

Labour-based works in Lesotho: Capacity building and development of construction industry

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1. BACKGROUND

Developing countries have poor people, many of whom are underemployed or unemployed. Considering the case of Lesotho, the employment situation is unstable.

1.1. Problem analysis in relation to Lesotho

- a) Increase in Poverty which is characterised by many problems. Some of them are:

Inaccessibility

Inadequate rural infrastructure in the form of roads resulting in severe communication problems. Major problem to the economic and social development of remote areas is the isolation of these areas from any economic and social services like markets, schools, clinics, etc.,

Unemployment

Unemployment and underemployment are major problems in Lesotho. It is estimated that out of a population of about 2 million, labour force of 988,700, 340,000 is unemployment. The yearly increase of labour force is 20,000. There is a continuing decline of employment opportunities for Basotho in RSA especially in the mines which used to employ about 40% of Lesotho's labour force as migrant labourers.

- b) All road construction works were carried out by international contractors and consultants specialising in machine intensive construction methods and that resulted in most of the money going out of the country.
- c) Road works activities were mainly carried out by Force Accounts Units. Some of these activities, especially routine maintenance were not operating effectively and efficiently.
- d) There is a continuous brain drain for the technical staff. Most of the technical staff leave Lesotho to work in other countries. This is mainly due to better remuneration in those countries.

The combination of the above problems create a serious employment challenge for Lesotho. For a poor, labour surplus economy like Lesotho, the basis for advocating labour-intensive schemes is indeed solid. It has been proved that the introduction of labour-intensive construction techniques is a viable proposition for a wide variety of different public work schemes.

1.2. Overall government policy

- a) Overall government policy in the 5th five year (91/92 – 95/96) and 6th three year (96/97 – 98/99) development plan is reduction of poverty amongst the targeted poorest in Lesotho through social, economic and environmental projects based on a community led approach.

The Government decided to follow a number of strategies to reduce poverty. Some of them were:

- development of the private sector, this sector was to be the growth engine of the economy.
 - creation of employment in all activities which could be carried out by labour.
- b) The major government policy in construction is the development of construction industry. This involves use of local consultants, suppliers and contractors in construction.
- c) Privatisation of all activities which can be carried out efficiently by private sector.

2.0. LABOUR CONSTRUCTION UNIT (LCU)

The LCU is one of the Labour-Based road construction and maintenance Departments in Lesotho. This department implements some of the above government policies in order to reduce poverty.

2.1. Objectives of the LCU

- a) The primary objective of the LCU is to provide functional rural road communication in order to promote the socio-economic conditions of rural people.
- b) To promote and propagate the use of efficient labour-based construction and maintenance in Lesotho, thus creating both assets and employment.

2.2. LCU Historical Background

Labour Construction Unit was established in 1977 with the objective of creating employment for retrenched mine workers from RSA. LCU was established as a pilot project and then it expanded gradually. All the construction and maintenance works were carried out by force account teams up to 1993.

In 1993, Lesotho Government entered into an agreement with IDA. One of the objectives of the agreement was development of Small Scale Contractors. Under this agreement 20 contractors were trained for a period of two years. During the second phase of GOL - IDA agreement (1996 - 2000), the plan was to train 36 contractors. To date, 24 contractors have been trained. The training course for the last batch of 12 contractors started in February 1999 and it will end around October 1999.

All road rehabilitation, periodic and routine maintenance works are carried out by contractors. All routine maintenance contracts are allocated to all trained contractors using the ballot system, with the purpose of increasing capacity for contractors. All rehabilitation works and periodic maintenance are allocated to

contractors following standard bidding procedures. Currently all road construction and upgrading are carried out by force account teams.

2.2. Responsibilities of the LCU

- a) The original responsibility was upgrading and maintenance of the 2,300km of feeder roads.
- b) In 1997 LCU was given additional responsibilities:
 - Construction and maintenance of some of the Lesotho Highlands Revenue Funded (LHRF) roads projects, and
 - Maintenance of the LHDA feeder roads around the dams.

2.3. 20 Year Programme

In order to construct and maintain 2,500km of roads, LCU prepared a twenty-year programme. The latter was divided into four phases:

Phase I (1990 – 1992)

Improving rural road communication

The major concentration was on research and development of standards, specification, and work methods.

Phase II (1993 – 1998)

Providing large scale employment opportunity for rural people

LCU worked hard to increase the capacity for implementation of more road activities in order to create employment for more people. At the same time, LCU was committed to keeping standards and quality in order to reduce maintenance cost and impact on environment.

Phase III (1999 – 2004)

Expansion phase

Expansion of LCU activities throughout the country. Increase in employment and rural infrastructure creation.

Phase IV (2005 – 2010)

Rehabilitation and maintenance phase

Shift from construction and upgrading of roads to rehabilitation and maintenance.

2.4. Funding

LCU is currently funded by IDA, KfW, EU and Irish Aid. In addition, there is a lot of money from LHRF which is for community projects.

2.5. Current Challenges which faces LCU

- LCU has been given additional responsibilities.
- There is insufficient capacity to implement additional funded road projects which have to be constructed and maintained.
- The rate of construction is low as compared to the plans.

2.6. Strategies which are used to answer the challenges

LCU increased its capacity to implement the Programme by:

- orienting and using local consulting firms
- development of small scale contractors in road construction and maintenance
- training more force account technicians

3.0. ORIENTATION AND USE OF LOCAL CONSULTANTS

As stated above, LCU uses different strategies to answer the challenges but the major concentration will be only on the first strategy.

3.1. Why LCU Uses Consultants

- to increase in-house capacity for implementation of expanded Programme.
- to reduce the design and supervision burden of road works on over-stretched technical and managerial staff of the LCU.
- the works are simple and they can be implemented.
- to allow LCU to act solely as a client as opposed to the current situation of a combination of client and consultant.

Types of consultants used

Long-term Consultant

LCU has engaged four individual local consultants. The positions are funded by IDA & GOL. The positions were advertised on local papers and South African papers. The best technically evaluated applicants were engaged. The salaries were paid according to their financial proposal.

Consulting firms

Since its establishment, LCU has been using in-house engineers (LCU Engineers and Technical Assistants) to design, supervise and monitor the construction works. Due to many requests for road projects to be constructed, LCU will use local consulting firms who are experienced in road construction.

3.2. Types of consultants' contracts used

LCU uses two types of contracts:

- a) Lump sum contract
This is used where scope can be defined (e.g. design works)
- b) Time-based
This is used for supervision

3.3. The roles of consultants

The major roles that consultants play are:

- survey and design of the selected route to suite labour-based method of implementation.
- preparation of BOQ, contract documentation and invitation of bids.

- evaluation of bids and recommendation to the LCU of the accepted bid.
- contract administration
- mentorship
- training of LCU technical staff
- training of contractors.

3.4. The selection procedure for consulting firms

LCU's objective is to register all local consultants with minimum resources who want to implement labour-based works. Local Consulting firms who were interested in implementing labour-based works were requested to submit their company profile. All the consultants who submitted their company profile were invited to the orientation workshop. At the workshop, the plans of LCU including selection procedure for consultants were explained to them.

a) Selection procedure for road construction and rehabilitation consulting firms is as follows:

i. Experience

LCU only orient the consulting firms but does not train consultants. Therefore LCU uses experienced consulting firms. The firm must have designed two projects, one of which is a road project as well as having supervised three projects, one of which being a road project.

ii. Resources

Manpower

A firm should have within their structure the following expertise;

- One qualified road design engineer who has designed at least one road.
- One resident Engineer preferably with labour-based experience, who has supervised 3 projects, one of which must be a road.
- One materials Engineer or has a commitment for a material Engineer who will be available as necessary.
- One surveyor.
- As a firm they should have all the necessary support staff for the project.

Note

It is desirable that the majority of the key professional staff proposed should be permanent employees of the firm or have an extended and stable working relationship with it.

Proposed professional staff must, at a minimum, have the experiences indicated above, preferably working under conditions similar to those prevailing in Lesotho

Other Resources

- one office - established with drafting facilities.
- must have guaranteed access to a laboratory.

Legal Status

The firm must be registered in Lesotho as a company, and have a certificate of professional indemnity or a bond to be eligible.

b) The selection procedure for road rehabilitation and periodic maintenance consulting Firms.

The selection procedure was lowered because the works are simple and do not need major technical expertise. In order to register the consulting firm for the above works, he has to have the following:

i. Manpower

One civil Engineer preferably with labour based experience, who has supervised 3 projects, one of which must be roads.

Necessary staff for the project

ii. Other Resources

Physical address in Lesotho

Must have access to a laboratory

iii. Legal Status

The firm must be registered and licensed in Lesotho as a company and have certificate of professional indemnity or a bond to be eligible.

4.0. REGISTRATION AND ALLOCATION OF WORKS TO CONSULTING FIRMS

Annually, consulting firms submit their company profile showing clearly the resources they have. LCU is maintaining the register for all consulting firms depending upon the set selection criteria. The consultants are classified into two groups. Group 1 is for consultants who have minimum resources for survey, design and supervision of all road works from construction to maintenance. Group 2 is for the consultants who have only enough resources to implement the rehabilitation and maintenance works.

The consulting firms are short- listed for the works which can be carried out by them. The requests for proposals are sent to them. The best technically evaluated bidder is recommended. If his financial bid is acceptable, the consulting firm is awarded a job.

CONCLUSION

Overall objectives of LCU fall under overall government policies. LCU has been meeting a number of challenges in implementing some of the government policies. It has been successful in answering most of the challenges. We hope that by the use of consultants we can increase our capacity to manage the expanded programme. As stated earlier, there are other strategies followed in implementing this programme like development of small scale contractors and training of additional technicians to supervise the force account units.

The use of consultants is at its initial stage. The procedures mentioned above will be modified depending on experience gathered. The number of registered contractors may reduce due to the performance of some of the consultants or increase due to additional new interested consultants.