



Community Contracting and Organisational Practices in Rural Areas

A Case Study of Malawi Draft Report

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Acronyms

ADC	Area Development Committee
ADP	Area Development Program
CAAC	Commitment Area Action Committee
CBO	Community Based Organisation
CDD	Community Driven Development
CTB	Central Tender Board
DA	District Assembly
IPCs	Internal Procurement Committees
EIIP	Employment Intensive-Investment Programme
EU	European Union
ILO	International Labour Organisation
MASAF	Malawi Social Action Fund
NASFARM	National Smallholder Farmers Association
NCIC	National Construction Industry Council
NGO	Non-Governmental Organisation
PRA	Participatory Rural Appraisal
PTA	Parents Teachers Association
RAMPA	Rural Accessibility and Mobility Pilot Activity
TA	Traditional Authority
VAC	Village Action Committee
VDC	Village Development Committee
WVI	World Vision International

1.0 INTRODUCTION

1.1 Background to the Study

The global Employment Intensive-Investment Programme (EIIP) of the ILO promotes and supports the generation of productive and decent employment through local resource-based investment policies and programmes in infrastructure to contribute to poverty reduction, economic development and social progress. ASIST Africa (Advisory Support, Information Services and Training) has held the role of the delivery mechanism for EIIP in Eastern and Southern Africa. The programme has been considered fairly successful and is believed to have had significant impact, particularly when it comes to the delivery of infrastructure and services using the labour-based technology through small and micro-enterprises. Nevertheless, some work has still to be done to ensure effective participation of the local communities in decision making and implementation of interventions to improve their livelihoods.

The ongoing decentralisation reforms in several countries in the region calls for the need to match the transfer of development responsibilities to the local authorities and communities with adequate responsive measures to strengthen capacities for beneficiary involvement at local level. Community empowerment e.g. through training, employment creation, social dialogue, etc. forms an important part of this process. Community contracting is one of the very encompassing tools for community empowerment which combines technical, institutional and socio-political aspects of development. Community contracting is one area that ILO has been involved - in the recent past, but needs further exploring to be able to scale-up and mainstream the approach in the development processes as a core strategy for community empowerment and poverty reduction.

Community contracting involves a contract between a client (e.g. the local authority) and the community, for a remunerated employment package. It is a people-centred approach for infrastructure and service delivery where both or all parties to development recognise the benefits. Community contracting for physical implementation of works of which they are the direct beneficiaries helps to retain substantial portion of any external funding into their hands as well as helping to build their self-esteem. Community groups are also best involved in project identification, priority setting and formulation, which in effect reinforce the ownership aspect. The community contracting approach responds to the needs of the community on a longer - term period through emphasis on optimisation of local resources, better organisation, accountability and ownership at local level. This is opposed to conventional approaches which may have more benefits to service providers.

1.2 Justification for the Study

A body of knowledge already exists in ILO with regard to community contracting. However, this is mainly from the urban context where most of the recent projects have been or are being implemented, and hence the justification for this rural-based study. In this regard, the following issues are worthy noting:

- ▶ **To address increasing demand:** - Owing to the need for development approaches and interventions that directly address poverty at local level, there is an increasingly high demand for community contracting information, procedures and/or guidelines by practitioners in the region to facilitate effective community organization for development work in both urban and rural areas.
- ▶ **To fill the knowledge gap:** - Community contracting is a slightly new concept which needs further development based on the existing practical experiences. Consequently there is paucity of comprehensive knowledge and documented practical examples and case studies in relation to the rural contexts of Sub-Saharan Africa.
- ▶ **To promote a standardized and acceptable implementation system for public infrastructure works at community level:** - This is intended to substitute or complement provision of voluntary (unpaid) labour which is often a requirement in most community infrastructure works receiving external support. This pre-condition is usually set as a contribution in-kind of voluntary unskilled labour and locally available materials like sand, gravel, etc. In most cases, the pre-condition is unwelcome by the beneficiary communities who see themselves as poor and yet required to work for free. Furthermore, where the community provides voluntary labour, it is usually the poorest members and especially women who end up contributing free labour. The problem of unpaid labour in public infrastructure works like roads and community access is compounded by the undefined nature of ownership and responsibility in this category of infrastructure and the fact that the asset may serve/benefit a wider community than those actually involved in its development. This is opposed to buildings or irrigation type of infrastructure with a more defined group of owners and beneficiaries.

1.3 Study Objectives

- (i) To identify and document prominent examples and lessons from the past and ongoing community contracting practices and community organization modalities for public works development initiatives in rural areas of selected study countries.
- (ii) To develop draft guidelines and test strategies that will provide applicable solutions in different rural contexts and open to adaptations to local conditions. These will be based on the examples of good practices and lessons for improvement. The guidelines will enable practitioners and communities to design and incorporate community contracting system into public development projects, and also serve as training materials.
- (iii) To promote and advocate the benefits of community contracting as a potential tool for local community empowerment, poverty reduction and sustainable development, e.g. through employment creation, enhancing social dialogue, social security, transparency, accountability and ownership.

1.4 Study Methodology

The methodology used in the study, encompassed a desk-work study of key/available information on community contracting. In addition, a fieldwork study was conducted with the aim to cover a survey of past and ongoing initiatives so as to extract and document practices and lessons. During the field study, the following were undertaken: (i) Semi-structured interviews with key players involved in funding and giving contracts to urban and rural areas; and, (ii) case studies of selected communities involved in community contracting. Exploratory visits together with semi-structured interviews and focus group discussions were held with key community groupings, project committees undertaking community investment programmes and petty contractors. **Appendix 1a** and **1b** provides a list of all organisations and community key players consulted in this study.

2.0 TYPES & NATURE OF EXISTING ORGANISATION MODALITIES

Conceptually, and perhaps, practically, existing organisations identified can be broadly broken down into permanent structures and non-permanent structures. All the structures identified are part of the primary beneficiary communities and these can be direct or indirect beneficiaries of development project interventions. Each of the identified existing organisation modalities are discussed in the following paragraphs. Please note that the order in which these organisation modalities have been discussed does not reflect the relative importance of the organisations.

2.1 Project Management Committees

These are temporary structures commonly used by MASAF and Plan Malawi. In all cases, the Project Management Committees (PMCs) are democratically elected by the community leaders together with the community members. These are comprised of 10 committee members, that is, 5 men and 5 women. In all cases, the members of the PMC are part of the target communities in the project area.

The role of the PMC is to oversee the management of the project being implemented. Once the project finishes, the role of the PMC also ceases. The committee members all undertake their roles on a voluntary basis. This voluntary status of the people steering the affairs of community contracting is a major stumbling block in successfully embarking upon community contracting. Many aspects of community contracting (mobilisation, procurement and daily contract management) are very demanding and require some form of allowances to motivate members to provide full time devotion to the management of the projects.

2.2 Clubs

This is a permanent structure existing under the EU Public works. The club is a group of interested and willing participants charged with the community management of the programme. The clubs are formed by community members who have previously participated in road rehabilitation work. Up to 12 people may form a club depending on the length of the road. People along each road, form a club whereby they elect a chairperson, secretary, and a treasurer for their club.

The concept of the club is that each club member is expected to maintain a one kilometre length of road using tools provided by the programme. The club is responsible for the overall quality control and maintenance of activities and receive/distribute funds between themselves. Clubs get their contracts through the District Assemblies (DAs).

The club approach has been central to the key success of the Government of Malawi and European Union Public Works programme, for it has empowered local communities.

2.3 Area Development Committee

The Area Development Committee (ADC) is a permanent structure used under the District Assemblies Managed Programmes. The ADC is a representative body of all Village Development Committees working within the jurisdiction area of the Traditional Authority (TA). The ADC is composed of members of assemblies from the area, representative of religious organisations, youth, women groups, business community and chairperson of the Area Executive Committee (AEC). The main functions are to assist in the identification, prioritisation and preparation of community projects and submit the proposal to the District Executive Committee (DEC). ADC supervises, monitors and evaluates implementation of community managed projects at traditional authority level. The term of office of ADC is three years.

2.4 Village Development Committees

The Village Development Committee (VDC) is the lowest structure that falls under the District Assemblies Managed Programmes. The VDC is a representative body for a village or group of villages. It is responsible for facilitating planning and development at the village level. A VDC is composed of elected members from each village within the VDC, ward councilors, women representatives nominated by people within the VDC and an elected extension worker.

The main functions of a VDC are; identification, prioritisation and preparation of community projects which are submitted to the ADC. Other functions include, mobilisation of community resources, supervision, monitoring and evaluation of implementation of development projects. The term of office for members is three years.

The VDC at the lowest level is often the main committee in charge of community contracting. But in other instances there are sub-committees organised along functional lines (e.g. the education sub-committees, these were found in Plan Malawi and MASAF). Where the coverage of public works goes beyond one Traditional Authority area, for example road construction or rehabilitation, the ADC structures are used.

The advantage of using an already existing structure like the VDC is that since the group is within the community, it acts as a representative body for voicing opinions and acting for the community.

2.5 Petty contractors

These were identified as builders or local artisans who come from the beneficiary community. In the study undertaken, petty contractors were mostly engaged by PMCs or other community groupings. In all the identified cases, the petty contractors were those with previous experience in public works and this was one of the important criteria used to determine the qualifications of a local contractor.

The ease with which to obtain a petty contractor is one of the advantages of using such an arrangement. Petty contractors are normally hand picked by a committee or group tasked to carry out community contracting. However, in some other instances where 3 or more petty contractors exist, their experience and references are assessed and the best is picked.

2.6 Community contractors

Community contractors are based within communities. They can be utilised to manage community contracts of public works or infrastructure to facilitate economic growth in rural areas. Two communities visited preferred to use community contractors. However, the Rural Accessibility and Mobility Pilot Activity (RAMPA) programme under the Malawi Road Maintenance and Rehabilitation Project, provides a very good experience of community contractors. Under the RAMPA project, the contractors are organised in small-scale contractor clubs, which comprise of 2 to 3 members in each ADC. Though these small scale club contractors are not registered as contractors, plans are underway to negotiate for a category of public works with less requirements under the National Construction Industry Council.

These community small contracts can be accessed through the District Assembly. The DA's Director of Public Works assigns work to the community contractors from time to time.

2.7 Other community groupings

Area Development Program Executive Committees

These are permanent structures used by World Vision Malawi. The members of the Area Development Program (ADP) community management units are representatives elected from the Commitment Area Action Committee (CAAC). The role of the ADP committees in community contracting is to facilitate the preparation of action plans by the communities on issues that require their participation. The ADP executive committee also plays the roles of supervision, monitoring and evaluation.

The Commitment Area Action Committees which makes up the ADP is the structure which is responsible for the full management of the contracts in community contracting. CAACs can have up to 15 members. The focal persons who make up the CAAC are elected from among the existing Village Action Committees (VACs). One CAAC can have up to 30 Village Action Committees.

The VACs are democratically elected by the community and their role in community contracting includes; mobilising community members and identifying areas of priority within the villages. The VAC works with parallel committees within the village such as the cooperatives, health committees and Parents Teachers Associations (PTA).

Association committees

The National Smallholder Farmers Association of Malawi (NASFARM) uses Association Committees in the public works activities. The association committees are made up of clubs. These clubs are formed with 10 to 20 farmers who work together in a Group Action Committee (GAC). These clubs then in turn form Associations of 300 to 5000 members. The Association Committee is elected by the general body of clubs. Association sub committees are the structures tasked to coordinate and manage development projects at the community level.

2.8 Emerging issues for guidelines

- ***Democratically elected structures:*** A general overview of the assessed organisational modalities and structures reveals that to successfully run community contracting, one of the main factors to consider is that a committee or community grouping must be chosen through a democratic process, a factor that should help the acceptability of the leadership, which in turn enhances group cohesion. When individual members are democratically chosen, the level of commitment is high. The fact that the community organisations are now defined in this way gives confidence that community contracts will not detract on their main focus but will be used to enhance the achievement of the main goal.
- ***Self perpetuating structures:*** One of the objectives of community contracting is to empower communities and this can be achieved through creating strong representative groups at the community level. The aim should, therefore, be to create self perpetuating institutions through which community members can work together to manage their human and material resources to reach higher standards of living. It is only through such maturity that communities can maintain and sustain projects.
- ***Development of suitable structures:*** Depending on the context, local communities may sometimes lack a suitable structure that may serve as a community contactor. In this case, it may be necessary for the contracting organisation to create a structure that can handle issues related to community contracting. Such a structure should be modelled to become permanent.
- ***Institution-building:*** In order to support the implementation of sustainable community based projects, community structures such as VDCs and farmer's committees will need to become much stronger. Greater emphasis must be given to the institution-building side of development in addition to just infrastructural development. Government services can facilitate this and NGOs may be well placed to support this aspect.

3.0 CONTEXTUAL, INSTITUTIONAL & LEGAL FRAMEWORKS

3.1 Community contracts

The type of community contracts used by the various community groups and committees, were assessed using the following definitions provided by ILO¹.

- a. Labour- only contracts: The community is only responsible for the provision and organisation of the labour input. The contracting authority or external assistance group is responsible for the timely provision of materials and equipment in sufficient quantity and quality.
- b. Labour and material contracts: The community is responsible for both the labour and materials input for a certain construction activity.
- c. Full contract: Under a full contract the community provides the labour, materials and the necessary equipment, and is also responsible for overall management, sub-contracts e.t.c. The local government or contracting organisation provides technical assistance.

The types of contracts used in the communities assessed are presented in **Table 2**. This table also presents the organisational structures used and how these were selected to manage the contract.

Table 2: Community contracting models

Public works development initiatives	Contracting organisation	Type of contract	Organisation structure used	Selection process of organisation structure
Gumbi-Sanjiko Road Rehabilitation	MASAF	Labour only	Project management committee	Community consensus
Chimpampile Dam	MASAF	Labour and material	Project management committee	Community consensus
Chagogo School- Construction of a new block	MASAF	Full contract	Project management committee	Community consensus
Chimwala Bridge project	MASAF	Full contract	Project management committee	Community consensus
Chimwasonge school - VIP toilet construction	Plan Malawi	Labour and material	School management committee	Community consensus
Chata area: School block, health post, boreholes, teachers houses, Traditional Birth Attendant shelter, bridge and pit latrines	World Vision Malawi	Labour only	Commitment Area Action Committees	Community consensus
RAMPA - Road rehabilitation and spot improvement	Ntchisi District Assembly	Full contract	Community contractors	Appointment by the District Assembly

¹ ILO ASIST Africa Regional Programme, Tournée J., van Esch W. *Community contracts in urban infrastructure works*; pg 29; Geneva, International Labour Office, 2001.

The study revealed that community contracts drawn for projects tend to follow procedures and principles laid down by the contracting organisations. One of the principles highly considered by most organisations in drawing up a contract is the capacity and experience of the community. While it was noted that not all organisations award contracts based on the assessment of capacities of the communities, organisations like MASAF and the district assemblies in their field appraisal, assess the capacity and skills available within the community. But most importantly, the award depends on the type of public works being implemented.

In a comparative analysis carried out with the communities visited on the various contracts used, it was generally felt that a full contract is the most beneficial to the communities. It was pointed out that projects fully managed by the communities as opposed to those that are centrally planned and executed by the contracting organisation, tend to succeed and also guarantee ownership and yield expected results because they ensure that the project meets the end users requirements. A full contract was also seen as building capacity among the communities.

However, a particular problem regarding the use of a full contract is that, because it is in the hands of the communities, the implementation may take a bit of time as opposed to the labour only contract which uses external contractors who in most cases undertake timely and efficient development of infrastructure.

The labour and material contract was fairly favoured by the communities visited. The use of local materials and labour provides the communities with a sense of ownership and attachment. To a certain degree, it also provides communities with management skills. Yet one limitation about the labour and material contract is that in as much as a sense of ownership can be built, it still biases the communities against full building of their capacity in the management of projects.

3.2 Procurement systems and regulations

3.2.1 Procurement at national level

Malawi currently has no Central Tender Board (CTB) through which public works, goods and services are tendered for public bidding and procurements. Initially, Malawi had a CTB but the Government dissolved it after allegations of corruption rocked the board. Since then, the procurement system is decentralized. Currently there are Internal Procurement Committees (IPCs) at every Government ministry level which are management committees that carry out the functions of the former Central Tender Board. The IPC's are supported by Procurement Units which are manned by professional staff, who do the day to day technical work.

The current procurement system takes the following necessary procurement steps as provided in **Box 1**. For externally funded projects, the sponsoring agencies tend to provide their procurement procedures.

Box 1: Procurement steps

The Internal Procurement Committees (IPCs) at every government ministry are responsible for coming up with a tender document.

Invitation to tender

- ⇒ Generally, Malawi's tendering process is biased towards open tendering. The tendering is done through advertisements placed in the media.

Pre – Qualification Documents

These documents must contain the following:

- Project data on which the pre – qualification will be carried out,
- Eligibility and capacity of the candidates
- Details of and formats for information to be submitted
- The pre – qualification criteria
- Evaluation criteria and procedures

Assessment of bids

- ⇒ Once all tenders have been successfully submitted to the relevant Ministry, the Ministry then assesses/carries out an appraisal of the tenders
- ⇒ The institution approves the successful bidder

Negotiations

- ⇒ The negotiation process takes place, involving agreement of the terms and conditions. This is provided as an opportunity for the bidder to ask for clarifications and negotiate on difficult issues and check on the values in the Bill of Quantities.

Award of contract

- ⇒ A contract is drawn and the successful bidder is informed through a "Letter of Acceptance" and is requested to provide:
 - The performance bond
 - A revised work programme if the need arise
 - Other securities, documents, statements and information as deemed necessary by the national authorities
- ⇒ The procurement Unit then reviews the contract to see that all constitutional and legal requirements have been met and that all regulations have been complied with.
- ⇒ Once all formalities have been sorted out, the client will issue an "Order to Commence" instructing the contractor to take possession of the site and commence the works within the period specified in the Contract Data.

Procurement is regulated by the Public Procurement Regulations Law which was disseminated and gazetted in the year 2003. The main features of the procurement law² are highlighted below:

- a) The Malawi procurement system has a strong anti-corruption mechanism. For corruption cases, individuals are referred to the Anti-corruption Bureau.
- b) Mis-procurements that are not related to corruption are handed over to the Malawi Audit Office for thorough investigation. Officials involved in mis-procurements are subjected to administrative sanctions, ranging from surcharges to dismissal.
- c) For proper theft cases, these are handed over to the law and order enforcement arm of Government and appropriate action is taken through the legal system.

² COMESA, Report of the procurement information system seminar 15-16 December 2004, Lusaka Zambia

- d) The system has an appeals mechanism for aggrieved bidders who get dissatisfied with the results of the procurement decision making process.
- e) The system has a mechanism for protecting the Small to Medium sized Enterprises, but does not encourage local suppliers to provide shoddy goods and services. Preferential treatment ranges from 15% to 25% for local manufacturers and suppliers of goods and services.

3.2.2 Procurement at community level

Procurement procedures used for the rural communities are unconventional compared to those used at the national level. Those at the community level employ simpler procedures which in most cases are determined by the various contracting organisations or sponsoring agencies. It was observed that procurement of works, goods and services is done by the communities themselves with initial assistance from the contracting organisation or donor agencies. For example, under MASAF community managed projects, any goods and works required are procured through community participation but since all MASAF projects are implemented through the district assemblies, these are also involved by providing assistance to the communities.

The experience of the communities in procurement processes are provided in **Box 2**.

Box 2: Procurement at community level

Chimwala community - Salima District: The District Assembly through MASAF funding awarded a contract to the elected project management committee for the construction of a bridge. The PMC decided to sub-contract the works. The PMC decided to use posters for their advertisements which were placed in various locations including Salima District town and the capital city Lilongwe. Once the tender had been advertised for 10 days, those who submitted bids were Shortlisted. Short listed bidders were invited to a meeting where the tenders were publicly opened and evaluated based on the following:

- ⇒ Technical factors
- ⇒ Financial factors
- ⇒ The contractor had to be registered with NCIC
- ⇒ Experience in similar works
- ⇒ Financial proposal which should be within the estimated budget of 20%

After assessment, the successful bidder was awarded the contract through an official letter from the District Assembly. The project was then handed over to the successful bidder.

Chata ADP Lilongwe rural: under the World Vision Malawi community programmes, the Commitment Area Action Committee (CAAC) is mandated to carry out procurement activities. Once a project has been approved, the CAAC invites pre-qualified community contractors to tender for a given project. The CAAC then reviews the experience, cost (financial proposal), certificates and references of the submitted bids. The successful contractor is then presented to World Vision for approval. Once World Vision approves the bidder, the technical staff draws up a contract which is signed between World Vision and the successful bidder.

One of the constraints that arise under the more conventional procurement processes at community level, is that procurement at times results in significant delays before

commencement of projects. The long procurement processes have sometimes resulted in projects lagging behind schedule.

The other communities assessed procured works and services from within the community. This involved informal procurement procedures, which would entail identifying and assessing petty contractors based on their experience. The one with the best experience is then selected.

3.2.3 Registration process of contractors

To be a formal contractor in Malawi, there is a registration process that needs to be undertaken with the National Construction Industry Council (NCIC). The advantage of registering with the NCIC is that it provides a chance for the contractors to be able to participate in open tenders.

The role of the NCIC involves carrying out training and capacity building for contractors. It also involves facilitating access to works by contractors through opening up opportunities in a fair and transparent manner.

It was learnt that community groups hoping to become contractors are not familiar with the requirements for registration as contractors with NCIC. A few groups who were familiar with the registration process felt that the requirements were too high for contractors living in rural communities. Under the RAMPA project, arrangements have been made to negotiate with the NCIC to scale down the minimum requirements for registration by community contractors.

The current process and requirements needed to register with the NCIC are provided in **Box 2**. The registration fees and annual fees³ are provided in **Appendix 2**.

Box 2: NCIC registration requirements

Registration

Interested contractors collect the registration form for US\$2. Registration fee and annual fee are determined according to categories and these are provided in appendix 2.

Qualification for becoming a registered contractor

To qualify as a contractor, the following have to be in place:

- Need to have a registered engineer to sign for the contractor that he/she has the capacity
- Need to have a business account

Those who qualify are then given a certificate and listed in the NCIC data base.

³ The ruling rate used is US \$ 1 = K132 Malawian Kwacha (October 2005)

3.2.4 Legal framework

Current legal frameworks do not make it easy for community structures to be involved in open tenders. Among the organisation structures assessed, only the Association Committees under the National Smallholder Farmers Association of Malawi were legally registered. The rest of the structures used in community contracting had no legal status. It was noted that most of the committee or group members were not even familiar with the legal issues pertaining to the management of contracts.

This gap in most community structures may negatively impact on the way roles and functions are performed which may have implications on group cohesion. In addition, lack of a legal framework limits the way community groupings or committees can resolve conflict when it arises.

3.3 Constraints and opportunities

3.3.1 Constraints

Lack of legal framework and regulations

Legal framework and regulations concerning community contracting are often inadequate for the appropriate involvement of community structures. Without a firm legal basis, community groupings remain disempowered and weak, leaving room for manipulations and development of corruptive practices, which deprives the affected communities of their rights and entitlements.

Uneven playing field

Community contractors find it difficult to participate in community contracting due to high requirements provided by institutions like the NCIC. Institutional facilities that can provide affordable services such as training for community contractors are also lacking.

Poor coordination

Poor coordination refers to the lack of organisations to harmonize community contracting approaches for the maximum benefit of the local communities. The approaches that are employed by various contracting organisations, for example, in drawing up a contract and procurement procedures, are fragmented, with no framework created for coordination.

3.3.2 Opportunities

Decentralization of the procurement system

The decentralisation of the procurement system to the Internal Procurement Committees under each Government sector provides an opportunity for procurement procedures to

be adapted for community managed projects. This would encourage local communities to participate in more public works initiatives in the country.

Increase in commitment to community managed projects

There has been a considerable increase in commitment by NGOs and donor agencies to deliver services to the rural communities using community managed projects, compared to what it had been before. For example, in the over 10 years of the existence of MASAF and other organisations like World Vision Malawi, a lot of lessons have been learnt on community contracting. Approaches are still being modified to achieve maximum benefits for the local communities.

3.4 Emerging issues for guidelines

- ***Awarding of contracts.*** Drawing from the lessons learnt, contracts should be provided to groups within the beneficiary communities. And where capacity lacks for the community to manage the contract, the identified groups should be allowed to subcontract. This way, communities can still gain experience in managing contracts.
- ***Choice of contracts.*** Communities should be allowed to participate in choosing the type of contract and not be made to adhere to the conditions of the contracting organisation. By doing so, community members would have a sense of ownership to the public works initiated in their communities.
- ***Procurement processes:*** Communities should be permitted to decide whether they want to advertise for tenders locally or externally. This approach provides a greater choice for communities and it also gives a better opportunity for communities to enhance their negotiation skills.
- ***Linkages/Coordination:*** With more than one institution dealing with similar projects in an area, coordination is necessary to avoid conflicting approaches to community contracting. When an organisation goes into a new community, it should ensure that linkages are established with other NGOs or donor agencies working within the community so as to harmonize the various contracting approaches used. The District Assemblies are an important partner, and should be involved in project activities from the beginning as well as in facilitating coordination.
- ***Establishment of a legal framework.*** Currently, local communities resolve legal matters through their community norms. However, it requires a formal institutional approach. A comprehensive legal framework which clarifies the rights and the role of local communities and individuals should be implemented.
- ***Socio-cultural integration:*** The integration of socio-cultural issues in community contracting approaches is as important as the integration of institutional, managerial, technical and legal issues. The importance of socio-cultural and local power integration into development project initiatives at village level is critical if the aim is to allow wider participation from those who have traditionally been excluded from important decisions is to be realised.

4.0 OPERATIONAL PROCEDURES AND FRAMEWORKS

4.1 Mobilization process

The mobilisation process in all communities visited starts way before the contract is signed. The mobilization period is mainly for the committee or group in charge to make all the arrangements that will enable the work to start. If preparation activities are not carried on time the community will not be able to start the contract activities on time once the contract is signed. Preparations activities include mobilization of the communities and local materials.

Mobilization of the communities in identifying projects

With guidance from the Traditional Authorities (TA) or local leadership, communities are mobilized to identify the needs. Under the MASAF Public Works Programme, all project needs are identified by communities through Participatory Rural Appraisals (PRA). Similarly, Plan Malawi as well as World Vision Malawi supported communities use PRA to identify their projects. Once the projects have been identified, the community members and sometimes with staff from the contracting organisations, sit to prioritize. After the community has identified and prioritized the needs, the community elects a committee or group to handle the management of activities. Where there is already an existing community group, this is appointed by the local leaders with consensus from the community.

After the community has identified the priority, in all cases the proposed projects are submitted to the funding or contracting organisation to be appraised and approved.

A constraint pointed out by one of the communities related to the mobilization process, is that communities are not aware of available opportunities for them to mobilise themselves and select a project. One of the most successful approaches used in making communities aware of opportunities is creation of an outreach unit, by MASAF, that traveled to all parts of the country. The unit disseminated information on the social fund and its selection criteria through meetings and the radio. It clarified the procedures for proposing projects, helped communities determine if specific projects met the criteria, and helped communities to formulate their projects. The outreach unit also taught communities project management and basic bookkeeping skills.

Mobilisation of local materials

One significant process in the mobilization stage is that communities have to make contributions where this is a requirement. The material contributions show the commitment of the community in carrying out public works. To ensure active co-operation in the contribution of local materials to a project, the local leaders brief the communities about the project. It was revealed in this study that local leaders are used in engaging communities in contribution of materials because they are more influential and have power to sanction those who fail to cooperate.

Once the contract has been awarded, the communities in some cases are informed about the date for commencement and gets a more in-depth orientation on the specification of type of contract, employment conditions etc. The committee or group in charge in most cases facilitates village meetings. The meetings may be held in conjunction with the local leaders.

It is clear from the experiences stated above, that the mobilisation process is as participatory as possible. This approach provides the wider community an opportunity to state their priorities and concerns and at the same time, it improves the contracting organisation's understanding of the community and provides an opportunity for discussions with individuals and leaders.

4.2 Contract sums

From field visits, it was clear that in all cases, contract sums are not negotiated but are determined by the contracting organisation through the bill of quantity which includes estimated calculation costs for labour, materials and administrative costs. **Table 3** shows the contract sums of the various community managed projects assessed.

A contract sum, as it was learnt, would generally include the following:

- Funds for transport
- Funds for materials
- Funds for labour

Under the MASAF public works and community managed programmes, the overall cost of materials is small compared to the labour cost. The cost of labour tends to be half the contract sum while the other half is shared between materials and transport. The use of such an approach is deliberate as a way of transferring cash incomes into the communities, particularly for those who are vulnerable. This approach is commendable as it creates employment and ensures that money remains within the communities.

Constraints identified include delays in awarding contracts caused by slow response from the funding agencies attributed to the lengthy approval procedures.

Table 3: Contract sums for various public works development initiatives

Public works development initiatives	Average value (US\$)
Gumbi-Sanjiko Road Rehabilitation	17,424
Chimpampile Dam	19,697
Chagogo School- Construction of a new block	18,408
Chimwala Bridge project	15,887
Chimwasonge school - VIP toilet construction	
Chata ADP- School block, health post, boreholes, teachers houses, TBA shelter, bridge and pit latrines	
Ntchisi district – Road rehabilitation and spot improvement	Range of 378 -500 for each road

4.3 Negotiations and terms

The study revealed that, the planning and decision making process related to what project should be undertaken, to a very large degree involves the participation of the communities. Where existing structures are used, for example under district assembly managed projects, the planning process starts from the village level through the Village Development Committee and goes on to the ADC. The ADC then submits the plans to the assembly's committee for approval through the District Executive Committee (DEC).

Where new structures are used, the elected committee or group presents the needs of the community. The presentation meeting provides a broad forum of discussion. Usually chaired by a local leader or the chairman of the committee or group, the proposed plan is explained to the contracting organisation. Issues are discussed, with the implications for terms, such as required contributions by the community, stated.

Following the discussions, designs and cost estimates of the project are made. But in this process, the committees or groups are not involved in negotiating for these. The process only allows the community to adjust to what is determined by the contracting or funding agency. However, when it comes to negotiating for the type of labour to be used, in most cases the communities are involved.

Clearly, it is evident that in most processes the participation of the community in the negotiation process is low. Communities did show a willingness to participate in the process of negotiation. The nature of community contracting should, therefore, involve communities in the planning and negotiation process otherwise there is a risk of alienating communities from the project.

The major problem appears to be that the communities have little information regarding the direction of the projects as the process unfolds. This is further complicated by the fact that communities have little capacity or experience in community managed projects. Therefore, these two factors rob the communities of the confidence to negotiate and set terms for the type of contract wanted.

4.4 Recruitment criteria and procedures

All communities assessed strive to engage local contractors or individual artisans within the community. The processes of recruitment used are discussed below.

4.4.1 Skilled labour

The study revealed that in situations where skilled manpower was needed, communities opted to source it locally. One of the reasons advanced was that apart from skilled labour being adequately and readily available, communities opt to contract and pay skilled labour because of the need to create employment which is highly significant. In addition, bringing in of labour from other areas is often not acceptable to the local community because it tends to create conflict.

When communities decide to procure labour locally, the process of recruitment is simple. The PMC or the group in charge would sit down with the local leaders to determine how the skilled labourers will be recruited. To advertise for skilled labourers, different avenues are used, for example, through a community meeting, by word of mouth or at social gatherings. However, there are cases where the committee or group does not advertise but rather approaches well-known skilled artisans within the community and invite them for an assessment. Interviews are mostly conducted by the group tasked to manage the project and in most cases in the presence of community leaders. This is to ensure that favouritism and biases are avoided.

4.4.2 Sub contractor

Where specialized skill is lacking within the community, skilled labourers are sourced outside the community. The process of recruitment tends to be more formal than when skilled labour is procured within the community. The committee or group in charge would post advertisements placed around the district in strategic places. Promising candidates would be shortlisted and interviewed. Once a successful candidate is chosen, a contract or financial agreement is drawn up with the contracting organisation.

Once the contracts are awarded, the contractors are mandated to employ labourers within the community. To facilitate this process, the local leaders such as traditional authorities, group village heads or ward councilors are involved in facilitating village meetings in the recruitment areas. The meetings are held in conjunction with the contractor and the PMC or community group. At this stage, the contractor provides with more in depth orientation on the specification of works, employment conditions etc.

4.5 Standards and productivity norms

Attaining high standards and productivity in public works depends much on the design of the infrastructure, quality of materials and availability of competent technical supervisors. All public works that are implemented at the community level meet Malawian standards and specifications. Compliance to these standards and specifications was noted to be strongly adhered to.

To ensure standards in the materials and tools for construction, contracting organisations carryout the procurement of goods and in some other cases committees or community groups are trained to procure high quality goods offered at cheap rates. When the committees or groups are charged with the task of procuring goods, it was noted as a standard practice, that they seek three quotations from suppliers based at district centers. To ensure high quality of goods, communities are assisted by the technical supervisor of the project. This choice of high quality materials and tools reduces costs and enhances benefits in the long-run.

In order to ensure that infrastructure public works are built according to standards, the Director of Public Works under the district assemblies or technical staff availed by the contracting organisation provide supervision. During supervision, the technical supervisors ensure that activities are done according to specifications and that contractors adhere to their budget. The availability of highly competent supervisors strongly influences productivity and standards that projects can achieve.

4.6 Payment systems/procedures

Payment of contract sums

In this study, it was found that a formal start to the project was characterised by either the signing of a memorandum of understanding or a finance agreement or a contract. The most common payment system used by most contracting organisations under a full contract model, is that of disbursing contract sums directly to the account of the committee or a group. A fundamental step for the community is the creation of a project account, with representatives from the contracting organisation and the committee or group as joint signatories.

Payment of funds was observed to occur at 3 levels. The *first* is where funds are paid to communities in tranches allocated according to pre-determined percentages. The *second* and not so commonly used system is allocation of funds in one lump sum. The *third* payment system is where payment is based on the compliance to specifications and standards of work. In case of the first method of payment, the first tranche under this system is determined by the materials needed and fees for the labourers. This system requires that the committee or group submits a compiled report of cost expenditures based on tasks completed.

It was noted that when a contractor is procured from outside, the contracting organisation paid directly to the contractor and made payment for materials following a request from the committee or group.

Delays in disbursing funds are apparent in all scenarios and this was attributed to the lengthy approval procedures that the funding agencies take.

Payment of labour fees

Payment of labour fees varied in different circumstances. When a contractor is hired from outside the community, the contractor determines the pay for wages to the labourers. When funds are handled by the committee or community group managing a project, payment is determined by the contracting organisation or the donor agency. For example, under MASAF public works programme, daily wage rates have been set as follows:

- US\$0.3 for skilled labourers
- US\$1.5 for builders/local artisans

Where an external contractor hired labour from the community, it was interesting to note that daily labourers' fees ranged between US\$0.7 to US\$1.1 which are much higher than those determined by the contracting organisations. The reason the contractor pays more for labour is to ensure that labourers are motivated to deliver high quality work. But also the contractor is a business man whose interest is to produce high quality work which can only be obtained at a reasonable cost.

4.7 Contract management

When actual contract implementation starts, there are a number of management activities that need to be carried out. In relation to the perceived roles and responsibilities of the committees or groups responsible for management of projects, the following activities were stated:

- Mobilize communities
- Manage funds for the project
- Procure goods and works
- Liaise and coordinate with the technical supervisor, local artisans or workers
- Set out daily tasks where possible
- Monitor the quality of work throughout the day
- Record inputs and outputs each day and physical progress.
- Make timely arrangement for payment to labourers

Depending on the magnitude of a project, supervisors at technical level assist communities in the management of a contract. The responsibility for contract management is thus shared. However, some communities felt that contract management should be their sole responsibility. They felt the full involvement of communities in managing contracts provides a greater control on expenditures whilst at the same time ensuring that they are operating within the guidance of the contracting organisation. In as much as this is a desirable approach to use, it was still observed that most communities require intensive supervision.

If management of contracts is to be left to communities, contracting organisations have to train focal persons in developing contract management and supervisory skills within the communities.

4.8 Capacity building and skills development

Emphasis on capacity building seemed to be an important issue that has deliberately been pursued with the communities. RAMPA project in Ntchisi District Assembly provides one of the best lessons in terms of capacity building undertaken with the community contractors. **Box 4** provides details of capacity building undertaken under this project. Arising from the training that community contractors received from the RAMPA project in areas of interest, it has enabled the trained community contractors to clearly define their goals and objectives, identify projects and articulate strategies to be applied in public works projects.

One of the most important lessons that can be drawn from the RAMPA projects is that where training is provided in great detail, there is a good chance of it having the right impact on the communities. This implies that with some well executed training, communities are able to enhance their capacity even in the area of managing contracts.

Capacity building and training should seek to impart skills that can be used in multiple settings. For instance, it should include basic business management, accounting, record keeping, leadership, and project proposal development. These skills are beneficial to the communities irrespective of gender.

Box 4: Capacity building of Community Contractors

In its process of developing and promoting capacity building for local road construction and maintenance industry in Ntchisi District, the RAMPA project management unit through the District Assembly, advertised in all Traditional Areas (TA) for application of individuals for training as Small Scale Community Contractors to carry out rural transport infrastructure improvements. RAMPA had emphasized on engaging people with a minimum academic qualification of standard 8 though experience on road works especially those with experience on District Roads Improvement and Maintenance Program projects was taken as an added advantage. The requirement on minimum qualification was aimed at encouraging more women to participate.

The Training Programme for Small Scale Community Contractors had two sections; starting with Theory which was in two parts ran for two weeks. The first week was theory on Road Works and the second week was for Contract Management. The other part, was on-the job--training (Trial Contracts – Practicals), which ran for two months.

RAMPA paid more emphasis on training in labour-based techniques, contract administration and management, spot improvement techniques and low cost drainage designs during the Trial Contracts Practicals. Other areas where the community contractors were trained are as follows:

- How to come up with task rates
- How to maximise the production on site
- Pricing and Bidding
- Tendering Procedures
- Contract Implementation
- Construction and rehabilitation activities
- Work programming
- Basic operational methods of routine maintenance & how to organise work at site
- How to plan and monitor routine maintenance
- How to instruct and supervise maintenance staff
- How to carry out labour – based routine maintenance activities

4.9 Gender Considerations

It is the Government's policy in Malawi that at least 30% of women should be represented in all structures at all levels. In almost all projects looked at, there is a deliberate effort to give some special attention to women. Organisations like MASAF and World Vision Malawi strive to achieve at least a 50% women representation in local community structures. While others like Plan Malawi and EU public works strive for a minimum of 40%.

Evidence from the study points out that, women tend to be more actively involved in community managed projects. For example, when it comes to the task of providing community contributions in form of materials and labour, women were said to play a big role. For instance, under the EU public works, at least 40% of the women are engaged in infrastructure including road maintenance and construction.

Apart from seeking to include a good representation of women in these activities, capacity building and training should specifically address enhancement of technical skills among women. This would encourage more women to get engaged in more technically challenging and economically empowering activities, other than basic manual jobs like fetching water and ferrying sand. The enhancement of both technical and other broad

based skills would enhance women's opportunities to work both within the communities as well as beyond.

The targeting of women as individuals and/or as groups in community contracting enhances women's general livelihoods. The active integration of women in community contracting activities has a number of benefits including: alternative source of income to women; lucrative business opportunity in terms of financial returns and subsequently poverty reduction. From the lessons provided, it has been observed that community contracting has offered women good opportunity for economic empowerment and has enhanced their employment opportunities.

4.10 Emerging issues for guidelines

Mobilization process

- Involving local leadership, as most of the projects assessed do, is crucial to ensuring they use their influence to mobilise communities to support community development projects.
- What stands out about the mobilisation process in the communities visited is that it is as participatory as possible. The wider community is involved in the identification of development solutions, decision-making and contribution to labour and resources. Organisations like MASAF also highly promote the participation of marginalized groups within the communities.
- Communities need information about opportunities available to them as well as information about key processes in identification, implementation, monitoring and evaluation of projects. The MASAF approach where they created an outreach unit that traveled to all parts of the country can be adapted.
- Although community participation is beginning to develop, there seems to be very little facilitation taking place. It was observed that in some areas where the contracting organisation facilitated participation, community contracting tended to be higher. It was low where there was very little facilitation. There is, therefore, need for contracting organisations to use participatory methodologies in facilitating wider participation of communities, particularly as it relates to community contracting.
- Proposed community contracting projects should present solutions to identified priority problems and show evidence of widespread support within the community.
- Organisations involved in community contracting in Malawi, use participatory approaches with communities. This implies that bottom-up planning is essentially used, a strong tool in empowering communities. The current efforts to use participatory procedures in the identification of a community group to manage a contract should be built upon.

Contract sums

- The MASAF approach of assigning more funds towards the labour costs must be encouraged if the intention is to transfer money into the cash economy of poor communities to empower them and reduce poverty.
- Apparent delays in awarding contracts can be avoided by simplifying the approval processes. For instance, the approval process can be shortened. In addition, certain activities should be district and community driven as opposed to project driven.

Negotiations and terms

- From field visits, it was clear that communities have shown a willingness to participate in negotiation process of key issues in community contracting. However, their enthusiasm is being hindered by the failure of contracting organisation to involve them in the negotiation processes of key issues. To improve this situation, contracting organizations should establish channels in which communities can be engaged in negotiating for key issues.

Recruitment criteria and procedures

- The practice of contractors consulting with the local leaders in the recruitment of labour is recommended. To avoid accusation of being biased when employing, it is advisable to involve local leaders or authorities' e.g. chiefs, councillors, headmasters, etc.
- To avoid further accusations of discriminations and favouritism during recruitment of labourers, it is recommended to use transparent methods which everyone would appreciate. One of the methods that can be used recommended by one of the communities is a 'draw system' in which all eligible job seekers are given chance to participate.
- Experience has shown that the MASAF community managed projects, which aims to transfer cash incomes to the individuals in targeted poor and vulnerable households in the urban, peri-urban and rural areas through labour intensive public works, has enhanced the livelihoods of the marginalized groups in communities. This system gives first priority to vulnerable groups such as women and youths in labour engagement considerations.
- Communities have shown that when it comes to hiring a contractor for public works, their preference is to source the contractor locally. Local contractors are known by local people and will always feel accountable for producing good quality work. They are also flexible and have good understanding of the community situation.

Standards and productivity norms

- Contracting organisations should determine standards and productivity norms in the building process and then test these in pilot projects to determine their effectiveness before using them in community contracting.

- Contracting organisations should assist community contractors to gain access to quality materials and equipment. The aim should be to develop suitable technical guidelines, which communities should comply with, to achieve quality.

Payment systems/procedures

- An element of flexibility is required in the payment system. Unless payment procedures could be more flexible, interruptions in the flow of funds would seem inevitable.
- Contracting organisations should strongly consider transfer of the management of individual project funds to the community at a go. This can be tested on a pilot basis, based on an anticipated successful experience and the assurance of strong audit controls in place.

Contract management

- One of the basic principles of most contract arrangements is that the community should take full responsibility for operation and management of the contract. There is need for simplified procedures for communities to manage projects. In addition communities should be equipped with technical and contract managerial skills.
- As community managed projects are considerably more supervision – intensive than conventional projects, care should be taken that communities are not undermined in their roles and responsibilities. The first step in ensuring this is to form a good basis for judging whether committees or groups have the capacity to meaningfully manage activities in a way that meets the target. The second is providing training to these community organisations.

Capacity building and skills development

- Community contracting being a new tool, it is important for all members of a community group or committee to undergo training. Training of all members ensures not only a large pool of human resource but also enhances communities' appreciation for consolidating skills towards comprehensive development of community projects.
- From time to time, contracting organisations should facilitate and coordinate the putting together of lessons learnt and outcomes of evaluations to the communities it is dealing with. Based on this certain systems and procedures should be modified and pointed out to the communities.
- A comprehensive capacity building training package should be instituted that includes basic contract management, on-the-job training, and selective modular based training on an evaluation of community training needs. The training package should include gender sensitisation. Capacity building of community contractors can benefit from lessons learned from the RAMPA Project.
- Funding for capacity building and training programmes can be coordinated with other developmental partners, in order to share costs and benefit from the synergy effect of running such programmes together.

Gender Considerations

- The drive by most organisations to recruit more women as workers or as members of committees or community groupings is seen as a positive step towards gender equity in community contracting. Despite initial reservations about the ability of women to withstand the grueling and physically challenging workload, experiences from Malawi show that women have proven themselves capable of handling the workload.
- To further promote the participation of women in community contracting, it is, therefore, recommended that contracting organisations should be encouraged to liaise with other community programmes such as the MASAF community managed programmes or any other similar initiatives, in order to use them as a mechanism to gain access to women who have experience in construction and maintenance.

5.0 PERCEPTIONS ON INCENTIVES AND SHARED BENEFITS

5.1 Between communities and contracting parties

Development of skills and experience

Drawing on lessons from the communities, it is clear that communities are exposed to a number of trainings which have built their technical and managerial skills. The skills and experience that communities have gained in community contracting approaches is important for their participation in similar programmes in future. In addition, where experience has been gained and provides good lessons, an opportunity can be created where knowledge and experience is shared with other communities undertaking community projects for the first time. This approach would benefit contracting organisations in the sense that, they would not have to spend some extra money on building community capacities because these would have been developed and strengthened by communities themselves.

Cost and financial benefits

The use of direct payment system and participatory project management is a cost benefit to the contracting organisation and at the same time it acts as an incentive for the community. The resulting saving that contracting organisations make by contracting communities to carryout public works as opposed to hiring an external private contractor, may be used to either, reach more beneficiaries or further improve the quality of service delivery.

Providing direct payment to the community is perceived as an incentive in the sense that it fosters community empowerment, as communities learn to fully manage their own development projects. In addition, through the funds coming directly into the communities, communities increase their income and assets. All these are elements which are lacking in the partial labour or food/asset for work approaches.

Spill-over benefits to wider rural population

Developmental projects have the potential of bringing up secondary benefits to communities in which the project is being implemented and/or neighbouring communities. For example, as a result of training received by community contractors under the RAMPA project in Ntchisi District, the community contractors now have the skills they need to organise themselves more efficiently, to establish contacts and provide their services with other partners in areas which they lack skills in.

Community participation leads to enhanced benefits

Participation of the community in the design, planning and implementation of development projects, provides an incentive to the community to fully develop their management capacities for the improvement of their own living environment.

Participation is perceived by both communities and contracting organisations as an important tool for sharing benefits such as information, knowledge, experiences and lessons. This community participation should be extended to all stages of community contract.

5.2 Between community contractors and the beneficiary community

Job creation for community members

The insistence of communities to employ local labour for various community development project activities is perceived as a benefit to both the contractor and the beneficiary community. The wages paid out to labourers generate significant income at the minimum wage which in turn provides social protection for those who have had no alternative income earnings.

In relation to the contractor, labour recruited within the community is cheaper and thus they are cost savings made as opposed to recruiting labour from urban centres.

Sense of ownership

Clearly, communities assessed in Malawi have a sense of ownership in the projects they have developed. Ownership is important for the sustainability and effective management of the development projects that the community is involved in. Where ownership is not clearly appreciated, sustainability may not be achieved. Ownership also plays a role in empowering and strengthening communities.

The active involvement of communities in community contracting has positive implications on the enhancement of ownership leading to improved sustainability. The full contract approach as opposed to food for work or partial labour, gives the communities a greater sense of ownership and attachment to the community scheme.

5.3 Emerging issues for guidelines

- **Cost effective approaches:** A well functioning community contracting approach should work towards the realization of the highest level of cost-efficiency in the delivery and implementation of development projects. Cost effective approaches should, therefore, be simple and easy to implement by community members. Such approaches should be reviewed on a yearly basis to ensure administrative costs are kept in check.
- **Establishing a sense of ownership:** As a way of promoting “community sense of ownership,” contracting organisations should allow elected community-based organisations to plan and manage all aspects of project implementation and post-project maintenance.
- **Poverty alleviation and employment promotion:** Evidence from some of the communities visited shows that community contracting approaches can make a significant contribution towards poverty alleviation and rural employment. In the light of this evidence, it is recommended that contracting organisations and government agencies give high priority to the supporting of community managed projects; development of infrastructure; and empowerment, protection and creation of income generating opportunities for vulnerable communities.
- **Incentives for community contractors:** Where a contracting organisation decides to use community contractors, these should be provided with some special incentives. For example, offering special preferences, or assurance of quicker payment, etc. to encourage their growth.

6.0 ASSESSMENT OF KEY ISSUES

6.1 Existing potential

Social cohesion

Communities have shown that they have cohesion to mobilize, form community groupings and work together to forge a development process that would produce benefits to themselves. Cohesion has great potential to achieving sustainability.

Institutionalisation of community participation

There seems to be scope for increased institutionalization of community groups or committees and increased community involvement in the planning, construction and management of community projects in Malawi. The potential for more local community groups and contractors playing major roles in community development projects should be encouraged and supported.

6.2 Constraints

Inadequate information

The study revealed that the current programmes, except in the case of MASAF, are not really up to date in making the rural communities aware of the opportunities that exist in terms of benefits and management of community projects. Lack of access to information has implications on how far communities can participate in community development projects. This, therefore, calls for capacity building efforts and programs to be taken to rural communities. An information campaign with the aim to disseminate the information on all the opportunities offered by the contracting organisation could be mounted.

Lack of effective strategies and tools

Lack of effective strategies and tools is another constraint to effective implementation of community managed projects. In particular, the following areas are lacking:

- Strategies that enhance autonomy and flexibility in project management
- Proper appreciation of institutional issues and linkages
- Institutional support services such as training
- Access to technical knowledge and management skills, on-the-job training and practical exercises.

Organisational complexity

Some donor organisations are quite complex in the way they want their projects to run. Most external assistance strategies are designed and managed in ways which discourage development of local initiatives. This situation is further compounded by the low participation of communities in the negotiation processes of key issues. Negotiation tends to develop in cases where processes are modest, flexible and dependent on matching local norms and ideas.

6.3 Opportunities

Capacity building leading to independence

There are some contracting organisations which are providing adequate capacity building for the local community to enable them to independently undertake community contracting. This local approach to capacity building targets the project management committees, community groups but also supports traditional leaders and the entire community to take greater responsibility of their development projects. Ultimately, this approach provides an opportunity to help reduce dependency on both government and donor organisations.

New policy directions

One of the initiatives has been the community driven development approach. There has been a gradual change in emphasis from the community project as an infrastructure project prescribed by the contracting organisation. The focus currently is to allow communities drive their own development process through which they identify, select and implement infrastructural projects.

There has also been a shift from ordinary infrastructural projects to those with a focus on the provision of opportunities for social development with clear benefits to the wider community.

6.4 Emerging issues for guidelines

- ***Creating an enabling environment:*** The Malawi experience demonstrates that communities do much better when they build, own and operate the schemes themselves. However, the Local Government does have a critical role to play in creating an enabling environment for communities to fully manage their public works projects.
- ***Comprehensive strategy:*** There is need to formulate a comprehensive strategy to promote community contracting. Such a strategy should include the following components:
 - Review existing regulations and policies that influence community managed projects.
 - Develop a legal framework to ensure that local committees and groups are protected from manipulation.
 - Define the role of Government institutions, private sector and NGOs in promoting the adoption of community contracting approaches. However, it is recognized that Government should play an active part in the identification and development of appropriate approaches and strategies and in the wider issues of rural infrastructural development.
- ***Quality assurance in community contracting:*** Guidelines should be developed together with compliance procedures detailing the role of communities in attaining high quality services in development projects. These guidelines can be part of the training package.

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Appendices

Appendix 1a: List of organisations consulted

Name	Position	Organisation
Solomon Munkumbwa	Program Manager	Concern Worldwide
Joseph Phiri	Infrastructure Water and Sanitation Advisor	Plan Malawi
Charles Mandala	Director of Research and Training	Malawi Social Action Fund
Grace Hiwa	Assistant Director –Community Managed Projects	Malawi Social Action Fund
Luckie Kanyamula Sikwese	Deputy director (Planning and Development)	Ministry of Local Government and Rural Development
Sylvester Kalonge	Programme manger	Care Malawi
Duncan warren	Crop Production Director	National Smallholder Farmers Association of Malawi
Godfrey L. Limwame	Assistant Registration Officer	National Construction Industry of Malawi
A. C. Lwanda	Programme Engineer	Ministry of Local Government Malawi
A. Esterhuizen	Director and Programme Manager -EU Public Works	Africon Limited
Buka Mantemvu	Regional Manger	MASAF
Gift Rapozo	District Commissioner	Salima District Assembly
J. K. Mpeta	Director of Public Works	Ministry of Transport and Public Works- Ntchisi District
Betty Chinyamunyamu	Community Development officer	National Smallholder Farmers Association of Malawi
Dr C. K Kaira	Transport specialist	I. T. Transport Ltd
Mr. Vincent Moyo	Regional manager-central region WVI	World Vision Malawi

Appendix 1b: List of Participants at community level

Name of participants	Position	Community
Batani Thenifolo	Labourers/community members	Sanjiko
Khanizimatha Jastoni	Labourers/community members	Sanjiko
Befia Chapuma	Labourers/ community members	Sanjiko
Timothy Ziyaya	Treasurer	Chipamphale
Winford Kachuma	Committee Member	Chipamphale
Manyika Frazer	Secretary	Chipamphale
Mrs. S. Bamliay	Chairlady	Chagogo
T. Jaila	Secretary	Chagogo
Mrs J. Kachala	Vice - Secretary	Chagogo
Mr. J. Chikhasu	Treasurer	Chagogo
Mrs M. Nyanje	Committee Member	Chagogo
Mrs Malekano	Committee Member	Chagogo
Mrs Mwalemwale	Vice - Treasurer	Chagogo
Kudzaka Timos	Member	Chimwala
Gideon Banda	Secretary	Chimwala
Waya Kamono	Member	Chimwala
Makupe Phiri	Chairman	Chimwala
Emily Chikugwere	Community contractor	Ntchisi
Michael Mzandu	Community contractor	Ntchisi
Florence D. Chimombo	Community contractor	Ntchisi
Hilda Dismas	Community contractor	Ntchisi
Annes Katilwiri	Community contractor	Ntchisi
Gladys Chimangeni	Community contractor	Ntchisi
Harry Y. Mpanang'ombe	Community contractor	Ntchisi
Mr. Joseph Kalenga	Chairperson	Chimwasonge
Mr. Kaipa	Secretary	Chimwasonge
Mr. Chinyama	Treasurer	Chimwasonge
Violet Chinyama	Vice - Secretary	Chimwa
L. Padzawa	Vice - Chairperson	Kafumba
V. U. Chilemeza	Treasurer	Mwanzeze
J. Kachigamba	Member	Kafumba
A. Nikisi	Member	Chiwamba
Lameck Divala	Member	Nankhonde
Matilda Loisoni	Member	Kafumba
John Tsachelikumba	Member	Balang'ombe
Lenixo Motambo	Member	Nankhonde
Jurius Lobaya	Member	Balang'ombe
Dorothy Frank	Member	Nankhonde
Lucia Hermas	Member	Chimwa
Josephy Banda	Chairman	Mwanzeze
Sophlet Tsamba	Member	Mbavu
Elinati Lenard	Community member	Balang'ombe
Ester Chilense	Community member	Chimwa
Laston Dette	Health Chairman	Kafumba
Moses Kabuma	Member	Chimwa
V. H. Kumatundu	Community member	Mwanzeze
Dickenz Kalenfama	Member	Chiwamba
Gerald Kosamu	Facilitator	Chata ADP
Harvey Mayembe	Facilitator	Chata ADP
Kelvin guta	Facilitator	Chata ADP
Thoko Chibwana	Facilitator	Chata ADP

Appendix 2: National Construction Industry Council -Fee Structure

	Classification	Application Fee	Registration Fee	Annual Fee
1	Consulting Architects, Surveyors & Engineers	\$1.5	\$151	\$151
2	Building Contractors in US\$37, 878 category	\$1.5	\$57	\$42
3	Building Contractors in US\$75,757 category	\$1.5	\$114	\$114
4	Building Contractors in US\$227 273 category	\$1.5	\$171	\$171
5	Building Contractors in US\$378, 787 category	\$1.5	\$284	\$284
6	Building Contractors in US\$757,576 category	\$1.5	\$379	\$379
7	Building Contractors in the unlimited category	\$1.5	\$758	\$758
8	Civil Engineering Contractors in the US\$378, 787 category	\$1.5	\$57	\$42
9	Civil Engineering Contractors in the US\$113, 636 category	\$1.5	\$171	\$171
10	Civil Engineering Contractors in the US\$378, 787 category	\$1.5	\$284	\$284
11	Civil Engineering Contractors in the US\$757,576 category	\$1.5	\$379	\$379
12	Civil Engineering Contractors in the US\$1,515,152 category	\$1.5	\$455	\$455
13	Civil Engineering Contractors in the unlimited category	\$1.5	\$758	\$758
14	Electrical Contractors in the US\$18,939 category	\$1.5	\$38	\$30
15	Electrical Contractors in the US\$56,818 category	\$1.5	\$76	\$57
16	Electrical Contractors in the US\$113,636 category	\$1.5	\$151	\$114
17	Electrical Contractors in the US\$227, 273 category	\$1.5	\$227	\$171
18	Electrical Contractors in the unlimited category	\$1.5	\$455	\$379
19	Mechanical Services Contractors in the Miscellaneous category	\$1.5	\$76	\$76
20	Structural Steel Contractors in the Miscellaneous category	\$1.5	\$114	\$189
21	Structural Steel Fabricators and Erectors	\$1.5	\$189	\$189
22	Demolition Contractors in the Miscellaneous category	\$1.5	\$15	\$15
23	Roofing Contractors in the Miscellaneous category	\$1.5	\$76	\$76
24	Joinery Contractors in the Miscellaneous category	\$1.5	\$38	\$38
25	Painting Contractors in the Miscellaneous category	\$1.5	\$38	\$38
26	Plumbing Contractors in the Miscellaneous category	\$1.5	\$38	\$38
27	Specialist Floor and Wall Finishers in the Miscellaneous category	\$1.5	\$38	\$38
28	Glazing Contractors in the Miscellaneous category	\$1.5	\$76	\$76
29	Drainage Contractors in the Miscellaneous category	\$1.5	\$15	\$15
30	Landscaping Contractors in the Miscellaneous category	\$1.5	\$38	\$38
31	Drilling Contractors in the Miscellaneous category	\$1.5	\$189	\$189
32	Small Scale Material Suppliers Bricks, Sand, Timber etc	\$1.5	\$76	\$76
33	Material Suppliers	\$1.5	\$151	\$151
34	Material Manufacturers	\$1.5	\$303	\$303