made up of representatives from respective procuring entities and other stakeholders have been overseeing the registration of building contractors and ICT companies for eligibility to be classified as 100% citizen owned companies in order for them to benefit from works, services or supply contracts reserved for citizens. The PPADB has of late decided not to renew their contracts and has already taken over the responsibility of screening and registering ICT companies for eligibility to be classified as 100% citizen owned. In addition, DCEC has revealed that of all the entities (PPADB, Procuring Departments and Management Consultants) that have been tasked with the duty of overseeing the implementation and monitoring of the citizen empowerment schemes, none has the capacity to appropriately carry out the mandate.

- Conflict of interest and political interference; the procurement processes used by the local authorities give politicians (councillors) too much power and makes it easy for them to influence the award of tenders to people of their choice. These politicians have the final say in the award process and as such they may disapprove or may refuse to endorse the recommendations made by officials on who to award the work to without advancing any valid reasons. This has lead to the awarding of tenders to people who could not perform, or to those who had previously failed to perform their contractual obligations when they were doing work for the same authorities.

The failure also results from awarding work to people whose hands are already full but still win more work because they have backing from the politicians. It is also common to find these politicians and high-ranking officials owning companies that always do work for the authorities where they are decision makers. Even though these officials and councillors may excuse themselves from taking part in the tender adjudication proceedings, the perception that their colleagues will reciprocate the favour in future cannot be dismissed (Letsapa, 2005; page 14).

This brings up questions such as: do citizens understand the Government objectives on citizen contractor development? Did Government or stakeholders educate the public, especially contractors about Government objectives to be achieved by policies or schemes on citizen contractor development in Botswana in order for them to understand Government intentions on economy diversification, employment creation and poverty alleviation? Do they understand that contractor development is a long-term process, which requires a long-term commitment from all parties involved?

For many years the Government and public have been concerned with the manner in which public construction projects have been delivered. Most projects have been delivered beyond budget and have often been of poor quality. The Minister of Finance and Development Planning in his 2006/2007-budget speech recently raised this concern. Some citizen contractors blame their failure to compete on fronting. As stated earlier, some unscrupulous citizens front for firms or individuals, particularly

Chinese who are said to be to subsidised by their Government, and often tender very low which in turn paralyses citizen's contractors as they attempt to beat their prices.

It must be emphasised that the Government can not fight fronting and corruption alone, it would require effective participation of all stakeholders, interested community groups, and long term political and financial support to remove corruption practices and tendencies in systems.

According to a study undertaken by the Directorate on Corruption and Economic Crime (DCEC), at the Department of Architecture and Building Services (DABS) presently known as the Department of Buildings and Engineering Services (DBES), up to a total of fifty-eight alleged corruption cases were reported between September 1994 and August 2002. Nineteen of these allegations were related to the award of contracts, while the other thirty-nine involved fraud, bribes, false qualification and misadministration. Undoubtedly, Botswana has a fast growing economy in the region and the Government invests a large part of its financial resources on construction project, and therefore it is imperative for the country to empower its citizens with both technical and entrepreneurship skills to enhance the capabilities to meaningfully and effectively participate in the construction industry and thus subdue corrupt tendencies (Letsapa, 2005; 13-15).

2.16 Localisation within the Public Sector

As mentioned in chapter 1, since independence it has been the Government's aim to empower its citizens. The first president of Botswana, Sir Seretse Khama, on more than one occasion spoke of localisation and training as a vehicle which could lead to genuine sustained development. According to the report of the Presidential Commission on Localisation and Training in the Botswana civil service, and the Government Statement on the Report of the commission of 1973, the then President told Parliament in December 1972 "we must ensure that public service is equipped to shoulder its responsibilities" (Presidential Commission, 1973; page 1-2). He described the first report of the Localisation and Training Commission as a major step in the right direction.

A Presidential Commission on Localisation and Training in the Botswana Civil Services was established as a permanent body to continue reviewing the progress made in the implementation of its recommendations that have been approved by Government with respect to localisation and training. It was to remain in operation until such a time when civil service had been substantially localised. The commission was to continue to report at regular intervals and in light of the prevailing circumstances, the commission was to modify its recommendations in order either to accelerate or defer recommended rates of localisation and training (Presidential Commission, 19973, page 1-2).

The Government initiative on localisation and training was and is in line with ILO concepts on utilisation of local human resources. According to the ILO, public service has played a key role in the social and economic development of any country and has been considered as a guarantor of a citizen's right to dignified participation within their society. The Public Service is understood here to cover not only public administration, but also various services being provided in the public or general interest, whether they are delivered publicly or privately. Traditionally, such services have mainly been delivered publicly, but the private sector has increased its share in managing and delivering certain services against the backdrop of increased deregulation and reform of the public sector across the world (ILO, 2004b; page 2).

Immediately after attainment of democracy in 1994, the new South African government realised that exclusion of indigenous African, Indian and Coloured people, collectively known as black people from meaningful participation in the country's economy was not sustainable. The Department of Trade and Industry noted that the country required an economy that could meet the needs of all its economic citizens, its people and their enterprises in a sustainable manner. This would be possible only if the economy built the full potential of all persons and communities across the country. No economy can grow by excluding any part of its people, and an economy that is not growing cannot integrate all of its citizens (Alexander, 2005; page 1).

In his State of The Nation Address of 2006 with the theme, "Boost skills, boost growth". President Thabo Mbeki announced a number of measures to develop the

skills of South Africans, particularly in maths and science, as part of the government's Accelerated and Shared Growth Initiative of South Africa (Asgisa). He said "To meet our objectives, we will have to pay particular attention to the issue of scarce skills that will negatively affect the capacity of both the public and the private sectors". Regarding jobs for graduates, the President said "the government has established a database to help link tertiary education graduates with employers" (Alexander, 2006; page 2).

In 2005 The Deputy President Phumzile Mlambo Ngcuka made a call for skilled South Africans in the country and abroad to offer their skills to improve service delivery, following an assessment of the capacity of the departments of Health, Housing, Education and Trade and Industry (Alexander, 2006; page 2). By comparison, after independence in 1966 (a period of over 40 years), what has the government of Botswana done to ensure that every citizen is empowered to have meaningful participation in the country's economy?

Table 2.4 reflects the staffing position in the Ministry of Works and Communications in the then Building Branch (now known as Department of Building and Engineering Services) (DBES) in 1973. It is clear that during those years expatriates held all senior and key decision making positions. When comparing table 2.4 which indicates 1973 public servants technical staff with table 2.7 which reflects the current employed personnel at DBES, there is a clear indication that little has been achieved in terms of localisation in the construction sector and key decision making posts are still held by expatriates. Even though the Government localised Directorate posts, what impact have they had on institutional and organisational implementation of projects? But do these expatriate have local counterparts to understudy them, to enable transfer of skills localisation? Answers to these questions are discussed in chapter 5.

TABLE 2. 4 List of Public Servant Professionals in 1973

POST	GRADE	NO. OF POSTS	LOCAL	EXPAT.	VACANT
Chief Architect	S.IV	1	-	1	-
Senior Architect	S.V	1	-	(P&P)	1
Senior Quantity Surveyor	S.V	1	-	-	-
Architect	A/AP	2	-	1	-
Quantity Surveyor	A/AP	1	-	2	-
Sewerage Engineer	A/AP	1	-	1	-
Chief Inspector Works	T.1	1	-	1	-
Engineer Asst. Sewerage	T.2	1	-	1	-
Senior Inspect. Works	T.2	4	1	3	-
Inspector of works	T.3	5	1	4	-
Architectural Asst.	T.3	1	1	-	-
Quantity Surveyor Asst.	T.3	1	-	1	-
Senior Foreman	T.3	5	5	-	-
Junior Foreman	T.5	4	4	-	-
Trainee Draughtsman	T.7	3	2	-	1

Sources: Presidential Commission 1973

The question that needs to be answered is what happened to the Permanent Presidential commission that was responsible for localisation and training with the mandate to modify its recommendations in order either to accelerate or defer recommended rates of localisation and training? Although it is not clear how many citizens have been trained in construction related fields, the current statistics obtained on March 1, 2006 from Central Statistics, Ministry of Finance & Development Planning indicate the following as per Table 2.6. Even though the accuracy of these statistics is questionable, in cognisance of what the literature review revealed about construction industry in Botswana, specially, what DCEC revealed as problems affecting implementation of projects by government institutions. DCEC indicated that was insufficient localisation in high position post at DBES, lack of capacity for monitoring performance on project implementation, and lack of project management skills (Thupeng and Letsapa 2005; page 14). It is evident that there is

an urgent need for local human resource development and utilisation in order to overcome increasing unemployment and poverty rate.

Table 2.5 the current statistics of Citizen Professionals in Construction Industry Related Fields

Profession	Total No
Architects, Town and Traffic Planners	315
Civil Engineers	165
Electrical Engineers	541
Electronics and Telecommunications Engineers	115
Mechanical Engineers	226
Cartographers and Surveyors	340
Architects, Engineers and Related Professionals	82

Source: Central Statistics 2006

For the past 42 years of independence, Botswana has been unable to localise key positions of public servants at DBES and other related departments in accordance with The Presidential Commission on Localisation and Training established in the early 1970.

For example, according to table 2.7, there are nine positions for Chief Project Coordinators, a position responsible for project implementation. Expatriates hold 75% of filled posts.

The Government should undertake radical reforms in the construction industry in accordance with ILO or other international organisation standards. The proposed reforms should focus on local human resource development and utilisation within the public sector, to start institutional and organisational development that could be replicated in the private sector through programmes such as Citizen Contractor

Development. The ultimate results will be employment creation and poverty alleviation, because building construction is by its nature labour-intensive.

On 10 January 2007, the Midweek Sun newspaper ran an article entitled *"Fiasco at DBES"* (Department of Buildings and Engineering services) written by a frustrated citizen consultant architect. The author highlighted lack of institutional, organisational and local human resource capacity resulting in the government spending over P200 million as additional costs. He indicated that due to under capacity, the DBES often outsource services for design and supervision of implementation of their building construction projects (post-contract services). He expressed his concern regarding the tendency by both DBES and the Public Procurement and Asset Disposal Board (PPADB) of ignoring the consultants' tender report and accepting the lowest tender irrespective of the margin of error below the Project estimates. He cited Kentz Botswana as an example. Kentz Botswana, a subsidiary of Kentz South Africa, was liquidated in December 2005 while engaged in four major district hospital projects in Maun, Mahalapye, Molepolole and Lobatse. These projects were valued at over P250 million each, and the value of work awarded to Kentz Botswana was in excess of P100 million. All these projects were tendered for prior to the Botswana currency Pula devaluation of 7.5% in 2004 and 12.5% in 2005. Thereafter, Kentz Botswana submitted a compensation claim for devaluation of P24 million which was rejected by the DBES, and that led Kentz Botswana to file for liquidation. It took more than eight months for the client (DBES) to appoint a contractor to replace Kentz on the four sites, in fact government had approved in excess of P200 million for the appointed contractor or contractors to complete the projects. It is evident that this amount will escalate due to claims from consultants for standing time. The above is an evident of lack of institutional, organisational development that is based on local human resource. For an example some expatriates who have been involved with these projects at conceptual stage in 1998 on contracts of 2years, might have left the country when the projects encountered problems.

It will be appropriate for the government to review the whole DBES structure in order to establish appropriate institutional and organisational development based on local human resources. He categorically stated that the problems are partly caused by government reliance on expatriates; "*part of the reason is because of the contingent*

of East Africans who have been recruited into DBES and are working the system to their and their fellow countrymen's advantage. Directorate of Corruption and Economic Crime (DCEC) seem totally unable to contain these people too" (Morris, 2007; page 7).

These are serious allegations that require prompt and swift action by government. At present, Botswana is experiencing an escalating unemployment rate among youths. Botswana as a Member State of the African Union (AU), subscribes to the initiatives on employment creation and poverty alleviation, and the Plan of Action with eleven priority areas with objectives, strategies and recommended action which was adopted as guidelines for Member States to develop national action plans (Paratian, 2005; page 3). The priority areas of the Plan of Action included the following:

1. Good leadership to promote employment and alleviate poverty
2. Good governance
3. Promotion of local development and empowerment
4. Resource mobilisation
5. Participatory approaches to poverty reduction strategies

The Plan of Action was adopted in September 2004. What has the government of Botswana done so far regarding the implementation, especially in terms of promotion of local development and empowerment and promotion of employment?

2.17 Emoluments and Terminal Benefits

There are perceptions within government administration that suggest that citizen employee's demand or expect salaries unaffordable to government. Are those claims true? Table 2.3 below seeks to make a comparison between citizens and expatriates as public servants. This table clearly indicates that conditions of employment favour expatriates more than citizens. If there are adequately trained citizen professionals within the country, why is the government not able to effectively utilise them by providing incentives similar to those of expatriates, rather than offering better benefits to expatriates and overlooking its own people?

The obvious reason why there is an exodus of citizen professionals, especially at the Department of Buildings and Engineering Services is the disparity between expatriates and citizens in terms of remuneration and benefits irrespective of qualifications. For instance, an expatriate gets salary plus expatriate allowance, furnished accommodation and 30% of cumulative salary at the end of each contract period. The citizen gets salary only, has to find accommodation for him/herself and has to wait until 50 years of age to benefit from early retirement pension funds. With this prevailing work environment, how can government expect to have effective and efficient organisational structure, which is based on local human resources?

Table 2.6 Public Servants Employment Benefits – Expatriate versus Citizen

Benefits	**Expatriate**	**Citizen**
Salary	Salary + expatriate allowance + car allowance	Salary + car Allowance only
Accommodation	furnished accommodation	nil
Gratuity	25-30 percent of salary at the end of each contract period (2-3 years)	At retirement, early retirement age 50 years
Leave Concession	3 months leave and free round trip air ticket for entire family to home country at the end of each contract	P 700.00 maximum every two years

Source: General Orders 1996

Salary

It is apparent that expatriates are paid more than citizens because they get a salary plus an expatriate allowance.

Gratuity

According to General Orders Governing the Conditions of Service of The Public Service of The Republic of Botswana, Contracting Officers are entitled to receive a gratuity at the end of each contract of 24 months or more at the rates and conditions laid down in their contracts.
Contract gratuities are normally paid at the following rates:

- First contract 25% of aggregate salary
- Second contract 27.5% of aggregate of salary
- Third and subsequent Contract 30% of aggregate salary

‘’Aggregate salary” in this instance means the gross salary earned by an Officer during his/her contract of duty, including car allowance (General Orders 1996).

Passages (Journeys) and Baggage Allowance
An expatriate contract officer is entitled to the following passage:

- On first appointment, a single journey for him/ herself, spouse and dependent children under nineteen years of age from the departure in the country where recruitment took place to Botswana
- Where an expatriate has been appointed for a further contract, return journey ticket for him/herself and family as indicated on Table 2.3 (General Orders 1996).

With the exclusion of compassionate leave costs, it is quite clear that the government spends more financial resources on expatriates than on citizen public servants. Why does the government not invest the expenditure in developing local human resources in order to build long term organisational capacity which would result in sustainable socio-economic benefits?

Some people argue that the world has become a global village of open market employment and therefore governments are not obliged to focus only on their

citizens. The argument contradicts ILO's objective on helping developing nations with employment creation and poverty alleviation as discussed in chapter 2, by assisting developing countries with development programmes to develop local human and material resources which would result in a sustainable socio-economy. For example, during global sport competitions participating countries prepare their citizens very well in order to compete. It is never left to individuals to fend for themselves, but rather becomes a national project or goal. Similarly, it should be government's responsibility to ensure that citizens are well trained and prepared to face the global challenges starting with their own country.

TABLE 2.7 DEPARTMENT OF BUILDING AND ENGINEERING SERVICES (DBES)

PERMANENT AND PENSIONABLE SENIOR STAFF LIST

No.	POST	SCALE GRADE	DIVISION	No. of POST	LOCAL	EXPATRIATE	VACANT
1	Director	E1	Directorate	1	1	0	0
2	Deputy Director	E2	Maintenance/Technical/Project Implementation	3	3	0	0
3	Assistant Director	D1	Architectural	1		1	0
4	Technical Training Coordinator	D1	Directorate	1	1	0	0
5	Mechanical Maintenance Coordinator	D1	Maintenance	1	1	0	0
6	Building Maintenance Coordinator	D1	Maintenance	1	1	0	0
7	Electrical Maintenance Coordinator	D1	Maintenance	1	1	0	0
8	Chief Project Coordinator	D1	Project Implementation	9	2	7	0
9	Project Coordinator	D2	Architectural/Quantity Surveying/Project Implementation	3	0	1	2
10	Project Manager	D2	Project Implementation	3	2	0	1
11	Ministerial Technical Manager	D2	Project Implementation	6	4	2	0
12	Principal Architectural I	D2	Architectural	1	0	1	0
13	Principal Quantity Surveyor I	D2	Project Implementation/Quantity Surveying	2	0	2	0
14	Training Coordinator	D3	Training Coordinator	1	1	0	0
15	Principal Electrical Engineer I	D2	Electrical Design	1	1	0	0
16	Principal Engineer II	D3	Engineering	3	0	2	1
17	Principal Architect II	D3	Architectural	4	1	3	0
18	Principal Quantity Surveyor II	D3	Quantity Surveying	4	1	3	0
19	Principal Structural Engineer II	D3	Engineering	1	0	0	1
20	Superintendent Works	D3	Regional	5	4	1	0
21	Mechanical Engineer I	C1	Mechanical Design & Maintenance	6	6	0	0

TABLE 2.7 DEPARTMENT OF BUILDING AND ENGINEERING SERVICES (DBES)
PERMANENT AND PENSIONABLE SENIOR STAFF LIST

22	Senior Mechanical Engineer	D4	Mechanical Design & Maintenance	9	1	8	0
23	Senior Quantity Surveyor 1	D4	Quantity Surveying	5	4	0	1
24	Chief Technical Officer	D4	Architectural, Mechanical Design & Maintenance	28	19	6	3
25	Senior Electrical Engineer	D4	Electrical Design & Maintenance	5	0	3	2
26	Senior Technical Officer	C2	Mechanical Design & Maintenance	7	6	0	1
27	Principal Architect	D3	Architectural				
28	Senior Architect	D4	Architectural	10	1	5	4
29	Senior Structural Engineer	D4	Engineering	5	2	3	0
30	Senior Building Services Engineer	D4	Engineering	1	1	0	0
31	Structural Engineer I	C1	Engineering	2	1	1	0
32	Mechanical Engineer I	C1	Mechanical Design & Maintenance				
33	Architect I	C1	Architectural	3	2	1	0
34	Quantity Surveyor I	C1	Quantity Surveying	3	2	1	0
35	Electrical Engineer I	C1	Electrical Design & Maintenance	6	2	3	1
36	Engineer I	C1	Engineering	3	2	0	1
37	Principal Technical Officer	C1	Architectural, Quantity Surveying, Maintenance & Regional Office	54	37	12	5
38	Architect II	C2	Architectural	6	2	21	3
39	Mechanical Engineer II	C2	Mechanical Design & Maintenance	5	5	0	0
40	Electrical Engineer II	C2	Electrical Design & Maintenance	3	2		
41	Quantity Surveyor II	C2	Quantity Surveying	2	2	0	0
42	Engineer II	C2	Engineering	2	1	0	1
43	Assistant Electrical Engineer	C2	Electrical Design & Maintenance	3	1	0	0
44	Assistant Quantity Surveyor	C2	Quantity Surveying	1	1	0	0
45	Assistant Mechanical Engineer	C2	Mechanical Design & Maintenance				
	TOTALS			**221**	**124**	**87**	**27**

Source: DBES 2005

Summary

Literature review has revealed that construction industry is very important to every country's socio-economic development. International organisations as ILO, World Bank and other donor agency for decades have been assist developing countries to establish their local construction industries by focusing on the development of indigenous contractors; local materials; local human resource.

Many writers have indicated that various construction industry development programmes have been tried in different developing countries. It would appear as if labour-intensive programmes have more successful rates than the overall construction industry development programmes. For an example, small- contractor development agency failed in Kenya (NCC). The programme was replicated in Botswana (BEDU) and Swaziland both failed, the reason being that it did not consolidate entire industry. In Lesotho it failed and turned into Labour-intensive programme. Botswana's labour-intensive programme has been reported as one the most successful programme.

The literature has revealed that for the construction development programme to successfully mobilise local human resource and local materials, the programme should be spearheaded by the government to avoid fragmentation of the industry in different ministries and departments as it is the case in Botswana.

LITERATURE REVIEW PART TWO: INSTITUTIONAL AND ORGANISATIONAL CAPACITY BUILDING

2.18 Introduction

Literature review has revealed that human resource development, institutional development and organisational development are three aspects that are fundamental to the success of a small contractor development programme. The author decided to review literature on these aspects to enhance the study.

2.19 The Importance of Institutional, Organisation and Human Resource Development

Although Botswana seem to be committed on empowering its citizen contractors with preferential schemes, the aspects of development of local human resource and local materials are not linked to the initiatives.

Wakely (2006, page.2) defines the aspects as follows; a) Human resource development is the process of equipping people with understanding and skills, and the access to information and knowledge to perform effectively. It includes motivating people to operate constructively and efficiently through the development of positive attitudes and progressive approaches to responsibility and productivity. b) Organisational development is the process by which things get done collectively within an organisation, be it a central government ministry, a local authority department, a private sector enterprise, a non-governmental organisation or community group. c) Institutional development encompasses the legal and regulatory changes that have to be made in order to enable organisations, institutions and agencies all levels and in all sectors to enhance their capacities.

International Labour Office has helped developing countries to set up successful local contractor development programmes. These programmes include institutional capacity and ability of the client organisations to cope with their role as contract managers.

The State is the largest single employer across the world. Thus, public sector reforms have had an enormous impact on the labour market in all countries that have implemented reforms. The public service personnel comprise persons employed by public authorities at central/federal, regional/provincial/state and local/municipal levels and include both public servants (to whom specific regulation applies) and public employees (ILO 2004b; page 2).

On September 2004, the African Union (AU) Heads of State and Government convened a first of its kind Extra-ordinary Summit on Employment and Poverty Alleviation in Africa, in Ouagadougou, Burkina Faso, in collaboration with the Regional Economic communities (RECs), the ILO and other partners and stakeholders. The summit committed itself to address structural constraints to investment and entrepreneurship to promote social dialogue and partnership among government's social partners, civil society and the sector, at the enterprise, sectoral, national, regional and continental levels. A Plan of Action with eleven priority areas with objectives, strategies and recommended actions was adopted as a guideline for member States to follow (Paratian 2005, page2):

1. Good leadership to promote employment and alleviate poverty;
2. Promotion of agricultural and rural development;
3. Good governance;
4. Promotion of social protection for all and respect of core labour standards;
5. Empowerment of women;
6. Promotion of local development and empowerment;
7. Enhancement of integration and cooperation at regional and continental levels;
8. Vulnerable groups;
9. Resource mobilization;
10. Enhancing ownership;
11. Participatory approaches to poverty reduction strategies.

It is apparent that any of the above Plan of Action areas can only have sustainable achievement when there are adequate institutional, organisational and local human resource capacities or successful development programmes.

2.20 Human Resource Development

Many writers have clearly indicated that a prerequisite for successful small contractor development programme, contractors should be helped to develop technical and managerial skills (Dlungwana and Rwelamila 2004a; page 2, ILO, 2004; page 1, UN, 2000; page 1).

In 2004 ILO at its Ninety-Second Session Conference adopted recommendation concerning human resources development: education, training and lifelong learning. Recommendation 3 says "Members should identify human resources development, education, training and lifelong learning policies which;

Based on the conviction that the workforce is the most valuable resource of the public service, the Joint Meeting on Human Resource Development (HRD) in the public service in the context of structural adjustment and transition held in 1998 recalled the ILO Human Resource Development Convention, 1975 (No.142), and the resolution and conclusions concerning adjustment and human resources development adopted by the International Labour Conference, at its 79th Session in 1992. The resolution endorsed the significance of comprehensive human resource development policies in times of structural adjustment and transition, emphasizing that education and training constituted an essential element in a virtuous circle consisting of training and skill development, higher work motivation, higher productivity, continuous adjustment of enterprises and workers to change, higher employment and increased incomes and well-being. It further stressed that human resource policies should be formulated and implemented within the framework of adherence to democratic principles, tripartism and consultation between the Government, the social partners and community groups. The Meeting concluded that human resource development in the public service is an important part of the reform process. It should take place in a coordinated framework and not be fragmented. HRD will only succeed if it recognizes that not one solution will meet all circumstances. Public service workers have to be provided with appropriate skills and orientation in order to ensure quality service delivery. HRD takes place as a process in which the workers should be included and consulted and they should

receive fair treatment based on international labour standards (ILO, 2004a, page 2-3).

In addition to the responsibility of providing high quality and efficient services to their citizens, public authorities or governments should create decent work conditions for service providers. However, there is evidence that working conditions and terms of employment have not always met these standards. For example, newly employed workers often face worse conditions, such as lack of a defined job description, mentorship and career path development. Workers in public services should be guaranteed fundamental principles and rights at work, in particular freedom of association and collective bargaining (ILO, 2004a; page 4-5).

According to Wilson (2003; page v) the key principles underpinning any institutional and organisational development programme include the following:

- **Focus on outcome:** What are we trying to do or to achieve and why?
- **Timeframe:** How long should it take to achieve the desired goals/objectives?
- **Context:** Where do we start? The precise entry point will need to take into account the overlapping nature of institutions at different levels.
- **Participation:** Whom do we work with? All stakeholders must fully understand the objectives of the programme. The process should be inclusive and enabling to ensure long-term sustainability.
- **Accountability:** When will we know we have accomplished the task? Accountability depends heavily on a control system and a regular flow of information.

Some key elements which effectively contribute to employment creation and poverty alleviation within the Human resource Institutional and Organisational Development programme in developing countries according to the Department for International Development and the International labour Organisation are (Wilson, 2003; 9-11,13-21,23-30):

- Institutional capacity building

- Organisation
- Training
- Mentorship
- Monitoring & Evaluation
- Controlling system

According to the ILO, the critical challenge that faces human society at the start of the twenty-first century is to attain full employment and sustained economic growth in the global economy and social inclusively. This challenge has recently become even more complex and demanding. Economic, social and technological change is gathering pace and calls for continuous policy and institutional adaptation in order to meet new needs and seize the opportunities that are opening up in a rapidly integrating world economy. It has been increasingly recognised that people's endowment of skills and capabilities, and investment in education and training, constitute the key to economic and social development. Skills and training increase productivity and incomes, and facilitate everybody's participation in economic and social life (ILO, 2004a; page 3, 4).

Human Resource Development (HRD) has the goal to improve the capability of people to adapt to the world of work in a comprehensive manner, and thus should be promoted with the emphasis on employability. Today, information technology is a great tool for business development, especially in the manufacturing sector that is a priority area for most of the countries in the region. In this sense, training to catch up with the evolving information technology should be given an appropriate place within the whole scheme of HRD. Human resources development is thus an important responsibility for employers. However, significant areas of it are primarily the responsibility of governments, and should remain so, especially with regard to the necessary infrastructure. There is also a role for others. Dialogue between employer organisations and educational institutions are essential to ensure curricula are relevant to emerging market needs. Partnerships between government, employers' organisations and workers' unions have proved to be crucial in promoting and implementing human resources development strategies. Equally important is the role of individual workers. It is important to demarcate the respective roles of each

stakeholder. Employers have a particular role in changing organisational culture, promoting individual responsibility and attitudes (UN, 2000; page 2).

Wakely (2006; page 2) says “Good human resource management provides incentives and rewards; opportunities for continuous training and re-training; clearly recognisable career opportunities; and competitive pay scales. To achieve these aspects of HRD, the organisational environment must be dynamic and responsive”. In Botswana, government departments are faced with an exodus of professionals leaving their positions for the private sector, or even abandoning their careers due to lack of a defined career path and development process within government structures. These shortcomings defeat the entire Government policy on Citizen Empowerment. If the government is failing to empower its citizens in positions of responsibility and decision-making, it is not conceivable that any development programme without citizens as the main stakeholders will ever bear fruitful results.

It is very important for the government to recognize the following:

- It is the primary responsibility of government for the training of all its citizens (including the unemployed, those seeking to enter or re-enter the labour market and people with special needs), to develop and enhance their employability to secure decent work, in private and public sectors through such measures as incentives and assistance;
- The role of the social partners to support, through human resources development policies and other measures;
- The role of local authorities and communities and other interested parties in programmes of citizen development and economic empowerment.

The ILO’s framework of descent work addresses both the quality and quantity of employment and provides the basis for new human resource. Development and training policies are a continuous process that can be incorporated into long–term small contractor development.

2.21 The Importance of Institutions on Successful Small Contractor Development

The new Webster's Dictionary and Thesaurus of the English Language defines an institution as "an organisation whose purpose is to further public welfare, learning etc, the building or group of buildings used by such an establishment, the act of instituting something, or an established law or custom". Which means that institution may need to change before organisation can be improved. Institutions govern individuals and collective behaviour. The above definition clearly indicates that a development programme requires a well-established Institution with full capacity to guide organisations, the private sector and stakeholders on what needs to be done, when and how. They may be a formal-legal system, property rights, an enforcement mechanism or informal traditions. They may operate at different levels: international, National (e.g. Laws, constitutions), Social (e.g. norms of conduct, status of women), and family (e.g. inheritance rules). They may nest within larger institutions e.g. village-based collective institutions nested within the policy institutions of government. They are often also referred to as "the rules of the game". The rules of the game shape the incentives that drive behaviour and performance, and expectation about rights and obligations. They have a major influence on economic development and the success and sustainability (or lack of it) of specific projects and programmes (Wilson 2003; page 4-10). Institutions are often created by rich and powerful who are most likely to discriminate against or ignore the interest of the poor. For instance, Botswana is one of the African Union member countries that adopted the Plan of Action on employment creation and poverty alleviation as discussed above. The question, which should be answered, is "*what has government done in terms of institutional capacity building in the area of the construction industry in order to meet the continental objectives?"*

According Wakely Institutional development should encompass the legal and regulatory changes that have to be made in order to enable organisations, institutions and agencies at all levels and in all sectors to enhance their capacities. It should embraces such issues as regulations and policies pertaining to controlling the implementation of development projects and organisational development capacity of Government agencies and municipal authorities; the ability of local

government to negotiate contracts and form partnerships with private enterprises and community organisations; centrally regulated conditions of employment, salaries and career structure (Wakely, 2004;page 1-5). Such institutional issues generally need the political and legislative authority of national government to bring about effective change (Wilson, 2003; page 15). These changes can bring about a positive drive within government departments, which would result in motivated organisations, and thus yield the expected results of employment creation and poverty alleviation.

2.22 The Values of Organisations on Development Programmes

Organisations are structures, which operate under rules. Organisations are thus groups of players who come together for a common purpose or to achieve specific objectives. They adopt their tactics and organisation according to externally defined rules and regulations – the rules of the game.

Organisations encompass political bodies, such as political parties or parliaments, economic bodies, such as firms or businesses and social bodies, such as churches and schools. They usually have discrete boundaries, a budget and a structure.
Organisational development is the process by which things get done collectively within an organisation, be it a Government department, a private sector enterprise, or a non-governmental organisation (NGO). It stipulates management practices and procedures; rules and regulations; hierarchies and job descriptions: how to get things done. It is also concerned with working relationships; shared goals and values; teamwork, dependencies and supports: why things get done (Wilson, 2003; page 15-21) that can be a motivating factor to all participants.

It is critical to develop adequate institutional and organisational capacity to enable developing countries to face the challenges of an increasingly integrated world economy due to globalisation. Professor Patrick Wakely, who co-authored a background paper for Habitat II on capacity building, argues that this term embodies much more than simply training and human resource development (Wakely, 2004; page 1-5).

Wilson (2003, page iii) argues that poor performance is often due to institutional

failings ignored by narrowly focused technical interventions. Institutional factors have been a key cause of poor development performance. This is borne out by recent World Bank evaluations and highlighted in the 2002 World Development Report, which stresses the importance of institution building for growth and poverty reduction. DFID's Governance Target Strategy Paper4 identified the key capabilities which governments need if they are to work better for poor people to achieve the Millennium Development Goals (MDGs). Achieving the capabilities is very much a matter of institutional change.

2.23 Interventions

Development interventions are more likely to succeed if they promote improvements in wider institutional competencies as well as in technical competencies. Capacity building at whatever level needs to take account of both the institutional and organisational context - it should always be driven by a clear focus on the desired outcome - "what are we trying to achieve?" – In this case employment creation and poverty alleviation. Therefore interventions may require institutional and organisational development that focuses and builds on local realities with long-term commitment. The institutional environment keeps on changing with time; both problems and policies formulated to address them should be reviewed and changed over time. This presents a challenge to the traditional concept of the project cycle with its essentially linear approach of identification, design appraisal, implementation, monitoring and evaluation. With institutional development, interventions are often long-term, requiring a willingness to maintain involvement over a decade or more. It thus lends itself to a process approach where, within agreed overall objectives for institutional change, outputs and the activities and inputs required to achieve them are defined more clearly as development proceeds.

Table 2.5 below gives a comprehensive review with its thought provoking questions on key principles underling underlying institutional and organisational development. The approach should be considered to be the starting point of a successful development project or programme.

Table 2.8 Key principles underlying institutional and Organisational development

Outcome focus "What are we trying to do and why?"	Transformation must be driven by a focus on desired outcomes. In many cases this will be improved service delivery, and/or more equitable access to services.
Timeframe "How long Should it take?"	Changing the rules of the game - familiar, communal, social, or collective takes time. Unrealistic change processes and timeframes will fail. Getting real participation is vital and time-consuming.
Context "Where do we start?"	Institutional development must start from and be constantly informed by current social, political and cultural realities. This involves understanding different groups' incentives, whether for change or for retaining the status quo. Changing incentives of powerful groups may be the most effective mechanism of institutional change. The precise entry point will need to take into account the overlapping nature of institutions at different levels (local, national and international).
Participation "Whom do we work with?"	Changing the rules of the game will meet with opposition from vested interests and from those who do not understand the rationale. Widespread stakeholder participation should develop a shared understanding of what needs to be changed and why, how to bring change about, and acceptance of new "rules", which need to be widely disseminated and well understood. The process should be inclusive and enabling to ensure long-term sustainability.
Accountability "When will we know we have accomplished the task?"	There is a need to ensure that the reform process is meeting its objectives. Is institutional change facilitating achievement of desired outcomes? Are poor people getting the intended benefits? Accountability will be heavily dependent on a regular flow of information

Source: DFID 2003

This requires particular attention to monitoring, to provide a framework for adapting interventions to take account of progress and of changing conditions. Technical interventions that leave unsatisfactory institutions intact will probably achieve nothing (Wilson, 2003; page 13). For example, Botswana has formulated various interventions for many years as a bid to improve the construction industry, but what impact did those interventions had on institutional and organisational process?

Institutional changes need genuine commitment from key stakeholders, especially those at senior levels and those who are influential. It is usually not worth proceeding if this commitment is not there. It should be noted that commitment is linked to understanding and, therefore it is crucial to ensure that all stakeholders clearly understand key principles underlying a development programme.

2.24 The Process and Structured Guidelines

A 5-step process, detailed structured guidelines, and suggestions about appropriate tools for institutional and organisational development are adopted (Wilson, 2003; page 3-5).

Step1. The overall institutional framework must include:

- "What are we trying to achieve and why?"
- "What are the main institutional strengths/weaknesses?"
- Highlights the importance of having clear developmental outcomes and a clear understanding of the institutional framework, including the roles of stakeholders.
- Introduces you to the main diagnostic tools and techniques used in institutional appraisal - how to probe for the key underlying causes of institutional weakness before deciding which priorities need to be addressed.

Step 2 Organisations in the wider institutional framework include:

- "What are the main organisational strengths/weaknesses?"
- “What is the overall institutional and organisational diagnosis?”
- Looks at the diagnosis of organisational problems, in the context of the wider institutional environment.

Step 3 designing an intervention includes:

- "What is the best way to promote change?"
- Describes a number of possible interventions with some guidance on selection.

Step 4 Implementation includes:

- “How do we implement the change programme?”
- Highlights the importance of managing interventions as a change process and the important factors that lead to success or failure. It also touches on how to revive stalled interventions.

Step 5 Monitoring and evaluation includes:

- "How do we know we are achieving our goals?"
- Sets out a process for monitoring the success of institutional interventions, and for an exit strategy.

Table 2.6 summarises the key institutional components that enable governments to priorities among their desired outcomes in order to allocate scarce resources to best advantage. Determining and sticking to priorities need effective decision-making structures and policies. Institution policies can be changed to make them more supportive to the targeted objectives.

Table 2.9: Institutional Components

Priorities	Has government identified its priorities amongst its desired outcomes and allocated resources accordingly? Are allocations adhered to? What are the core policy and decision making structures? What levels of expenditure can be afforded in the short, medium and long term? What mechanisms are available to ensure that poor people’s views are taken into account? Who sets priorities and in response to what interests? Can priorities be translated into resource allocations?
Policies	How effective are the core policy and decision-making structures and processes? Are they based on evidence and data? What is the

	availability and quality of data? What is the impact of policy changes on the poor?
Incentives	What is the current formal/informal incentive structure? Who benefits? What are the incentives for state structures to deliver services; for the bureaucracy to attract and motivate staff; for the development of national skilled human resources? What incentives, if any, are there to modify behaviours of key players in support of the desired outcomes? What incentives are there to review and improve performance?
Rules and Law	Are formal rules and laws respected? Are there informal rules leading to corruption, patronage, victimisation, and exclusion? Can rights be enforced through law? Are rules and law subject to political interference? Are there informal systems of dispute resolution?
Culture	National attitudes to risk, hierarchy, incentive systems, participation, donor interventions, etc. Willingness to engage in consultation. Responsiveness to information. Issues of community and individual identity.
Drivers for change	What are the key drivers for change? Social, technological, economic or political? Are there sponsors or champions for reform? Extent of their power and influence. Level of commitment to reform. What benefits or incentives do they have to push a reform process? Level of political stability. What are the implications of the current electoral cycle?
Voice and partnership	What mechanisms and structures are in place to promote the concerns of poor people? Awareness raising, capacity building, joint management of e.g. forestry or water resources. Participatory budgeting? How effective are they? What voice do poor people have to hold delivery organisations to account? Report cards, public audits?

Source: DFID 2003

2.25 The Function of Organisation within the Wider Institutional Framework

Organisation, according to the New Webster's dictionary, is an organised association or society of people working together to achieve a common goal. Therefore, organisation development is a process by which procedures are established on how things should be done collectively within an organisation. As discussed previously, an organisation cannot function or operate effectively without well-established institutional capacity to guide its operations.

When bringing changes to an existing organisation it is essential to undertake a thorough organisational diagnosis exercise in order to identify the cause of problems or failures, not just symptoms. Organisational problems or failures may be caused by lack of institutional capacity, for example, lack of political will to enforce adherence to existing rules and regulations, or wider institutional reforms may be necessary to address a particular problem. This means addressing symptoms it will not bring sustainable improvement and may exacerbate (Wilson, 2003; page 7).

Table 2.7 sets out the main organisational components and shows how they are linked to various institutional issues. For example, the Botswana Government may be committed to its citizen empowerment programme initiatives, but do organisations or departments responsible for implementing government policies have the organisational capacity to do so? This table enables those who may be involved in development programmes to appreciate important roles played by both organisational and institutional capacity. It has been observed that after 40 years of independence, government has been unable to develop institutional and organisational capacity based on local human resources. There are reports of skilled human resources leaving the public service. Consideration of the People and Human Resource Management component will allow answers for organisational issues that would address employee turnover.

Table 2.10: Organisational components and institutional links

Component	Organisational Issues	Relevant Institutions
Inputs and Resources	Financial position and prospects. Expenditure - where does the money go? What links are there with clearly and publicly defined outputs and outcomes? Do staff costs crowd out other expenditure?	Government priorities and policies. Government resource allocation. Public expenditure. Management Accountability for use of public funds.
Strategy	Is there a strategic plan? Is it appropriate? Is it effective? Is there a change management strategy?	Government priorities and policies Government resource allocation
Culture	Management style and bureaucratic behaviour. Likely impact of external change agents. How much consultation and participation?	Dominant national values and norms Drivers for change
People and Human Resource Management	Basic statistics. Are staff well managed and well motivated? Are appointments and promotions made on merit? Are pay scales adequate? Skill gaps? Training?	Government priorities and policies Government resource allocation Dominant national cultural values and norms. Incentives
Systems and Processes (including decision making and management information)	What are they? Are they used? What are the problems? E.g. Is there enough / too much / too little management. information? How is it used? What about accountability? And coordination? Do procurement procedures give value for money, are they transparent and honest?	Government priorities and policies Public expenditure management Accountability for use of public funds Dominant national values and norms
Structure	What is formal structure? How does it work in practice? Is it appropriate? Does it support lines of accountability, decision-making and co-ordination? Control of	

	resources and levels of accountability. How far are matters decentralised?	
Outputs and Performance	Baseline Impact in the real world - outcomes Performance indicators Performance management Feedback	Voice and Accountability Mechanism

Source: DFID 2003

2.26 Developing a Clear Structure for Collating the Overall View.

After organisational components and institutional links have been reviewed, the overall recommendation needs to:

- Set the institutions and the organisation in context and summarise the key features.
- Provide a framework that captures all the potential dimensions of institutional and organizational problems.
- Facilitate discussion and engagement with stakeholders.

Table 2.7 sets out a possible framework to help develop a perspective of the key issues. It can also be used as a checklist and to help evaluate diagnoses completed by third parties. Even though it is difficult to disaggregate the institutional issues from the organizational, it is advisable to review all issues. The exercise will diagnose government departments or organisational structuring problems that need to be addressed in order to improve organisational delivery systems and thus realise the government's main objective of employment creation and poverty alleviation. Corruption has recently crept into Botswana's construction industry and has adversely affected the current project procuring process to an extent that many projects which were supposed to have been implemented in the 2006/2007 fiscal year have been delayed or halted due to Court injunctions or proceedings on corruption allegations. So what is the root cause of the said corruption? It is assumed that reviewing Structuring the Diagnosis Table 3.4 could enable those involved in a developing programme to identify causes for failures of particular organisations or institutions.

Table 2.11: Structuring the Diagnosis

The Overall Environment	Inputs and Resources
• Economic background - growth etc. • Political/legal environment - stability, legal framework of institution, corruption, extent of political interference in detailed operations Social - cohesiveness of society, minorities issues • Priorities and policy making capacity	• Revenue: major sources; how stable are they? Is there a serious shortfall and if so why? • financial and capital assets • Numbers of staff by job category • Major programmes • Balance between personnel and operating costs
Key drivers for change History of previous reform efforts and achievements Key stakeholders – what critical actions have to be taken? Outcomes – what constitutes programme success? Incentives – to modify behaviour of key stakeholders Accountability and governance arrangements Information influences	• Budgeting system – how effective? • Does final expenditure bear any relation to the budget? • Is there a link between expenditure and outputs? • Size of budget surplus/deficit • What accountability and audit mechanisms are in place? • For commercial enterprises, is the organisation financially sustainable? • financial performance over last 3 years
Strategy • Official statements of goal and mission • Actual priorities as indicated by budget allocations to divisions • Is there a strategic planning process – in what form? Were staff and other stakeholders involved? • Form of high level decision-making • Has the strategy been derived from an appraisal of the Opportunities, threats? Current levels of service delivery? • Are the goals and strategy generally understood • Is there a plan to achieve the changes necessary to adapt and review in light of circumstances?	Culture •attributes of national culture and their impact on the institutional framework / management of the organisation •What are the implications of the above? •Consultative/ participatory Performance management • Monitoring information • Impact of external change agent Likelihood of a more effective organisation meeting its goals
People/HRM • Human "outputs" - indications of satisfaction and commitment such as absenteeism and turnover • Pay scales and how they compare • Is there a performance management/appraisal system? • Perceptions of leadership of organisation • Investment in training/skills development • Skills shortages • What are the main personnel systems? Does the Organisation know how many staff it has? • What is the recruitment system? Are there any major staff shortages? • Informal power blocks and coalitions	• Major systems for high level decision-making, strategy formulation and planning • Are systems clearly documented? • What evidence is there of use of systems? • What management information is supplied at what levels? What action is taken as a result? • Are there clear lines of accountability? • Try a random check on how a specific system is being used in practice • What formal and informal mechanisms exist for co-ordination? •Are there documented procurement processes?
Structure	Outputs/Performance

• What is current structure? Is there a clear Organisation chart? • Are there clear lines of accountability and responsibility? • What are the number of management levels in the organisation? • What are the average spans of control? • Basis for grouping of units • Co-ordination mechanisms • Spatial distribution of units • Degree of decentralisation of processes and authority	• Main products or services • Indications of satisfaction with services • Impact on the poorest in society • Baseline of performance - what outputs, at what cost and outcomes • Performance of key policies • Is there a performance management system?

Source: DFID 2003

2.27 Examples of Institutional and Organisational Development

UNCHS (1996; page 56) the weaknesses in the administrative framework and procedures of developing countries have an adverse impact on the operations of the contractor. This is most severe where the client is a public-sector one. It is ironic that even where the government is taking measures to improve upon the performance of small contractors, public clients are seldom-good clients. The efficiency of the administrative framework is a key factor in the work construction enterprises within each nation. In Malaysia the government structured its agencies that are involved in various aspects of construction, and with which the contractor usually deals for each public project or whose activities affect the contractor's operations and prospects.

Table 2.12 Administrative structure for construction in Malaysia

Ministries or government departments in Malaysia involved in control, approval, monitoring or participation in construction are:

1. Prime Minister's office – approval of projects; implementation and coordination; registration of contractors
2. Ministry of Finance –contracts and supplies
3. Ministry of Housing and Local Government – housing activities; local government on planning and building approval and control.
4. Ministry of Work – all aspects of construction
5. Ministry of trade and industry – approval of manufacturing establishments; import of materials

6.	Ministry of Energy, Telecommunications and Posts – licensing of electricians; telephone and telecommunication services
7.	Ministry of Education – establishment and of education institutions at all levels (for training and education of construction personnel)
8.	Ministry of Human Resources – training personnel for the construction industry
9.	Ministry of Science, Technology and Environment – standard; R & D; environment
10.	Ministry of Land and Regional Development – planning and approval of land use Ministry of Public Enterprises – corporations and agencies participating in construction.
11.	Other ministries and departments

Source: Wang 1991

The above approach is what this report is advocating for, a comprehensive review of Botswana's construction industry that would clearly reflect government's vision concerning the small (citizen) contractor development in terms of its overall policy on citizen empowerment, and address the following:

- Government departments responsible for implementation clearly understand and share that vision, and do they have the organisational capacity?
- Are all stakeholders having an active participation?
- Do existing institutions and organisations have adequate capacity to implement the development projects or programme?

This example underpins and demonstrates the fact that well researched and strategise interventions, comprising institutional and organisational reform that encompasses the interest of all stakeholders results in policies, rules and regulations tailored or targeted to address the diagnosed prevailing structural problems and in most cases bear expected results.

2.28 Designing an Intervention or Types of Intervention

When considering what sort of intervention is required, start with the institutional issues and then move between the institutional and the organisational issues. Institutional reform usually focuses on policy, or on incentives to improve service

delivery. Organisational reform may be structural, systemic or human resources. A reform programme may embrace some or all of these elements. Institutional reforms can be slow and expensive and often call for the reform of organisations to implement the new measures (Wilson, 2003; page 21).

It is best to start by looking at the institutional options. This involves a fundamental review of the "rules of the game" and of core purpose, including whether the function is necessary or not, and then looking at a range of alternatives.

Lessons from successful reform programmes provide useful insights into the likely conditions under which change may occur - table 2.10.

Table 2.13: Conditions that support institutional change

The following factors have been observed to be important for creating policy and institutional change:
• Crisis. Countries that face serious crises of legitimacy, stability or sustainability may be forced to adopt drastic measures to protect themselves: the cost of NOT changing policies and institutions may be greater than the cost of change. Windows of opportunity for change can present themselves at such times, as for example in the financial crisis that hit South East Asia in the 1990s.
• Leadership consistently plays an important role in reform situations. It is generally leaders who put reform on national political agendas, who provide a vision, who are actively involved in shaping the content of proposals for change and who spearhead the process of generating support and managing opposition to change. The emergence of strong champions of change provides an opportunity for promoting policy reforms.
• Ideas - particularly ideas about the appropriate design of institutions - are important in defining new rules of the game. Most commonly, ideas are understood as political resources, a form of capital that is issued to promote particular positions or to influence the outcome of decisions. Drawing on foreign influences, ideas can have a considerable impact on the types of solutions offered to deal with institutional deficiencies. The content of institutional change may often be defined through exposure to new ideas from elsewhere or by piloting new concepts in a country. International standards or norms may often provide an entry point
• The social organisation of the poor (the “demand side”) is very important in a reform process. It can raise the significance of poverty issues for political elites. The beneficiaries of altered rules of the game need to be supported to protect new institutional arrangements.

Source: DFID 2003

The conditions that support institutional change has been successfully implemented

by the Malaysian government, where more than 11 ministries are involved in small contractor development programme. It is an indication that the leadership put reforms on national agenda to ensure that small contractor development is realised.

2.29 Institutional Interventions – Policy Reform not Suitable for Poverty Alleviation.

Policy reform is traditionally slow and governed by political and other vested interests that may have little interest in pro-poor policy change (Wilson, 2003; page 15 -21).

Policy reform is usually:

a. Incremental: small improvements to existing policy.
b. Influenced by previous practice: new policy typically reflects established norms, standards and perceptions about the ways things happen.
c. Shaped by a wide range of stakeholders: policy and institutions define the opportunities for organisations and for wider society. Organisations of all sizes desiring favourable outcomes for themselves or their constituents will seek to influence them. New policies and institutions are typically the product of protracted negotiation between competing interest groups.
d. Political: ministers will want to set policy in ways that will satisfy their own personal and political agendas.

None of the above is good news for the poor. The causes of poverty can be traced to policy and institutional frameworks that discriminate against poor people. Incremental changes - (a) above - may not be an option when seeking to restore fundamental distortions. Radical policy and institutional reforms may be required which also run counter to the traditional processes at (b) (c) and (d) in that:

- They introduce totally new - and often alien - concepts or paradigms to the policy arena that challenge strongly held views about the 'ways things should be done'.

- Pro-poor change alienates those who will lose benefits they enjoyed under the old regime. This group of 'losers', many of who are likely to be well-organised and influential, will strongly resist.
- Policy makers will not welcome challenges to their political authority and patronage systems.

Interventions to reform policy are particularly difficult. Opportunities may however arise as a result of reviews or changes in the legislative framework. Public pronouncements by politicians may provide an opportunity to review existing policy or clear weaknesses in the application of existing policies that may be picked up by the media. All of these provide openings through which policy reform can be actively discussed (Wilson, 2003; page13-21).

Institutional Interventions - Improved Service Delivery

Wilson (2003; page 15) says that a key outcome of institutional and organisational reform is improved service delivery to the poor. To improve delivery, governments are experimenting with a range of institutional mechanisms, including

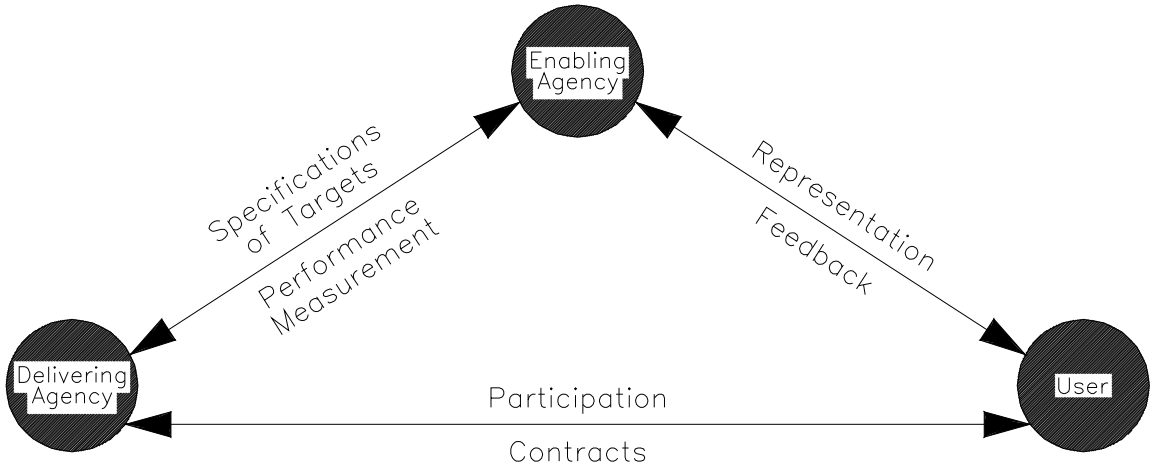
- greater use of markets and contracting out.
- Setting up performance-based agencies in the broader public sector and holding them accountable for the achievement of outputs or outcomes.
- Voice and accountability mechanisms such as user participation and client surveys to ensure that there is a clear articulation of both demand for services and engagement in maintaining the quality of delivery.
- Public sector reform programmes, notably public expenditure management reform to sharpen up priorities and improve budgeting and accountability processes.

The enabling agency model

The “hub” model (Figure 2.3) focuses on the relationships between enabling agencies (which are institutions - but not the only ones), organisations and users and suggests some institutional questions. It highlights the principal/agent relationship and identifies the need for institutional changes to support and sustain

new patterns of service delivery by organisations.

Figure 2.3: The "hub" Model; Government and Institutional Structures



Source: Hobkey and Shields 2003

Table 2.14: Questions suggested by the "hub" model

Enabling agency - Delivery agency • Does the enabling agency set appropriate standards for service delivery? • Does the delivery agency meet those standards? • If not, what happens?
Delivery agency - User • Do users have a representative organisation? • How do users monitor service standards? • What is the relationship between users and deliverers? If users lack adequate muscle why is this? What can be done?
User - Enabling Agency

• Is the relationship adequately developed to give a greater voice to users, especially poor people?
• If a stronger direct link is needed should this be through:

i representational committees to channel information both ways (Electricity Consumers' Committees in the UK)

ii governing bodies to act as brokers of information but with an added authority function (UK school governors)

iii quasi-market relationships such as money or vouchers from the enabling agency to enable users to choose which delivery agency to use

Source: DFID 2003

2.30 Enabling Environment

Construction has a major role to play in the economic development of all countries and needs to be seen as a viable instrument or avenue for employment creation and poverty alleviation. There is no doubt that Botswana as a developing country with a sound economy has a lot of infrastructure projects, which are to be undertaken in a sustainable long-term period.

In his 2007/ 2008 budget speech, the Botswana's Minister of Finance and Development Planning expressed government concern regarding the lack of implementation of development projects despite the availability of funds from government departments such as the Department of Buildings and Engineering Services (DBES). It has been observed that funds allocated for development projects are returned at the end of each fiscal year due to lack of implementation of projects. The Minister stated that the government would ensure that measures are put in place in order to implement all development projects in accordance with the overall Government plan

It is evident that there are lots of outstanding development projects, which can be utilised for employment creation, with long-term sustainable socio-economic benefit, and thus poverty alleviation.

Botswana has the potential to strategize development projects for employment creation by establishing a Construction Industry Development Board that will be responsible for the following:

- Sustainable economic growth and productivity of the sector

- Rapid and efficient delivery of quality assets to the public
- Sustainable employment creation
- The active promotion of small and micro-enterprises (SMEs)
- A human resource development strategy which is holistic, sustainable and accessible
- The development of public-sector capacity to manage the delivery process.
- Government's role in promoting an enabling environment for development.

In 1999 South Africa produced the "White Paper" on creating an enabling environment. It outlines how impediments to industry growth and development, and broad economic and social challenges can be overcome (GOVZA, 1999; page 9).

On the basis of lessons learned in other developing countries, how does Botswana intend to solve its unemployment problems without seriously engaging development projects as viable means to achieve that objective? It is imperative that government should review its policies and regulations so that they provide an enabling environment for citizens to fully participate and control the construction industry both in the public and private sector. It is a fact that communities need development and service delivery, but development projects with no socio-economic benefits are not desirable in a developing economy.

Summary

Small (citizen) contractors play the vital role in the construction industry of developing countries by boosting employment-creation and other economic opportunities, which results in provision of socio-economic benefits to the entire country, and thus alleviate poverty.

It is important therefore to have a clearly focussed development programme that includes the provision of assistance to contractors in developing their skills, knowledge and competencies in such a manner that will enable them to operate their enterprises on a sustainable basis. The process of development requires

assessment in order to achieve continuous improvement in each contractor's performance. Additional benefits can also be realised, such as increased spending in the country's economy by local contractors, a growing entrepreneurship base of the country's citizens and improved delivery of infrastructure.

The development of a local contracting industry in developing countries, which is able to mobilise and effectively utilise local human and material resources, is seen as important to develop and maintain infrastructure. Small (citizen) Contractor development programmes should include the capacity and ability of the client organisation to cope with their new and changed role as contract managers. It should also include creation of an enabling environment and removal of barriers to their entry into the market by nurturing their growth and sustainability.

All successful national or large-scale programmes have been linked to long-term training programmes. Some key elements that effectively contribute towards employment-creation and poverty alleviation are within human resources, institutional and organisational development.

Human Resource Development (HRD) has the purpose to improve the capability of people to adapt to the work in a comprehensive manner, and thus should be promoted with the emphasis on employability. Human resource development is thus important for the employer. However, significant areas of it are primarily the responsibility of government and should remain so, especially with regard to the infrastructure development.

Dialogue between employer organisations and educational institution is essential to ensure curricula are relevant to emerging market needs. An institution is an organisation whose purpose is to further public welfare, which means that institutions may need to change before organisations can improve rules and regulations that govern individuals and collective behaviours. Rules and regulations shape incentives that drive behaviour and performance, and expectation about rights and obligations. They have a major influence on economic development and the success sustainability (or lack of it) of specific projects and programmes.

Organisations are structures, which operate under rules and regulations, therefore organisations are groups of players who come together for a common purpose or to achieve specific objectives. They adopt their tactics and organisation according to externally defined rules and regulations.

An adequate institutional organisation which is able to cope with the challenges of an increasingly integrated world economy is a dimension of development to which policy makers and development agencies are turning their attention.

Poor performance is often due to institutional failings ignored by narrowly focused technical interventions. Institutional factors have been a key cause of poor development performance. Development interventions are more likely to succeed if they promote improvements in wider institutional competencies as well as in technical competencies.

Capacity building at whatever level needs to take account of both the institutional and organisational context - it should always be driven by a clear focus on the desired outcome -*what are we trying to achieve?*

CHAPTER 3: Research Methodology

3.1 Introduction

The author has adopted the qualitative research method to analyse available data as an attempt to understand why Botswana citizen contractors fail despite government continued support schemes, and how construction development programme can be appropriately established and implemented.

The critical part was to determine the rate of success and failure among citizen contractors. Failure in this instance was defined as the inability to complete the project within the specified to time, budget and quality to the satisfaction of the client.

There was no literature or policy documentation on Government schemes on interventions for the citizen contractor development plan or programme because policies came about as Presidential or Cabinet directives.

3.2 Qualitative Research Method

Qualitative research was found more suitable for this research because it rely on reasons behind various aspects of behaviour. It investigates the why and how of decision-making, as compared to the what, where and when of the quantitative research method. Hence, the need is for smaller but more focused samples rather than the large random samples, which quantitative research provides.

Qualitative modes of data analysis provide ways of discerning, examining, comparing and contrasting, and interpreting meaningful patterns, relative to particular goals and objectives of the project or programme on hand.

The contexts of existing policies were evaluated to measure their alignment to the broader sense of small and medium contractor development programmes as implemented in other developing countries. The modalities of the implementation of

various assistance schemes by government for citizen contractors have been reviewed in order to measure achievements made.

3.3 Methods of Data Collection

A request was submitted to the Deputy permanent secretary, Ministry of Works and Transportation for the study to access recorded data of project implementation that includes; priced Bill of Quantities, progress reports, payment certificates, and projected cash-flow from relevant departments and stakeholders.

The underlying factor was to determine the main objectives of why the small (citizen) contractor programme was established and how those objectives were going to be achieved.

Interviews with senior Government officials involved in the implementation of the policy were held, which revealed the fact that the objectives and goals of citizen contractor development are not well defined in a manner that all implementing officers fully understand what is to be achieved, how, and when.

It is noteworthy to record that this study is limited to the Ministry of Works and Transportation, Development of Building and Engineering services, and focuses mainly on the building construction industry.

CHAPTER 4: Evaluation of Strategies and Data Analysis on Small (Citizen) Contractors Performance on Project Implementation in Botswana

4.1 Introduction

Botswana as one of the fastest developing countries in Sub-Saharan Africa, with an escalating rate of unemployment, has the potential to utilise the construction industry as a viable means for employment-creation and poverty alleviation. Construction, especially building construction, is by its nature labour intensive. Therefore, in Botswana where there is high government expenditure on infrastructure development projects, some of these projects could be integrated into a small (contractor) development programme as a component of the Citizen Empowerment Policy in Botswana.

At present the government is losing a lot of funds on non-effective schemes or interventions that are designed to empower citizen contractors to compete economically. According to the Botswana Enterprises Development Unit (BEDU), in its annual report on its enterprises development programme of June 1976, it says that during those years the programme continued to progress satisfactorily, and its impact was felt in different geographical parts of the country (ter Haar, 1976; page 7).

The BEDU localisation programme experienced a serious setback when locally trained Advisory personnel resigned, and later international advisory personnel also departed. Today there are a number of small (citizen) contractors who acquired some basic technical skills from the BEDU enterprises development programme who are still active in the industry, but lack managerial and contract skills.

The study has discovered that at present there are no longer developments or advisory programmes in existence, which are formulated to provide long-term enterprises development assistance to small (citizen) contractors. Rather there are various interventions that do not adhere to international standards of development programmes, and therefore have failed the expected results of long-term employment-creation, and poverty alleviation. The government continues to lose

large sums of money in the process of citizen contractor development due to lack of appropriate development programmes as discussed in chapter 2. Government loses funds on abandoned projects mostly due to citizen contractors. This study has learned that there is no qualification requirement at the OC level for someone to register as a contractor. Some unscrupulous citizens have seen this as a window of opportunity for self-enrichment. Some contractors because of lack of managerial skills have mismanaged the advance mobilisation loan funds and thereafter abandon the project.

The present intervention schemes lack very important aspects of development programmes such as; structured and defined objectives, continuous contractor assessment, monitoring and evaluation, training, mentoring, control, etc. The result of this deficiency is clearly depicted in Table 4.1 which shows abandoned projects between January 2000 and September 2005. According to data obtained from Ministry of Works and Transportation, 30 No projects under DBES as the procuring entity alone were abandoned. These projects required the government to source more than P 70 million additional funding to allow completion by others.

4.2 Escalation on Project Costs

In addition to extraordinary expenditure on abandoned projects, government continues losing money on cost and time overruns. In view of lessons learned from the literature review in chapters 2 and 3, it is now possible for the reader to derive conclusions regarding causes of failure in Botswana's construction development initiatives.

Data from Appendix B, tables 4.2.1 to 4.2.17 has been extracted from a preliminary report for the study on the "Cause of Poor Performance of Public Construction Projection in Botswana" by Ssegawa, Ngowi and Motsielenyane, for the BOCCIM Construction Sector, who were provided the same information by DBES (Ssegawa et al, 2005; page 40-69). In view of the aforementioned information, it is clear that if the government continues losing financial resources in the construction industry at this rate, the supposed government primary objectives that include service delivery, employment-creation, citizen empowerment and poverty alleviation as enshrined

national vision 2016 will not be realised. Therefore, government must take decisive action to correct the prevailing situation sooner rather than later.

4.3 Data Analysis for Cost and Time Performance on Previous Projects

Cost performance is obtained by the following Equations

Cost savings / (escalation) = original cost –final account or paid-to-date

$$\textit{Change in cost} = \frac{\textit{original cost – final account or paid to date}}{\textit{Original cost}}$$

Paid-to-date is used in case the final account is not finalised or not provided.
Time performance is treated in a similar manner as above.

Time savings / (escalation) = original duration-final duration

$$\textit{Change in duration} = \frac{\textit{original duration – final duration}}{\textit{Original duration}}$$

Example of cost performance calculations

From Annexure A – Data of abandoned projects lets us consider project No. 26, BDF Sector Command.

$$\textit{Change in cost} = \frac{\textit{original cost – final account or paid –to-date}}{\textit{Original cost}}$$

$$\textit{Change in cost} = \frac{\textit{7, 299, 479 – 12, 766, 520}}{\textit{7, 299, 479}}$$

$$=0.749(100\%) =75\% \text{ additional cost}$$

Change in duration = original duration – final duration

Original duration

= 12 months – 67months

12 months

=4.58 (100%) = 458% additional time elapsed

The above figures seem scary, but they reflect how national resources are being mismanaged on project implementation. Some projects listed in Annexure A as abandoned are not yet completed because government is looking for additional funds to complete those projects.

Figure 4.1 Cost Performance Analysis

Project Name	Original cost	Final cost
Tsabong Tribal District Admin.	1929909	2024809
Dental Oral Health Unit	12965887	16631395
Jwaneng Technical college	5909432	7939192
Palapye Technical College	8907600	12215724
BDF Sector Command	7299479	12766520
Madiba Senior Sec. School	24800000	40028282

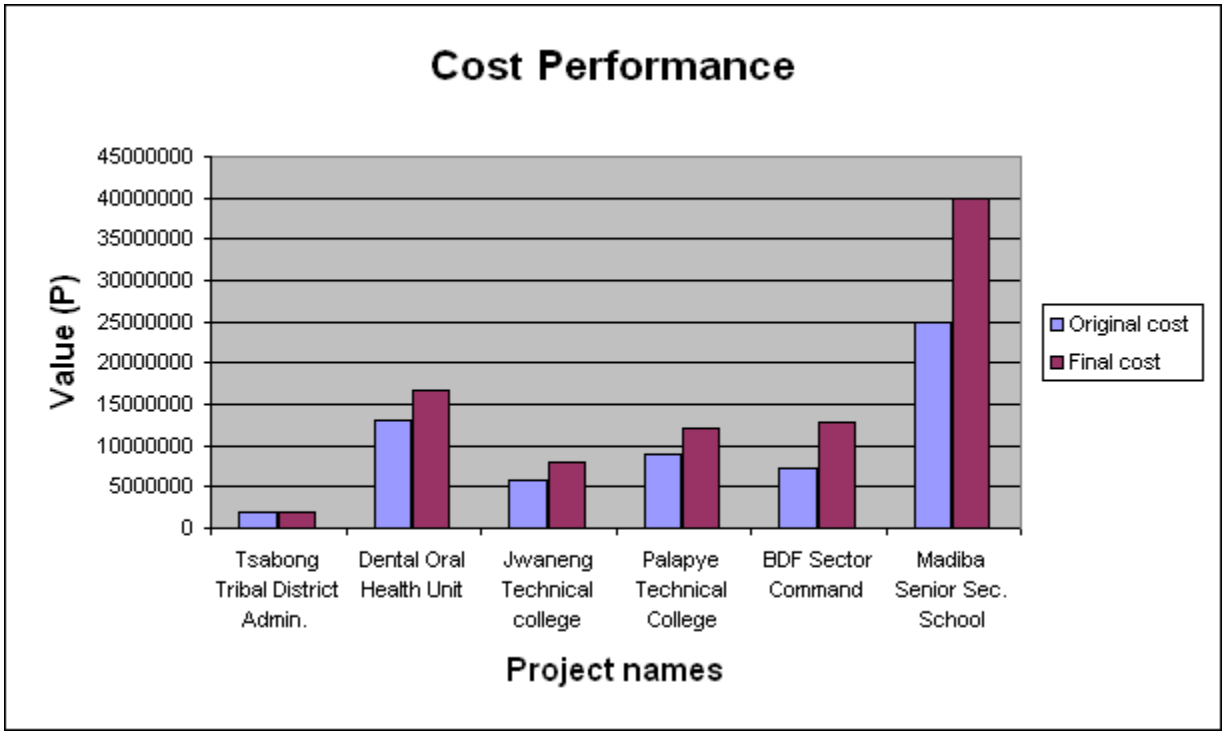


Figure 4.2 – Time Performance Analysis

Project names	Original Contract Period(months)	Contract Period Elapsed (months)
Tsabong Tribal District Admin.	5	56
Dental Oral Health Unit	10	68
Jwaneng Technical college	12	30
Palapye Technical College	10	11
BDF Sector Command	49	116
Madiba Senior Sec. School	20	62

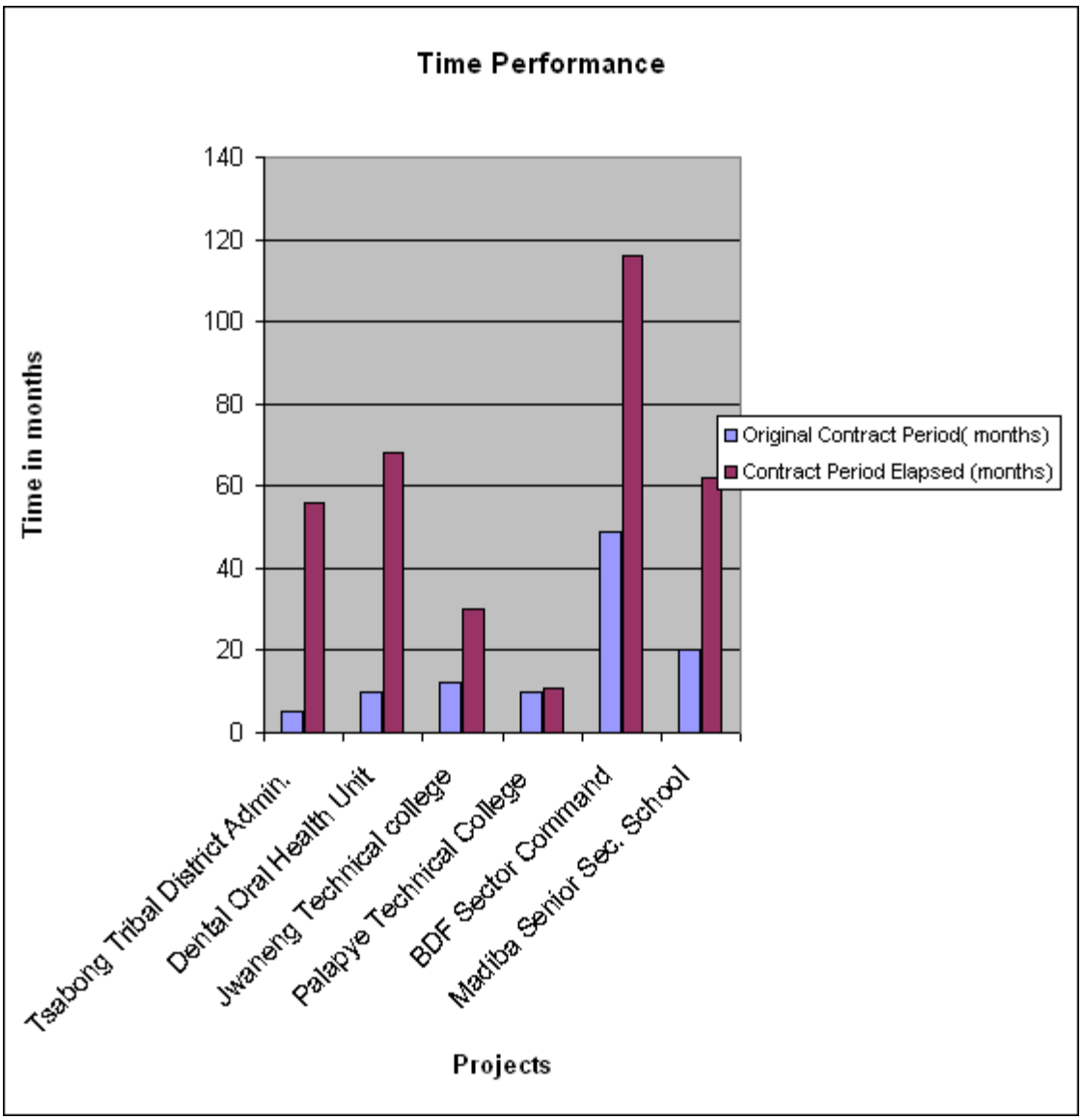


Table 4.1 Summary of Implemented Projects by DBES as shown in Annexure A Table 4.2.1 to 4.2.17

Ministry of	Projects with no data	Projects Completed on time	Projects with time overruns	Projects abandoned	Total No. of projects	Time overruns %	Projects completed within budget	Project with escalation	Cost overruns %
Labour & Home Affairs	3	1	14	1	19	74 %	6	12	68 %
Health	4	1	18	4	27	96 %	9	14	67 %
Agriculture	1	0	18	3	22	100 %	7	12	68 %
Finance & Dev.	0	4	4	1	9	44 %	4	4	56 %
Mineral Energy	0	0	2	0	2	100 %	1	1	50 %
Environment Wildlife	6	0	7	3	16	63 %	9	4	44 %
Local Government	0	0	2	11	13	100 %	2	0	85 %
Lands & Housing	1	0	6	0	7	86 %	0	6	86 %
Trade & Industry	3	0	0	0	3	0	2	1	33 %
Works & Transport	0	2	11	1	14	86 %	6	7	57 %
Education	2	6	40	5	53	75 %	13	35	66 %

Source: DBES 2004

The above examples of figure 4.1, figure 4.2 and table 4.1 indicate the underlying seriousness of the whole situation in the country's construction industry and its undesirable results. It also underpins the urgent need for the establishment of institutional and organisational development programmes within the public sector in order to promote or foster long-term national interest and visions. In view of the literature review, someone can conclude that the current situation emanates from lack of institutional capacity.

The study has not pinpointed causes of poor performance and of abandonment of projects by citizen contractors, but with reference of what was revealed in literature review, conclusions can be summed. In 2005 Botswana Confederation of Commerce Industry and Manpower (BOCCIM) construction sector engaged The University of Botswana to conduct on the "Causes of Poor Performance of Public Construction Projects in Botswana. Ssegawa '*et al'* (2005; page 37-60) says that

projects go through two major phases namely, Planning and Implementation, therefore, causes of failure can be found at both phases. He argues that citizen contractors have been blamed for non-performance on Public Projects even where the cause of failure originate from the planning phase of the project. For example, projects that were on NDP 6 and 7 were delayed because of lack of institutional capacity at planning stage therefore, those projects never reached tender stage. The backlog resulted in spilling over to NDP 9. This situation has led to various problems;

- Delivery of educational facilities has been delayed or not been executed at all. As a result, public officials and politicians blame contractors for delays when it is clear that it is a planning problem caused by Government officials.
- Lack of implementation of policies of schemes put in place by Government to assist citizen contractors.
- Lack of synchronised mechanism for policy formulation and follow up to regulate, control and develop the industry.
- Lack of knowledge of policies by Government officials, one good example is the policy on interest to be paid contractors on delayed payments. While Ministry of Finance and Development Planning (MFDP) issued this directive, Ministry of Works and Transport (MWT) and Ministry of Local Government and Lands do not implement the directive, and this has caused confusion on the interest payments.

The above brief summary gives evidence of lack of institutional capacity and that the construction industry should be consolidated under one Controlling Body.

In the period between 2003 and 2006 there had minimal if any activities in terms of implementation of government developments due to lack of institutional and organisational capacity at the Department of Buildings and Engineering Services. Funds allocated for such projects were returned unutilised. This problem had an adverse impact on the economy, many people were retrenched, businesses closed or relocated to neighbouring South Africa.

As mentioned in the preceding chapter, the government has established development project implementation units in each ministry for the expedition of

project implementation. These various units will still report to the Director of Buildings and Engineering Services. The DBES has however been declared to be under-capacity.
The current intervention schemes do not address the following shortcomings:

- The registration of contractors is not adequately structured and used to promote continuous development of contractor's performance.
- Contractor development interventions tend to be ad-hoc and lack strategic perspective to direct contractors over the development programme in the long term.
- Mentorship schemes, where they exist, are inadequately structured to develop enterprises into sustainable businesses.
- There is no differentiation between contractor development and poverty alleviation programmes. Therefore, it becomes difficult to evaluate the success of the contractor development.

South Africa's policy of black economic empowerment (BEE) is considered by this report as the best model so far for any developing country that endeavours to empower its citizens economically and socially. South Africa realised that for the country to reach its maximum economic potential, all citizens should have meaningful participation. So the government paid attention across all departments to issues relating to skills, vacancies and delegation of responsibilities to managers of delivery agencies. Their strategy approach assessed the possible root causes of skill scarcity and identified those students from then disadvantaged groups who required some help in maths and science subjects. For example, in 2005 the government increased the number of schools dedicated to maths and science from 102 to 529, with the intention to increase the skill base in technical professions such as engineering (Alexander, 2006; page1-2).

It is of paramount importance that the government of Botswana should act now by mobilising its citizens to participate fully in every opportunity of the economy.

CHAPTER 5: Summary, Conclusion and Recommendation

5.1 Summary

Since the early 1970's, the government has been the driver of "Citizen Empowerment" or citizen contractor development. The study has established the fact that the Government has not yet localised the industry within the public sector. The government has introduced various interventions on citizen contractor development, which is a component of citizen empowerment policy, in Botswana. However, all interventions lacked structured contractor development programmes, which enable training, mentoring, continuous assessment of contractor performance and grading. At present there is no accountability either by the participating citizen contractors or by implementation agents, which results in cost escalations due to overrun and abandoned projects.

This study has learned that Government's support is concentrated on two aspects, which are financial support and ensuring that citizen contractors are awarded at least 30 per cent of projects. This overlooks the necessary development in technical and managerial / entrepreneurship skills, and thus result in poor performance and abandonment of projects.

For government objectives on citizen contractor development to be realised, they must be implemented as a proper development programme or project, with an appropriate institutional capacity for strategic planning, controlling, and training, mentoring, monitoring and evaluating rather than administering the policies on an ad-hoc basis.

It would appear as if government efforts are fragmented throughout various Ministries and departments, and need to be consolidated under one umbrella body for easy management and assessment, there should be a ministry or statutory body responsible for all Public Works. According to the chairperson of The Controlling Body of the 30 % reservation directive (CAB 32B), their mandate is to ensure that 30 % Project Reservation policy is met in terms of project allocation to citizens.

Thereafter, implementation, monitoring, evaluation, etc. are the responsibilities of procuring entities.

The study has revealed that Ministries and departments with the mandate of implementing Government objectives still rely heavily on expatriates. Therefore, once expatriates leave, projects suffer lack of continuity in the implementation of projects. As revealed by the literature review on institutional and organisational development, it is understandable why it is important for each country to base development programmes on local human resource.

A radical change in the localisation programme is imperative. The Government must set up a localisation programme especially for scarce technical/professional skills in the construction industry within the public sector. The programme should be long-term with milestones set in order to measure progress at certain intervals as it is done in Singapore. This approach will require a close cooperation between Government and the private sector where mentorship can be facilitated by secondment between the two sectors.

The above approach could open an opportunity for those who have joined the private sector to re-join public services if the Government can review its career/professional path development policies and bridge the salary gap between expatriates and citizens. This matter requires serious consideration by all stakeholders, especially the Government if the construction industry is considered to be playing an important role in the country's economy. As discussed on chapter 2 Singapore embarked on the development of professionals and encouraged contractors to employ professional.

5.2 Conclusion

1. Small (citizen) contractor development programmes are essential for sustainable contractor growth, which effectively contributes socio-economic benefits to the entire society. Botswana is considered to be a middle- income country with a fast growing economy, with sustainable infrastructure development projects, but the country has been unable to fully utilise its

potential by effectively mobilising its local human resources in order for them to have meaningful participation in the economy. As discussed in Chapter 2, many developing countries, with the assistance of international organisations such as ILO and World Bank have successfully developed their construction industry to a level where it creates employment opportunities for its citizens.

2. Notwithstanding the fact that Botswana has an escalating rate of unemployment, especially among youths (unskilled, skilled and professionals), it would appear as if the government does not have ability ultimately to utilise the on going infrastructure development projects on developing the construction industry to be economically sustainable. After 40 years of independence many infrastructure development projects have failed to develop local human resources to have a meaningful participation in the industry, which bears socio-economic benefits to the entire society.

3. It is regrettable to note that Government's citizen empowerment initiatives sound to be very good when are said, but in reality it has proved to be merely lip service due to lack of institutional and organisational capacity for implementation; lack of long term political support and lack of continuity because of heavy reliance on expatriates rather than focusing on citizens and strategically training them to control the construction industry. It has been observed that the government seems to be focusing only on service delivery and neglecting its social obligation and the welfare of its people in favour of expatriates. According to Paratian (2005, pp.16) Botswana Government policy (National Development Plan 8 and 9) called for the creation of "meaningful employment, involvement of the private sector in the building of the economy and greater use of locally available resources…., where economical and technically feasible". The literature review has revealed that without statutory regulations and a controlling Body, the above is not achievable.

4. It has been observed that expatriates are given better incentives than citizens. These include accommodation, an expatriate allowance and a minimum of 25 % of accumulative salary at the end of their contract, while citizens get a basic salary and pension at 50 years of age upon early retirement.

5. At present there is no localisation programme in place at DBES with a defined career path or career development which can serve as an incentive for young professionals to stay in the department.

6. It is clear that the main objectives of the Botswana Citizen Contractor interventions are not well defined in terms of what is be achieved, when, how and by whom. As stated earlier, Botswana subscribes to ILO, the one of international organisations that encourages and support developing countries with their expertise and resources to mobilise local human and materials resource in order to develop a sustainable socio-economic benefit to the nation by providing employment opportunities. It is evident that Botswana's approach does not comply with the above mentioned concepts.

5.3 Recommendations

1. After reviewing development programmes undertaken in other developing countries, the urgency of establishing an institutional and organisational development programme can not be over emphasised. The existing project data has revealed excessive expenditure by Government on cost escalations emanating from Project overruns and abandoned projects. The Government's extra expenditure could be used to improve the life of Batswana people.

2. Botswana should embark on the establishment of a statutory body to champion construction industry development which must have strategic programmes to promote the development of skills, in particular managerial skills, to enable entrepreneurs to run their companies profitably and in a sustainable manner. This means that registration of contractors and the contractor development programmes or models should be carefully integrated in a streamlined effort designed to build a contractor's capacity to grow and compete.

3. The government should take the lead in the empowerment (development) endeavour by reviving localisation programmes. It has been revealed that key decision making positions both in Local and Central Government are still held

by expatriates. Therefore it must be understood and appreciated that sustainable construction is an approach that the building industry must move forward thereby achieving sustainable development, taking into account socio-economic, cultural and environmental issues. The Government should spearhead that development.

4. All stakeholders must be informed about Government objectives on citizen contractor development in order for them to understand the fundamental principles of the programme so as feel that they are part of the whole process.

5. All parties should be made to understand the importance of accountability on performance and service delivery. People should understand that the mission is employment creation for all citizens, but not enrichment for certain individuals who happen to be in the construction industry. Information is a vital tool in society, a well informed community will support government initiatives geared to improve their lives, and they will assist government in fighting against any corruption, which is reported be to rapidly increasing.

6. Institutional and Organisational system establishment will form part of legal instruments which will enable watchdogs such as the Directorate on Corruption and Economic Crime to fight against fronting or any form of corruption.

7. Citizen contractors should be encouraged to employ the services of University of Botswana graduates in construction related fields to enhance capabilities and skills in order to compete in an open market.

8. The Government should also target and encourage graduates into this sector because they do have potential to understand the logistics of the operations of a contractor better than most of the on job trained contractors.

9. Contractors who fail to meet the requirements set forth for the citizen contractor development programme, or fail to meet acceptable performance and delivery standards must be dropped from the assistance scheme.

10. This approach will take the local construction industry to new heights, by enabling new generation contractors to understand new technology and construction language, which can contribute to joint-venture arrangements and expedition transfer of skills.

ANNEXURE A - Data of abandoned Projects between January 2000 and September 2005

s/n	Cit/ Non cit	Project Description	Contract Commerce	Determina-tion Date	Contract Complete (original)	Original Contract Sum (paid to date)	Contract Commence	Contract Complete	Contract Sum	Additional Consultancy Fee	Total Add. Cost borne by Govt	Time lapse from original completion date	Remarks
1	Cit	Palapye Tribal & District Admin Housing	24.05.99	27.04.02	21.02.00	1,491,653 (1027,547)	02.09.02	30.04.03	282,000	Nil	-182,106	3yr 2mth	Project under maintenance
2	Cit	Tsabong Tribal & District Admin Housing	01.03.99	10.06.02	16.08.99	1,929,909 (989,948)	05.08.02	02.04.04	1,034,861	Nil	94,900	4yr 8mth	Project under maintenance
3	Cit	Inalegolo Tribal & District Admin Housing	28.03.99	18.06.02	15.09.99	177,998 (132,401)	07.11.02	28.03.03	-	Nil	Nil	3yrs 10 moths	98% complete, project awaiting additional funding for completion
4	Cit	Bokspits Tribal & District Admin Housing	28.04.99	04.06.99	15.09.99	201,513 (30,227)	05.08.02	02.04.04	-	Nil	Nil	4yr 9mth	Project under Maintenance
5	Cit	Hukuntsi Tribal & District Admin Housing	01.03.99	17.06.02	21.06.99	456,182 (254,435)	07.10.02	28.02.03	-	Nil	Nil	4yrs	92% complete, project awaiting additional
6	Cit	Oodi Tribal & District Admin Housing	31.05.99	31.08.99	13.05.02	270,801 (269,519)	15.08.02	30.10.02	69,197	Nil	31,061	5 mth	Project under maintenance
7	Cit	Leshibitse Tribal & District Admin Housing	12.04.99	13.05.02	21.07.99	145,917 (109063)				Nil		3yrs 3mth	
8	cit	Gumare Tribal & District Admin Housing	12.07.99	29.05.02	27.03.00	1,603,728 (428547)	02.09.02	08.08.03	1,943,127	Nil	767,949	3yr 5	Project under maintenance

Source: DBES 2004

ANNEXURE A continues

9	Cit	Tlhareseleele Tribal & District Admin Housing	22.03.99	20.05.02	12.08.99	150,014 (135,503)	12.08.02	29.11.02	206,078	Nil	294,569	3yr 3	
10	Cit	Good Hope Tribal & District Admin Housing	08.02.99	20.05.02	06.09.99	1,639,814 (1750,635)	12.08.02	24.01.03		Nil		3yr 4	
11	Cit	Cwagare Tribal & District Admin Housing	08.02.99	20.05.02	16.08.99	138,320 (130,501)	12.08.02	29.11.04		Nil		3yrs 3mt	
12	Cit	Staff Housing for Dept. of Supplies at Kasane	15.01.02	10.02.03	10.02.03	1,486,102 (908,772)	17.05.04	28.06.04	2,039,335	67,225	1,529,230	1yr 3mth	100% complete, defects liability period has elapsed, final inspection ongoing
13	Cit	Dental Oral Health Unit	18.10.99	15.10.01	03.08.00	12,965,887 (9,782,172)	29.03.04	04.09.04	6,839,223	Nil	3,655,508	4yr 10m	100% complete, defects liability period has just started
14	Cit	Rakops Hospital Housing	11.06.01	16.06.03	27.01.02	3,226,961 (2,444,298)	05.09.05	0602.06	4,787,310	800,000	4,480,647	3yr 4mth	60% complete & on schedule
15	Cit	Proposed Police Housing at Moshupa	11.11.02	07.04.04	26.11.03	3,414,939 (787,962)	07.03.05	22.08.05	4,700,000	297,183	2,111,775	1yr 8m	96% complete & out of schedule
16	Cit	Alterations & Additions to Madiba SSS	01.11.99	15.10.01	21.04.01	24,500,000)	05.01.04	3101.05	31,953,500	755,700	16,004,322	3yrs 12 m	97% complete, progress is still insignificant
17	Cit	Alterations & Additions to F/town SSS	15.02.00	15.10.01	29.10.01	24,800,000 (7,785,066)	17.03.04	2505.05	31,497,416	745,800	15,228,282	3yrs 6mth	95%.complete & slightly delayed.
18	Cit	Alterations & Additions to Masunga SSS	15.06.02	26.08.03	24.09.02	7,500,000 (3,631,221)	08.11.04	04.11.05	8,694,192	332,906	5,158,319	2yrs 8mth	87% complete & on schedule
19	Non Cit	Maun District Hospital– Electrical Subcontract	16.07.03	22.04.04	27.07.06	23,953,146 (601,084)	19.04.04	19.02.06	n/a	Nil	625,000	(1yr)	70% complete, for the all works (main + sub-contract)

ANNEXURE A continues

20	Non Cit	Letlhakane Primary Hosp – Electrical Sub Contr	30.06.03	21.05.04	20.03.04	823,192 (138,386)	21.05.04	20.03.04	n/a	NIL	Nil	1yr 3mth	100% complete, defects liability period ends in September 2005
21	Non Cit	Maintenance of Game Proof Electric Fence at Pandamatenga farms	00.11.03	13.07.04	00.10.04	299,400	02.08.04	30.08.04	390,772	NIL	91,372	Nil	100% complete, defects liability period has elapsed
22	Cit	DEMS Workshop at Selebi Phikwe	01.04.98	04.11.04	31.05.02	535,400 (418,000)	23.05.05	18.07.05	129,600	NIL	12,200	3yr 3mth	100% complete, defects liability period ends in January 2006
23	Cit	DWNP Trophy Store at Gaborone	03.02.03	12.07.04	21.11.03	1,125,594 (657,463)	09.02.05	08.08.05	856,060	10,000	487,929	1yr 7mth	95% complete, extension of time claim in progress
24	Cit	Artificial Insemination Centre at Ramatlabama	25.02.02	21.10.04	13.06.03	6,206,600 (3,125,915)	TBA	TBA	5,515,000	858,000	4,769,315	1yr 9mth	60% complete at termination, re-tender documents due for completion in October '05
25	Cit	Livestock Advisory Centre at Goodhope	03.07.00	17.11.04	24.04.01	2,000,000 (1,148,140)	TBA	TBA	2,300,000	100,000	1,588,140	4 yr	60% complete at termination, re-tender documents due for completion in October 05
26	Cit	BDF Sector Command	03.09.98	15.10.02	06.09.99	7,299,479 (7,648,920)	04.02.04	20.09.04	4,977,600	140,000	5,467,041	5yr 7mth	99% complete, mechanical contractor is busy completing the outstanding
27	Cit	Jwaneng Technical College	13.10.03	02.03.05	05.01.04	5,959,432 (2,059,293)	15.08.05	14.04.06	5,619,900	250,000	1,969,761	1yr 6mth	51% complete & on schedule
28	Cit	Palapye Technical College	10.05.04	02.03.05	09.06.05	8,907,600 (1,296,055)	09.08.05	02.10.06	10,519,669	400,000	3,308,124	1 mth	The first site meeting scheduled for September 2005
29	Cit	Gantsi Immigration Offices & Housing	12.01.04	06.06.05	11.10.04	3,776,465 (1,368,138)	TBA	TBA	TBA	TBA	TBA	9 mth	23% complete at termination & valuation of works done completed in August 2005

TABLE 4.2.1 - A SAMPLE OF PROJECTS FOR THE MINISTRY OF EDUCATION AT A COMPLETION LEVEL OF 95% OR GREATER

	Project Description	Original Duration (mths)	Time Overrun (mths)	Within Time (mths)	Original Cost (P)	Escalation (P)	Savings (P)
1	Examination Council Building	18	-4		34,855,922.94	-942,731.06	
2	Swaneng Hill School Serowe	26		0	22,674,624.85	-5,198,685.00	
3	Ghanzi SSS-Staff Housing	8	-4		4,816,428.50		273,629.68
4	Kgari Sechele SSS – Molepolole	11	-9		19,168,840.36	-188,690.19	
5	Tutume McConnel Upgrading - Phase II	15	-16		33,824,734.00	-2,102,863.50	
6	Non-formal Education Centre - Kang	18	-11		22,880,600.00		38,200.00
7	Shashe River SSS – Shashe	No data			29,144,322.00	-6,649,800.00	
8	Tonota College of Education	13	-9		13,054,551.24	-455,363.85	
9	Molepolole College of Education	18	-13		16,393,365.00	-2,280,384.82	
10	Shoshong SSS Staff Housing - Shoshong	12	-4		8,481,357.75	-46,009.00	
11	Ext to Moshupa SSS at Moshupa - Phase II	16	-10		24,108,000.00	-46,009.00	
12	Ext to Seepapitso SSS at Kanye	15	-17		14,157,708.82	-763,825.18	
13	Lobatse SSS	17	-6		39,141,940.00		7,805,876.00
14	Kagiso SSS – Ramotswa	17	-12		22,809,934.00	-5,594,077.44	
15	Matshekge SSS	19	-18		39,926,396.00	-2,846,349.40	
16	Naledi SSS – Gaborone	15	-18		27,630,000.00	-2,910,583.00	
17	Botswana College of Distance Learning	16			18,570,308.00	2,449,582.25	
18	Ext. Renov. & Alt to Matsha Com. College	17	-4		33,676,392.00	-9,761,416.57	
19	Education Centre at Kanye	16			28,150,000.00		188,156.95

	20	Matshekge Hill SSS - Advance contract	13	-11	6,917,875.00		274,213.33
	21	Upgrading at Serowe Teacher Training College	18	-10	16,100,000.00	-2,325,266.75	
	22	Integrated Office Block for BIAC - Gaborone	12	-15	4,614,645.00		197,377.82
	23	New Staff Housing at GSS - Gaborone	17	-7	4,630,000.00		644,119.12
	24	Ext to Lobatse SSS at Lobatse	12	-5	7,768,401.26	-1,872,511.34	
	25	Ext to Seepapitso SSS at Kanye	17	-10	16,081,586.58	-2,959,420.43	
	26	Ext to Moshupa SSS at Moshupa - Phase 1	7	-8	13,259,542.00	-797,319.00	
	27	Upgrading & Extensions to GSS	11	-8	16,583,100.30	-4,324,444.11	
	28	Ext to S/Phikwe SSS - Phase II	16	-8	21,333,321.66	-1,328,711.93	
	29	Lotsane Senior Secondary School	30	-16	29,497,968.00	-3,007,598.80	
	30	Ledumang SSS	No data		11,763,312.00	-753,902.00	
abandoned	31	VTC upgrading Housing Jwaneng			5,959,431.75	4,803,310.00	
abandoned	32	Masunga SSS Staff housing & remedial works			7,522,103.00	3,011,084.05	
abandoned	33	VTC upgrading - Housing Palapye			8,907,599.87	15,248,622.00	
abandoned	34	Alterations and Additions to Madiba SSS			24,500,000.00	14,482,482.00	
abandoned	35	Alterations and Additions to Ftown SSS			24,800,000.00		

No data	2	No data	0
Projects within schedule	3	Projects within budget	7
Projects with time overruns	25	Projects with escalation	23
Abandoned	5	Abandoned	5
Total	35	Total	35
Percentage time overruns within both time & cost	71%	Percentage cost overruns	80%

TABLE 4.2.2 - SAMPLE OF PROJECTS FOR THE MINISTRY OF THE STATE PRESIDENT AT A COMPLETION LEVEL OF 95% OR GREATER

	Project Description	Original Duration (mths)	Time Overrun (mths)	Within time (mths)	Original cost (P)	Escalation (P)	Savings (P)
1	State House Pool Rehabilitation	4	-2		2,558,268.56		122,495.56
2	DCEC Head Quarters	10	-4		18,700,000.00	-1,993,716.31	
3	Police College at Otse	32	-5		191,200,000.00		2,614,887.80
4	Police Housing at Kanye	9	-14		8,950,000.00	-3,275,902.15	
5	Police Station at Kanye	10	-6		11,300,000.00	-691,780.04	
6	Police Station at Kasane	17	-9		16,150,000.00	-1,075,302.20	
7	Police Station and Housing at Mabutsane	11	-8		9,900,000.00	-1,116,701.00	
8	ILEA at Otse	13	-3		41,000,000.00		1,782,740.00
9	Iprovements to Police Station at	18	-13		27,312,379.75	-673,530.25	
10	Improvements to Police Station at	12	-8		14,417,808.00	-1,872,816.05	
11	Improvements to Police Station at	14	-7		25,673,535.10		165,431.70
12	Improvements to Police Station at	13	-10		17,897,985.79		2,206,438.79
13	Police Housing at Thamaga	8	-10		2,997,763.80	-333,403.20	
14	Police Housing at Lobatse	6	-15		4,434,036.10	-3,823,313.90	
15	Police Housing at Gweta	11	-19		1,451,352.80		532,574.42
16	Police Housing at Selibe-Phikwe - Phase II	10	-16		6,240,414.80	-769,658.20	
17	Police Station at Tonota	10	-7		14,606,013.20		615,468.65
18	Police Camp at Tlokweng	no data			3,700,000.00	-1,211,079.15	
19	SSG Flats at Gaborone	17		0	19,100,000.00	-793,709.45	
20	Police Station & Housing at Charles Hill	13	-25		22,915,325.86	-2,690,794.24	
21	Rural Police Station & Housing at Rakops	12	-7		10,964,201.00	-93,458.25	
22	Thebephatshwa Engine Test Facility	12		0	7,400,000.00		2,476,309.80
23	Glen Valley - Phase IV A	24	-16		28,100,988.50	-10,179,269.35	
24	Glen Valley - Phase IV B	12	-10		17,697,319.80	-554,915.53	
25	Village Garrison Phase II	18	-3		29,980,000.00		4,708,049.00
26	Magistrate's Court at Village, Gaborone	9	-13		4,792,107.40	-1,357,044.91	
27	Magistrate's Court at Selibe Phikwe	11	-13		5,160,000.00	-941,410.83	
28	Magistrate's Court at Palapye	12	-11		5,531,883.00	-2,272,131.77	
29	Magistrate's Court at Tsabong	11	-3		7,387,716.00	-1,819,083.50	
30	Magistrate's Court at Mochudi	12	-11		11,863,406.60	-3,171,928.40	
31	Magistrate's Court at Molepolole	12	-5		15,223,010.45	-4,145,834.55	
32	Magistrate's Court at Maun	14	-6		10,179,905.00	-102,117.00	
33	High Court at Francistown	17	-8		36,095,401.00	-7,816.00	

	34	Houses and Flats at Thebephatshwa IIIA		14	-14		23,687,610.00	-2,697,462.56	
	35	Houses at Village Garrison for BDF - Gaborone		9	-13		7,873,670.80	-3,456,549.40	
	36	Extension to Ramotswa Police Station		13	-3		6,815,004.34	-992,259.76	
	37	Renovations to Existing Ramotswa Police Station		4		0	461,437.00		46,385.55
	38	Rural Police Station & Housing - Takatokwane		11	-8		4,181,911.42	-1,453,001.25	
	39	Rural Police Station & Housing - Ramatlabama		10	-4		8,964,000.00	-1,156,364.60	
	40	Police Station and Housing at Serule		15	-3		24,268,951.68		1,212,261.68
	41	Magistrate's Court at Mahalapye		12	-12		17,599,780.00	-2,099,992.00	
	42	Police Housing at Dibete		6	-15		6,352,920.00	-2,320,056.00	
	43	Judge's Houses at F/town and Lobatse	no data				17,750,887.00	-1,652,648.00	
	44	Police Station and Housing at Middlepits	no data				14,401,554.20	-11,909,362.50	
	45	BDF Sector Command at Francistown	no data				4,977,650.92		2,632,120.92
abandoned	46	Police Housing at Moshupa					3,414,939.30	-808,610.70	
abandoned	47	BDF Sector Command at Francistown					7,299,479.00	7,299,479.00	

No data	4	No data	0
Projects within schedule	3	Projects within budget	12
Projects with time overruns	38	Projects with escalation	33
Abandoned	2	Abandoned	2
Total	47	Total	47
Percentage time overruns	81%	Percentage cost overruns	74%
within both time and cost			

Source: DBES 2004

TABLE 4.2.3: SAMPLE OF PROJECTS FOR MINISTRY OF LABOUR AND HOME AFFAIRS AT A COMPLETION LEVEL OF 95% OR GREATER

		Project Description	Original Duration (mths)	Time Overrun (mths)	Within time (mths)	Original cost (P)	Escalation (P)	Savings (P)
	1	Immigration Office block & Staff Houses - Masunga	9	-9		2,990,914.00	-228,974.74	
	2	MTTC Gaborone	11	-4		8,773,318.75		519,707.15
	3	Integrated Sports Facility - Serowe	11	-20		27,865,690.00	-13,753,248.80	
	4	Integrated Sports Facility – Maun	12	-10		26,525,699.73	-10,081,764.09	
	5	Integrated Sports Facility - Masunga	12	-12		23,492,633.11	6,764,771.45	
	6	Integrated Sports Facility, civil works - Molepolole	13	-11		7,972,439.10	4,105,338.67	
	7	Kasane Prison Electric Fence	3	-2		298,216.00	111,144.00	
	8	Prison Staff Houses at Selibe Phikwe	5	-11		2,618,053.00		107,527.00
	9	Malapye Prison Training College	12	-11		58,782,286.00	8,576,630.85	
	10	Tshane Prison Camp	10	-9		13,417,647.75	2,467,571.25	
	11	Boro Sewage Ponds – Maun	1		0	271,244.52		18,458.92
	12	Tsodilo Hill Museum Fence	3	-3		1,335,378.00		458,146.35
	13	ISF Synthetic Grass – Maun	4	-3		4,459,692.00		1,596,006.05
	14	Centre for illegal immigrants - Francistown	20	-8		36,757,237.00	4,801,114.00	
	15	National BotanIcal Gardens Gaborone - Phase 1	no data			3,062,661.90	250,167.50	
	16	National Archives & Records Centre - Ftown	no data			6,682,385.00	1,877,327.03	
	17	Moshupa Boys Prison	18	-23		26,084,320.00	1,465,777.00	
	18	Prison Staff Houses at Lobatse	no data			3,162,001.00		316,787.00
abandoned	19	Prison Staff Houses at Lobatse						

No data	3	No data	0
Projects within schedule	1	Projects within budget	6
Projects with time overruns	14	Projects with escalation	12
Abandoned	1	Abandoned	1
Total	19	Total	19
Percentage time overruns within both time and cost	74%	Percentage cost overruns	68%

TABLE 4.2.4 - SAMPLE OF PROJECTS FOR THE MINISTRY OF HEALTH AT A COMPLETION LEVEL OF 95% OR GREATER Source: DBES 2004

		Project Description	Original Duration (mths)	Time Overrun (mths)	Within time (mths)	Original cost (P)	Escalation (P)	Savings (P)
	1	Segkoma Hospital & HIS Housing – Serowe	16	-7		24,916,067.50	-2,303,394.50	
	2	Scottish Livingstone Hospital Housing – Molepolole	9	-9		9,194,518.00	2,913,037.83	
	3	Mahalapye District Hospital Housing	16	-5		17,136,000.00	417,283.00	
	4	Maun District Hospital Type III Houses (Doctors)	12	-8		13,428,060.34		77,521.14
	5	Thamaga Primary Hospital Housing	9	-3		6,372,353.90		844,209.30
	6	Ghanzi Primary Hospital Housing	12	-5		12,261,886.60	3,513,569.60	
	7	Lobatse Mental Staff Housing	11	-4		10,574,068.00	1,663,442.00	
	8	Bobonong Primary Hospital Staff Housing	8	-10		4,645,665.20	616,628.15	
	9	Mmadinare Primary Hospital Staff Housing	8	-8		5,346,656.70		447,196.08
	10	Letlhakane Primary Hospital Staff Housing	8			4,632,364.00		417,618.75
	11	Tutume Primary Hospital Staff Housing	9	-9		5,911,081.35		244,238.36
	12	Athlone Hospital Staff Housing Phase I – Lobatse	11	-14		15,307,281.70		576,815.32
	13	S/phikwe Hospital Staff Housing: Phase 2 - S/Phikwe	11	-4		6,588,899.00	417,251.92	
	14	Tsabong Primary Hospital Staff Housing	7	-1		4,585,863.60	125,807.90	
	15	Molepolole HIS Housing	9	-3		11,736,115.00		245,017.30
	16	G/Hope & Tsb Prim. Hospt Sewage Treatment	5	-1		4,599,203.95		679,893.75
	17	Gaborone NHI Auditorium Fire Damage	no data			736,079.53	202,530.22	
	18	Gabs Community Sci. Health Cntr -rem. Works	no data			317,732.60	17,384.65	
	19	Gaborone NHI	32	-18		25,212,787.68	20,430,166.97	
	20	Botswana Harvard HIV Lab – Gaborone	no data			11,461,858.65	297,012.75	
	21	S/phikwe Hospital Staff Housing: Phase 1 - S/Phikwe	11	-4		5,936,558.80		188,084.33
	22	Maun Hospital Staff Housing - Phase 1 - S/Phikwe	11	-19		8,698,633.00	-39,317.05	
abandoned	23	Oral Health Unit PMH – Gaborone				12,965,887.20	-3,798,604.45	
abandoned	24	Rakops Hospital Housing				3,226,961.00		
abandoned	25	Maun District Hospital - Electrical Sub contract				23,953,146.00		
abandoned	26	Letlhakane Primary Hosp - Electrical Sub Contr				823,192.00		

No data	4	No data	0
Projects within schedule	1	Projects within budget	9
Projects with time overruns	18	Projects with escalation	14
Abandoned	4	Abandoned	4
Total	27	Total	27
Percentage time overruns within both time and cost	96%	Percentage cost overruns	67%

TABLE 4.2.5: SAMPLE OF PROJECTS FOR THE MINISTRY OF AGRICULTURE AT A COMPLETION LEVEL OF 95% OR GREATER

		Project Description	Original Duration (mths)	Time Overrun (mths)	Within time (mths)	Original cost (P)	Escalation (P)	Savings (P)
	1	National Vet. Lab. At Sebele AGR/GAB/3	12	-12		6,723,888.00	-507,395.85	
	2	Small Stocks Field Stations at Lobu.	15	-14		12,538,000.00	-1,803,403.60	
	3	LMCC & Kraal at S/Phikwe	9	-8		1,563,387.00		67,757.15
	4	L/Stock Adv. Cntr Staff Housing & Whouse – Taka	6	-9		1,648,546.00	-212,426.00	
	5	Regional Agric Offices – Serowe	9	-9		9,646,891.00	-2,964,677.44	
	6	Regional Agric Offices – Francistown	11	-7		6,900,000.00	-503,457.30	
	7	Distric Agriculture offices – Tonota	7	-4		1,553,433.00	-183,370.10	
	8	Horticulture Market – Francistown	6	-12		2,267,725.80	-361,736.68	
	9	Research Centre Impala Ranch – Francistown	12	-12		2,930,168.00	-268,390.60	
	10	Storeroom at Veterinary Offices in Palapye	4	-5		132,343.75	17,314.04	17,314.04
	11	National Tree Seed Centre, APRU, RTC Hses	12	-2		1,927,215.45	116,127.14	116.127.14
	12	Cooperative Offices in Molepolole	3	-4		487,653.00	15,741.60	15.741.6
	13	Cooperative Offices at Mochudi	5			398,281.00	18,627.70	18,627.70
	14	Staff Housing & Whouse for LAC at Masunga	6	-10		1,459,473.60	-237,298.60	
	15	District Vet, Coop Offices & Staff Hses – kasane	9	-9		2,966,826.06		545,306.66
	16	Maun Regional Agric Office & Ngamiland RTC	10	-11		3,858,925.98	-667,679.49	
	17	Storeroom at Veterinary Offices in Molepolole	4	-5		116,090.75	-3,546.71	
	18	4 No. medium Hses at Research Stn – Panda	7	-13		1,555,787.00		390,359.50
	19	Fruit Tree Nursery – Tonota	8	-11		1,369,974.00	-44,155.00	
abandoned	20	Milk Collection Centre at Pitshane				430,362.57	-44,155.00	
abandoned	21	AI Centre at Ramatlabama				6,206,600.00	-1,844,731.43	
abandoned	22	L/stock Advisory Cntr Staff Houses – Ghope				2,000,000.00		

No data	1	No data	0
Projects within schedule	0	Projects within budget	7
Projects with time overruns	18	Projects with escalation	12
Abandoned	3	Abandoned	3
Total	22	Total	22
Percentage time overruns within both time and cost	100%	Percentage cost overruns	68%

Source: DBES 2004

TABLE 4.2.6: SAMPLE OF PROJECTS FOR THE MINISTRY OF FINANCE AND DEVELOPMENT PLANNING AT A COMPLETION LEVEL OF 95% OR GREATER

		Project Description	Original Duration (mths)	Time Overrun (mths)	Within time (mths)	Original cost (P)	Escalation (P)	Savings (P)
	1	Renov and Refurb of Kazungula Road & Ferry-CBP	1		0	209,087.00		
	2	Renov and Refurb of Ramokgwebana Cust Bdr Pst	1		0	272,874.80		
	3	Department of Supplies Houses – Kasane	1		0	400,000.00	-173,019.00	
	4	AG's Revenue Office & Staff Houses – Moleps	11	-6		10,301,204.00		2,717,836.00
	5	AG's Revenue Office & Staff Houses – Moch	8	-10		10,029,667.00		4,996,665.00
	6	Regional HQ for Customs - S-Phikwe	12	-4		8,111,593.20	547,845.56	
	7	Upgrading of Martins Drift Border Post	10		0	13,975,846.40	1,970,114.60	
	8	Regional HQ for Customs - F/town	12	-2		8,350,000.00	-449,010.15	
abondoned	9	Department of Supplies Houses – Kasane				1,486,102.00	-553,233.00	

No data	0	No data	0
Projects within schedule	4	Projects within budget	4
Projects with time overruns	4	Projects with escalation	4
Abandoned	1	Abandoned	1
Total	9	Total	9
Percentage time overruns within both time and costs	44%	Percentage cost overruns	56%

Source: DBES 2004

TABLE 4.2.7: SAMPLE OF PROJECTS FOR THE MINISTRY OF MINERAL ENERGY AND WATER AFFAIRS AT A COMPLETION LEVEL OF 95% OR GREATER

	Project Description	Original Duration (mths)	Time Overrun (mths)	Within time (mths)	Original cost (P)	Escalation (P)	Savings (P)
1	DGS Core Shed at Kang	12	-1		7,696,655.56		684,857.40
2	Lift & Stockyard - DWA HQs	9	-1		2,412,154.08	-1,089,849.90	

No data	0	No data	0
Projects within schedule	0	Projects within budget	1
Projects with time overruns	2	Projects with escalation	1
Abandoned	0	Abandoned	0
Total	2	Total	2
Percentage time overruns within both time and costs	100%	Percentage cost overruns	50%

Source: DBES 2004

TABLE 4.2.8: SAMPLE OF PROJECTS FOR THE MINISTRY OF ENVIRONMENT WILDLIFE AND TOURISM AT A COMPLETION LEVEL OF 95% OR GREATER

		Project Description	Original Duration (mths)	Time Overrun (mths)	Within time (mths)	Original cost (P)	Escalation (P)	Savings (P)
	1	Centre & Staff Houses for Met Services – Werda	9	-13		5,160,816.00	-560,601.88	
	2	Centre & Staff Houses for Met Services - G/Hope	9	-27		4,158,207.35	-141,989.35	
	3	Radar Station for Dept of Met Services – Bokaa	6	-12		1,163,110.00		184,371.72
	4	Regional Offices for DWNP at Mochudi	7	-11		2,443,917.75		491,003.75
	5	Gameproof Fence - Makgadikgadi - Section C	no data			9,872,177.59		279,889.69
	6	Tourism Office Block & Staff Houses – Tsabong	no data			2,350,520.92	-390,200.58	
	7	Staff Housing at Ghanzi	7	-6		3,902,678.45		931,468.35
	8	Gameproof Fence - Makgadikgadi - Section A	no data			7,715,160.42		173,426.62
	9	Central Kgalagadi & Kutse Game Reserves	14	-3		17,894,668.05		4,570,803.65
	10	Regional Offices for DWNP at Serowe	no data			4,009,927.90	-73,376.80	
	11	Storage for DWNP at Gaborone	no data			10,578,219.80		1,359,543.90
	12	Extension & Renov to Bots WLife Training Inst.	16	-8		17,183,867.00		275,876.00
	13	Gameproof Fence: Makgadikgadi - Section B	no data			12,698,183.30		1,003,472.05
under dispute	14	Regional Offices for DWNP at Molepolole				2,346,465.39		
abandoned	15	DWNP Trophy Store at Gaborone				1,125,594.00	-387,929.00	
abandoned	16	Maintenance of Game Proof Electric Fence at				299,400.00		

No data	6	No data	0
Projects within schedule	0	Projects within budget	9
Projects with time overruns	7	Projects with escalation	4
Abandoned	3	Abandoned	3
Total	16	Total	16
Percentage time overruns within both time and costs	63%	Percentage cost overruns	44%

Source: DBES 2004

TABLE 4.2.9: SAMPLE OF PROJECTS FOR THE MINISTRY OF LOCAL GOVERNMENT AT A COMPLETION LEVEL OF 95% OR GREATER

		Project Description	Original Duration (mths)	Time Overrun (mths)	Within time (mths)	Original cost (P)	Escalation (P)	Savings (P)
	1	Monarch Customary Court – Ftown	9	-5		539079.5		15425.15
	2	Rural Administration Centre at Mahalapye	15	-2		10425259		875773.62
abandoned	3	Palapye Tribal and District Admin. Housing				1491653		182106
abandoned	4	Tsabong Tribal and District Admin. Housing				1929909	-94900	
abandoned	5	Inalegolo Tribal and District Admin. Housing				177998		
abandoned	6	Bokspits Tribal and District Admin. Housing				201513		
abandoned	7	Hukuntsi Tribal and District Admin. Housing				456182		
abandoned	8	Oodi Tribal and District Admin. Housing				270801	-67915	
abandoned	9	Leshibitse Tribal and District Admin. Housing				145917		36854
abandoned	10	Gumare Tribal and District Admin. Housing				1603728	-767946	
abandoned	11	Tlhareseleele Tribal and District Admin. Housing				150014		14511
abandoned	12	Good Hope Tribal and District Admin. Housing				1639814	-316899	
abandoned	13	Cwagare Tribal and District Admin. Housing				138320		7819

No data	0	No data	0
Projects within schedule	0	Projects within budget	2
Projects with time overruns	2	Projects with escalation	0
Abandoned	11	Abandoned	11
Total	13	Total	13
Percentage time overruns within both time and costs	100%	Percentage cost overruns	85%

Source: DBES 2004

TABLE 4.2.10: SAMPLE OF PROJECTS FOR THE MINISTRY OF LANDS AND HOUSING AT A COMPLETION LEVEL OF 95% OR GREATER

	Project Description	Original Duration (mths)	Time Overrun (mths)	Within time (mths)	Original cost (P)	Escalation (P)	Savings (P)
1	Taxes & Ags Chambers – Gaborone	31	-29		132,226,228.00	-10,539,277.57	
2	Integrated office block – Francistown	25	-21		46,825,283.37	-10,497,813.63	
3	Regional Offices for Dept of Info. & B/casting	8	-12		4,592,216.70	-200,742.19	
4	Alt & Refurb of MoTIWT HQ - Parts A & B	8	-12		1,065,183.50	-1,079,198.90	
5	MOH HQs Building – Gaborone	27	-10		163,263,867.72	-28,573,061.03	

No data	0	No data	0
Projects within schedule	0	Projects within budget	0
Projects with time overruns	5	Projects with escalation	5
Abandoned	0	Abandoned	0
Total	5	Total	5
Percentage time overruns within both time and costs	100%	Percentage cost overruns	100%

Source: DBES 2004

TABLE 4.2.11: SAMPLE OF PROJECTS FOR THE MINISTRY OF LANDS AND HOUSING AT A COMPLETION LEVEL OF 95% OR GREATER

	Project Description	Original Duration (mths)	Time Overrun (mths)	Within time (mths)	Original cost (P)	Escalation (P)	Savings (P)
1	Regional Offices for DIB – Serowe	8	-12		4592216.7	-79344.3	
2	Construction of Transmitter Building – Ngoma	no data			700000	-120000	

No data	1	No data	0
Projects within schedule	0	Projects within budget	0
Projects with time overruns	1	Projects with escalation	2
Abandoned	0	Abandoned	0
Total	2	Total	2
Percentage time overruns within both time and costs	50%	Percentage cost overruns	100%

Source: DBES 2004

TABLE 4.2.12: SAMPLE OF PROJECTS FOR THE MINISTRY OF TRADE AND INDUSTRY AT A COMPLETION LEVEL OF 95% OR GREATER

	Project Description	Original Duration (mths)	Time Overrun (mths)	Within time (mths)	Original cost (P)	Escalation (P)	Savings (P)
1	Co-op Offices & Staff Houses – Ghanzi	no data			2,001,467.35	-939,480.35	
2	IFS Houses - Gumare & Kasane	no data			1,741,574.87		7,744.23
3	MTI HQ refurbishment Phase II – Gaboronwe	no data			2,018,000.00		0.00

No data	3	No data	0
Projects within schedule	0	Projects within budget	2
Projects with time overruns	0	Projects with escalation	1
Abandoned	0	Abandoned	0
Total	3	Total	3
Percentage time overruns within both time and costs	0%	Percentage cost overruns	33%

Source: DBES 2004

TABLE 4.2.13: SAMPLE OF PROJECTS FOR THE MINISTRY OF WORKS AND TRANSPORT AT A COMPLETION LEVEL OF 95% OR GREATER

		Project Description	Original Duration (mths)	Time Overrun (mths)	Within time (mths)	Original cost (P)	Escalation (P)	Savings (P)
	1	Electrification of fuel point at Werda	8	-9		59,177.40	-889.7	
	2	Electrification of fuel point at Nata	16	-7		45,607.32		2547.47
	3	Electrification of fuel point at Letlhakane	17	-5		57788.5	-3025	
	4	Electrification of fuel point at Charles Hill	18	-4		58037.21	3964.89	
	5	Retiling Maun Airport Public Concourse Area	2		0	217888	-10395	
	6	Driver Testing Grounds & Reg. Office – Serowe	8	-6		4181405.04	-888030.16	
	7	Vehicle Testing Station – Palapye	9		0	16251734		1535371
	8	Alterations & Modification to DTGs – Palapye	5	-4		699453.7	-2930.05	
	9	Vehicle Testing Station – Lobatse	10	-4		13729994.78		2016662.33
	10	Conversion of House to DRTs Offices – Sowa	4	-1		361112.2		59028.7
	11	Conv. Of W/house to DRTS office – Mogoditshane	1	-2		323385.12	-30171.83	
	12	Roads Depot at Tsabong	8	-6		1593394		229659.65
	13	Sewerage connec. To Police Houses - Old Naledi	3	-4		330876.9		26325.6
abandoned	14	Extension of DBES workshops - Selibe Phikwe				444444.44	101085.56	

No data	0	No data	0
Projects within schedule	2	Projects within budget	6
Projects with time overruns	11	Projects with escalation	7
Abandoned	1	Abandoned	1
Total	14	Total	14
Percentage time overruns within both time and costs	86%	Percentage cost overruns	57%

Source: DBES 2004

TABLE 4.2.14: SAMPLE OF PROJECTS FOR THE MINISTRY OF EDUCATION (BOIPELEGO) AT A COMPLETION LEVEL OF 95% OR GREATER

	Project Description	Original Duration (mths)	Time Overrun (mths)	Within time (mths)	Original cost (P)	Escalation (P)	Savings (P)
1	Bokamoso CJSS, Gaborone West CJSS	12	-8		1,795,500.00	-149,820.85	
2	Marang CJSS	12	-1		1,649,310.00	-211,438.44	
3	Matlala CJSS ; Not Applicable	12	-11		1,060,455.10		34,559.75
4	Tlokweng CJSS, Not applicable	12	-7		1,212,039.32	-152,582.11	
5	Tsodilo CJSS; Tshwaragano CJSS	10	-5		4,688,999.00	-420,177.10	
6	Sedie CJSS & Moeti CJSS, Kutlwano CJSS & Rakops CJSS	12	-3		5,495,756.00	-1,201,057.10	
7	Etsha CJSS, Okavango CJSS & Ngame CJSS, Chobe CJSS	12	-10		9,971,883.00	-210,338.10	
8	Tsabolong CJSS & Kgolagano CJSS	12	-2		3,883,034.00	-557,676.05	
9	Bonwatlou CJSS; Matsiloje CJSS; Tashata CJSS; Tonota CJSS	12	-9		5,852,865.00		837,955.00
10	Mokgalo CJSS, Mokobeng CJSS; Sefhare CJSS; Lerala CJSS	12		0	6,226,387.00	-295,623.00	
11	Mmathethe CJSS, Ntwalang, Emang, Mathiba CJSS	12		0	5,712,301.00	-391,809.00	
12	Mahupu,Lempu, Kgamanyire, Thamaga CJSS	12	-11		7,402,998.00		314,774.21
13	Kumakwane CJSS	12	-2		569,158.70		36,627.60
14	Mothomo, Pitikwe, Metsimasweu CJSS	12	-2		7,382,050.00	-119,504.50	
15	Nkange CJSS & Pandagala CJSS, Setlalekgosi CJSS	12		0	4,812,726.00	-1,799,342.70	
16	Mariba CJSS	12	-4		1,126,190.26		16,266.32
17	Matsheng CJSS & Mookane CJSS	12	-2		5,565,000.00		275,233.75
18	New CJSS at Mosu	10	-4		12,091,400.00	-762,340.33	

No data	0	No data		0
Projects within schedule	3	Projects within budget		6
Projects with time overruns	15	Projects with escalation		12
Abandoned	0	Abandoned		0
Total	18	Total		18
Percentage time overruns within both time and costs	83%	Percentage cost overruns		67%
			0	

Source: DBES 2004

TABLE 4.2.15: SAMPLE OF PROJECTS FOR JWANENG TOWN COUNCIL AT A COMPLETION LEVEL OF 95% OR GREATER

	Project Description	Original Duration (mths)	Time Overrun (mths)	Within time (mths)	Original cost (P)	Escalation (P)	Savings (P)
1	Construction of sewage pump station - EU II	3	-15		144,140.00		15,697.54
2	Renov. Of prefab Hses & childrens park - EU I	2	-1		144,735.00	2,550.00	
3	Constr. Of roadway, paving walkway	2	-3		613,591.00	9,221.64	
4	market stall - CBD South Jwaneng	3	-2		106,404.50		1,289.90
5	Supply Installation - sewage pump	1	-3		563,695.00		897.10
6	Election or cover at civic centre	1	-4		26,000.00	-5,000.00	
7	Supply & Installation - surface pumps	2	-1		192,993.00	-8,000.00	
8	3 No. children's parks and playing grounds	4	-8		557,675.00	-23,514.94	
9	Construction of green house	2		0	176,191.00		157.50
10	Supply & installation – computers	1		0	82,981.00		6.00
11	Exp of telementry for streetlighting and sewer	2	-1		217,916.00		9,355.00
12	Supply & inst of 11 No. Aircon units	1		0	84,611.00		3,175.00
13	Labour intensive veg cntrl & side drain cleaning services	1	-1		77,182.20		3,210.00
14	Re-roofing of Kgalagadi Primary School	2	-10		761,414.60	-166,188.40	
15	Rehab of Portion of Jwana Street	3		0	789,884.29	-34,488.71	

No data	0	No data		0
Projects within schedule	4	Projects within budget		8
Projects with time overruns	11	Projects with escalation		7
Abandoned	1	Abandoned		1
Total	16	Total		16
Percentage time overruns within both time and costs	75%	Percentage cost overruns		50%

3

Source: DBES 2004

TABLE 4.2.16: SAMPLE OF PROJECTS FOR CITY OF FRANCISTOWN AT A COMPLETION LEVEL OF 95% OR GREATER

		Project Description	Original Duration (months)	Time Overrun (months)	Within time (months)	Original cost (P)	Escalation (P)	Savings (P)
	1	New Primary School at Tatitown	11	-5		10,486,975.00	92,879,953.34	
	2	New Primary School including 25 TQs	9		0	no data	no data	
	3	4/Double storey T/Qs	10		0	5,580,349.00		551,715.88
	4	2 Nurses Houses	5		0	363,553.30		61,306.09
	5	2 Nurses Houses	5		1	367,306.50		48,315.53
	6	2 Nurses Houses	5		0	371,800.00		53,056.78
	7	Maintenance of Treatment Works & pump st.	11		0	301,952.00	-65,206.00	
	8	Sampling and Analysis of waste-water	11		0	49,253.36		471.37
Abandoned	9	Maintenance of Elector-Mech Equip	no data	no data		372,955.00	no data	
Abandoned	10	Donga Primary School	no data	no data		12,320,363.85	no data	
Abandoned	11	100 Core house for SHHA	no data	no data		2,000,000.00	no data	

No data	0	No data	0
Projects within schedule	2	Projects within budget	6
Projects with time overruns	11	Projects with escalation	7
Abandoned	1	Abandoned	1
Total	14	Total	14
Percentage time overruns within both time and costs	86%	Percentage cost overruns	57%

[1]

Source: DBES 2004

TABLE 4.2.17: SAMPLE OF PROJECTS FOR DEPARTMENT OF LOCAL GOVERNMENT & DEVELOPMENT AT A COMPLETION LEVEL OF 95% OR GREATER Source: DBES 2004

		Project Description	Original Duration (months)	Time Overrun (months)	Within time (months)	Original cost (P)	Escalation (P)	Savings (P)
	1	Food Relief Services Depot – Letlhakeng	6	-9		1,864,427.00		377,699.00
	2	Supply & Erec of prefab units for L/ Police Training Insti	3	-1		2,997,053.95		732,354.77
	3	Ghanzi Mechanical Workshop	10		0	5,070,000.00		255,510.41
	4	PSFBL Eradication - Kweneng - Pack 2	7	no data		5,214,156.67		284,624.37
	5	PSFBL Eradication - Southern - Pack 4	10	no data		8,050,207.29		745,806.57
	6	Council Chambers at Mochudi	9	-10		6,800,050.00	(1,097,665.45)	
	7	Council Chambers at Molepolole	10	-11		8,458,820.00	(787,371.00)	
	8	PSFBL Eradication - Kgalagadi - Pack 9	6	no data		9,736,158.40		169,031.40
	9	Council Chambers at Kanye	9	-11		8,686,514.35	(1,283,095.05)	
	10	Rural Admin Centre at Charles Hill	10	-3		11,480,000.00	(1,039,804.00)	
	11	PSFBL Eradication - Kweneng - Pack 1	11	no data		14,317,380.00		1,442,799.91
	12	Rural Admin Centre at Hukuntsi	10	-12		13,491,503.00	(59,567.30)	
	13	Rural Admin Centre at Gumare	10	-4		12,987,473.73	(914,904.20)	
	14	Council Chambers at Serowe	12	no data		15,252,798.11		835,124.91
	15	Rural Admin Centre at Mabutsane	13	7		15,228,288.00	(224,600.00)	
	16	Rural Admin Centre at Palapye	10	-6		14,710,000.00	(790,878.57)	
Abandoned	17	Remote Area Dweller Hostel				3,257,776.44		
Abandoned	18	Food Relief Services Depot – Palapye				1,849,832.00		

No data	5	No data	0
Projects within schedule	1	Projects within budget	8
Projects with time overruns	10	Projects with escalation	8
Abandoned	2	Abandoned	2
Total	18	Total	18
Percentage time overruns within both time and costs	67%	Percentage cost overruns	56%

1

ANNEXTURE B

QUESTIONNAIRE ON CITIZEN CONTRACTOR DEVELOPMENT

Since Independence the Botswana Government embarked on poverty alleviation and employment creation.

The Government assisted its citizens to develop trade skills such as bricklaying, carpentry, plumbing etc. through Trades schools such as brigades and on the other hand, the government created Botswana Entrepreneurship Development Unit (BEDU) under the Ministry of Commerce to assist citizens to develop necessary managerial and entrepreneurship skills in order to access the open market.

Over the years the Government has formulated policies geared towards promoting citizen (small) contractor development in the construction industry sector.

In recent years, there have been reports that suggest that the Government intervention that promotes citizen contractor development has not been successful. Development projects have been cost overrun, abandoned by citizen contractors.

You are kindly requested to honestly answer the following Questionnaire. You may use additional paper to elaborate your answer.

1. Are you aware of Government intervention or policies that are intended to assist citizen contractor development?

   a) Yes

   b) No

   If yes, please list them ……

   …….

   …….

2. Do you think Government objectives on these interventions or policies are clearly defined for all stakeholders to understand?

   a) Yes

   b) No

   c) Not sure

3. If your answer to question 2 is “No”, what do you think should be done to improve the situation?

……

……

……

……

4. Do citizen contractor fully understand and appreciate government interventions?

   a) Yes

   b) No

5. If your answer to question No. 4 is “yes”, then, what is the cause of failure? Explain.

……

……

……

……

6. If your answer to question No. 4 is “No” what can the government and other stakeholder do to ensure that citizen contractors understands government main goals.

……

……

……

……

7. Do Procuring Agents understand what government intend to achieve with policies and interventions for citizen contractor?

   a) Yes

   b) No

8. If the answer is no, what can be done? Explain

……

……

……

……

9. Do the Project Implementation Departments have the necessary institutional capacity mentoring, monitoring and performance of contractor?

   a) Yes

   b) No

   c) Not sure

10. If your answer is “No”, what can be done to improve institutional capacity of the project implementation departments to develop performance monitoring system that enable the government to identify problems that are faced by citizen contractors

……

……

……

……

11. As stated earlier, that government has implemented various intervention schemes as a bid to assist citizen contractor. Do you think that the government should now treat citizen contractor development as a full fleshed development programme? Explain

……

……

……

……

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