

**ANALYSIS OF THE STATE OF LABOUR-BASED  
TECHNOLOGY IN ZAMBIA:**  
*A Review of Current Practice since 2005*

**September 2007**  
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## **1. Introduction**

Following the 11<sup>th</sup> Regional seminar in October 2005, by Labour-based Practitioners on integrating Labour-based Approach (LBA) for Socio-Economic Development in Mombasa, a resolution was made to uphold, mainstream, and upscale the use of LBA in the provision of infrastructure and related services in order to create wealth especially among the poor communities via the following strategies:

- i) Creation of an enabling environment (through formulation of LBT<sup>1</sup> supportive policies, efficient institutional framework, appropriate legislation, and setting up of conducive contract conditions),
- ii) Capacity building (through research, training and awareness creation),
- iii) Increased allocation of resources (financial, equipment and information/data), and
- iv) Mainstreaming cross-cutting issues such as gender, HIV/AIDS, governance and environmental protection.

During the above mentioned seminar, participants reviewed progress made by various countries towards Arusha Seminar held in October 2003 for Labour-based Practitioners based on its recommendations. Upon the conclusion of the Mombasa Seminar, a Statement was prepared which recommended that practitioners with support from ILO (International Labour Organization) monitor the implementation of the above outlined plans. The forthcoming 12<sup>th</sup> Seminar to be held in October 2007 in Durban, South Africa, is meant to make a follow-up on the progress made towards the Mombasa Statement.

The key purpose for this report is to provide a situational analysis of the state of affairs in terms of labour-based works and to analyse and review the progress made in Zambia since the year 2005 based on the Mombasa Statement. It describes in some of the constraints that are likely to slow down progress of labour-based approaches (LBA) and provides some recommendations for Zambia.

## **2. Brief background to LB development in Zambia**

The Labour Based Technology road works concept in Zambia stems from the experience gained in one of the pilot projects (ZAM-026) in Kasama, Northern Region of Zambia between (1987-1994) supported by the Govt of the Royal Kingdom of Norway through NORAD. When the project ended it was felt by the two Governments of Zambia and Norway that the programme should continue, but this time instead of operating independently, it was decided to anchor it at the Roads Department Training School (RDTS), under Roads Department, Ministry of Works and Supply

In this capacity, the school had a mandate to;

- Train Road authorities staff to manage Labour Based road works

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<sup>1</sup> LBT refers to the use of employment intensive approaches to investments in infrastructure and service delivery, operation, maintenance, and the utilization of local resources.

- Develop a local contractor capacity for labour based road works operations
- Promote and support application of LB Technology in Zambia.

In the later years, the scope of training increased to:

- Awareness creation seminars for Project Managers and Decision makers and stake holders
- LB road works for contract supervisors and consultants
- Contract management for contract supervisors and consultants
- Business management for LB contractors
- LB road works for contractors and their site supervisors

In order to manage the above mentioned courses/seminars, curricula were developed which are being used to date. The courses in LB combined both theory and practice at the school and at training sites established for the purpose.

### **3. Progress in selected areas**

#### **3.1 Policy**

The policy direction on LBT works though not so explicitly mentioned in the National Development Plan (FNDP 2006-2010), is well articulated in Policy on the Construction Industry (1997), Bankable Document for ROADSIP II (2007-2013), Transport Policy (2002) etc, and there is a drive by the current Government to create an enabling environment in which infrastructural development could take place using abundant human resource thus creating employment opportunities for rural communities thereby help to alleviate poverty. The Government has been consistent in its pronouncements on policy direction for the road sector in particular and the construction industry in general.

There has been good will exhibited by the cooperating partners in the roads sector for the past 13 years and they have been supporting the use and development of LBT. However, this opportunity could have been seized to harness LBT development by formulating overall policy direction to see the growth of the LBT not only in the road sector, but in other sectors as well. There is hence a need strengthen overall policy on infrastructure development using LBT in order to give direction so that works meant for LBT are categorized in contract documents, which would help to maximize job creation in all sectors.

With the able current Minister of Works and Supply this can still be done and it is therefore recommend that our able Minister of Works and Supply takes up the issues with his counterparts in other line ministries.

#### **3.2 Institutional Frame work**

Capacity building for labour based technology is institutionalised in the National council for Construction, which also regulates the construction industry and is responsible for registration of construction companies. NCC is hence a very important

institution for the continued promotion and development of LBT in Zambia, but cannot do this alone.

In addition to NCC, three Road sector Agencies (Road Traffic Safety Agency, Road Development Agency, and National Road Fund Agency) are now fully operational backed by Acts of Parliament and there is a need for these institutions to work together to ensure that issues such as road management are looked at in a coherent manner. In fact the three institutions, NCC, RDA and NRFA should collaborate in that the, NCC shall provide training , RDA shall ensure that there is enough work load for trained contractors and the NRFA shall provide the financing for both the training and road works. It is also important to mention that external financial assistance to the road sector institutions for capacity building is provided for, as alluded to in the ROADSIP document.

### **3.3 Legislation**

As things are now there is no specific legislation that could be described as for or against LBT, however pronouncements actions tend to suggest that the country cannot afford to ignore the benefits of the LBT in infrastructural development in all areas of the economy vis a vis poverty alleviation both in rural and urban areas. There exists a broad acknowledgement of the apparent benefits of using LBT in road construction related to poverty alleviation.

The question of minimum wage for daily employees in various sectors of the economy has been a thorn issue for sometime. However on 2<sup>nd</sup> June 2006, the Govt through the Ministry responsible for Labour put in place a Statutory Instrument No.57 of 2006 based on The Minimum Wage and Conditions of Employment Act, Cap 276 (Law, Volume 15) setting the minimum wage to ZMK 268, 800 or approx.(US\$60) per month, thereby revoking the old one, No 119 of 1997 which had a minimum wage set at ZMK 98,000 or US \$ 25 per month. It is a requirement by each bidder at the time of bidding to indicate daily casual labour rate that he will be paying should he win the contract. Enforcement of minimum wage is carried out by the client/consultant checking monthly returns from contractors.

In terms of period of employment of daily paid employees other legislation stipulate that one cannot be employed longer than 6 months without being put on permanent basis. Now considering the temporary nature of most of work in the road sector, this has been and continues to be a problem to contractors. However contractors are always encouraged to put core staff on permanent basis. Government and other stake holders need to think through this.

### **3.4 Contract documentation**

The NCC has developed contract documentation specifically for LBT-use, which takes account of the the manner in which LBT-works are planned, organized and implemented. The RDA is using this contract documentation for LBT-contracts. However, the use of this documentation should be formalized, and local consultants should be trained in utilizing these documents for the preparation of LBT-contracts. In addition, conventional contracts, not specifically for LB, conventional contracts should be reviewed by the Road Sector institutions and simplified without of course

compromising the whole process. (Some clauses not favouring the growth of LB could be looked at)

The procurement process for works, services and goods in the public service is governed by an Act of Parliament Cap 394 of the Laws of Zambia, and is strictly followed for both big and small works. Sometimes it takes long even to award these small off carriageway route maintenance performance contracts. This is not particularly helpful in building a contracting capacity in the country because when procedures become un necessarily long, people loose momentum and interest.

In view of the above, it is recommended to have a more flexible and efficient, effective system put in place cater for the LB Contractors in the procurement of the more simple small and medium routine maintenance works. It is also prudent to specify these works in Annual Work Plans (AWP) so that they can be let out without unnecessary delays.

In addition, to further support the LBT, works suitable for LBT should be specified in the equipment based contracts, eg appropriate clauses to support the engagement of LB Contractors along side Machine Based ones are in included in the contract documents.

Though it is important to be thorough and accurate in the whole payment process, LB Contractors are vulnerable to delayed payments, which to some extent impact negatively on their work, let alone cash flow. Late payment, as a result of lengthy certification and verification process, is a challenge to small and emerging contractors. They have no capital base, nor lines of credit in which to fund their pay rolls and other services. It is becoming increasingly difficult for the LB Contractors if payments are delayed for say two months, they are harassed by their workers their work out put is being affected.

In view of the above, it is recommended that these LB contractors should not be subjected to the same procedures as governs larger Machine Based contractors who may obtain overdrafts to finance their works while waiting for payments. In order to minimize delays, a fast track system should be put in place to specifically to deal with certification, verification and payments for LB Contractors.

### **3.5 Incentives**

There are no pronounced incentives for LB yet, however the Government through RDA has appointed all Councils in the country as Local Road Authorities to be in charge of rural and urban roads in their localities with funding from the Road Fund. Contractors are free to associate among themselves. Once the Local Road Authorities start procuring small rehabilitation and maintenance contracts (in order to operate within their thresholds), more opportunities will be created for the trained small-scale contractors.

However, small scale contractors are given preference in the procurement for maintenance works and specific labour based rehabilitation works, through the two registration categories for LB-contractors, which are a condition to tender. A

disincentive is often the requirement for a short construction period for relative much work.

### **3.6 Capacity Building**

Training capacity is more or less sufficient. Several courses have been developed and conducted for on and off carriageway maintenance, contract management, entrepreneurship for both gravel and paved roads through NCC, with support from NORAD (1987-2004). Approximately 500 Maintenance and 10 Rehabilitation contractors were trained during this period. Govt is now providing funding to NCC to train LB contractors while DANIDA has been supporting the RDA to develop skills in the three districts of Western Province (Mumbwa, Kaoma and Mongu) from 2003 to date. However the sustainability issue still lingers on unless and until the Government is able ring fence sufficient funding for future capacity building demand.

LBT has not yet been introduced in other training institutions apart from NCC and some Consulting firms and there is perhaps too much reliance on NCC is the sole institute to carry out this training. However, efforts are being made to have curricula/syllabi accredited with TEVETA (Technical Education, Vocational and Entrepreneurship Training Authority) in Zambia so that it is nationalised and introduced to other training institutions. Stronger collaboration should be established with experienced trainers in the private sector, to broaden the opportunities for training. Emphasis should also be put on training of engineers from consulting firms, and to establish standard LB-curricula at UNZA and Copperbelt University, so that young educated engineers know upfront that LB-technology is a viable option for road maintenance and construction, besides the machine based alternatives, which are traditionally taught at the training institutions.

### **3.7 Research & Development**

In terms of suitable equipment for Agriculture which may also be suitable for LB works, TADU a research unit at UNZA in collaboration with NCC are spearheading the research. Much more needs to be done in this area however. NCC has during the support of Norway also developed bitumen technology for labour-based carriageway maintenance, including development of appropriate equipment. In addition RDA through a consultancy financed by DANIDA is carrying out experiments on the way forward on how to work in Kalahari sands in the Western Region of the country. Developments and research results are normally disseminated through fora such as commercial shows and trade fares.

### **3.8 Awareness Raising & Advocacy**

NCC has stepped up advocacy through television documentaries, exhibitions and radio programmes. The current Minister of Works and Supply has contributed to a great extent through policy statements and press briefings during field trips to labour-based sites. NCC and National Association for Small and Medium Scale contractors which is now fully operational can be seen as a National Champions in lobbying for LB programmes for most of the members are trained Labour Based Road contractors.

But foremost, the best promotion or lobby for LBT-works is to carry out good LB-contracts, implemented by well-trained contractors, and supervised by well-trained consultants.

General road sector information is provided by the Road Sector Institutions, RDA, NCC, and NRFA through their Public Relations Units. Radio programmes, pamphlets, calendars, brochures and documentaries in which they explain their mandates and activities. However these are general presentations not confined to LB.

### 3.9 Financial progress

The current Annual Work Plan for RDA for 2007 stands at ZMK 787.477 Billion or US\$187.4 Million (approx) at ZMK4,200/US\$ apportioned as follows:

Routine Mt mostly LB	ZMK 67.622 Billion
Periodic Mt.	ZMK 177.786 Billion
Rehabilitation	ZMK 208.603 Billion
Upgrading Works	ZMK 143.581 Billion
Axle Load control	ZMK 33.937 Billion
Bridges	ZMK 74.505 Billion
Designs/Studies	ZMK 31.093 Billion
Emergencies	ZMK 13.402 Billion
Community Initiative	ZMK 1.498 Billion
Licensing/Enforcements	ZMK 35.445 Billion
Total approx.	ZMK787.477 Billion

The newly established RDA is promoting LB-works by earmarking and procuring specific projects for LB-construction. However, this can be further improved by earmarking a standard proportion of the budget for LB-works.

In terms of training, Government has increased allocation to NCC and for FY 2006 and 2007 about 35% of NCC's budget is allocated to training in LB courses (appr. ZMK 4 Billion). These finances are wholly provided by GRZ. (Only 6% is contributed as user fees from course participants.)

On the financial market, no special credit facilities are in place for LB-contractors, apart from the standard commercial banks and the contract advances, which can be obtained by providing the required guarantees. However, in the recent past, several Banks have advertised for Loan offers to SMEs in which category the trained labour-based contractors fall. Therefore those willing and able could access such funds.

### 3.10 Equipment Support

This the biggest problem that the LB contractors are facing, given that equipment for hire or out right purchase is not available, neither do credit facilities coupled with collateral requirements from financing institutions. Charges for hire of equipment when available is beyond the reach of the LB contractor and in most cases the equipment is in dilapidated state. A lot needs to be done to assist these contractors.

There is a need to enhance and support the LBT contractors by ensuring that appropriate equipment sufficient in Nos, available in the districts for easy access by LB Contractors. This support could be provided through RDA or other suitable organization identified for the purpose. Furthermore, Government need to support/encourage manufacturing companies to venture into the manufacture of appropriate equipment for LBT. This could be by providing seed money, the cost of which could be recovered through road contracts let out to LB Contractors over time. Such ventures would however require proper documentation on the management of the said (Guidelines)

### **3.11 Linkages**

This should be the way forward for all Institutions dealing in poverty alleviation. The FNDP (2006-2010) alludes very much to this. In the road sector, Road SIP (Road Sector Improvement Programme) has fully created connectivity among stakeholders aiming towards a common goal

### **3.12 HIV/AIDS, Environment.**

Without a healthy nation coupled with an enabling environment, it is difficult to even think meaningful development because these are cross cutting issues. The Government, in its FNDP has come out strongly on issues of HIV/AIDS and Environment. Contract documentation nowadays includes clauses incorporating measures to be adopted to mitigate these effects through education, awareness, counselling, posters role plays etc.

All LB-contracts and machine based contracts have included HIV/AIDS awareness clauses, which do require the contractors to organize HIV/AIDS awareness programmes financed by the Client through the contract, therefore by MWS through RDA. Through the contracts, contractors are now required and mandated to engage focal points and specialized institutions or persons to carry out structured HIV/AIDS Awareness programmes on their construction sites on a monthly basis. These specialized institutions or persons are contracted by the contractor and paid from provisions made in the contracts.

On Environmental issues, the Environmental Council of Zambia (ECZ) was established by an Act of Parliament (1992). The National Policy on Environment drawn up in 2004 which proposes an all encompassing approach to environmental management. Training of staff under RDA and Councils in environmental management is being supported by DANIDA in their Road Sector Programme.

## **4. Conclusions /Analysis**

It is gratifying to note that as a country our Govt has been very consistent on Policy directions in all policy documents of providing an enabling environment for the S&ME LB uptake to increase. However we should continue to implore our able current Minister of Works and Supply to continue pushing for the solution of factors alluded to below such as:

- Lack of credit facilities from Banks for Small and Medium LB Contractors (S&ME)
- Late payments to LB S&ME for works carried out and certified.
- Long Tendering process even for simple works like Vegetation control
- Lack of access to equipment which in most cases is not available anyway
- Lack of collateral by most SME

The above mentioned issues have a telling effect on the growth of the industry and its multiplier effects.

## **5. Recommendations for the way forward**

In the thirteen (13) years that we as a country have been implementing the labour based technology especially in the road sector, there are a number of issues that continue to inhibit the full realization of using the Labour Based Methods in infrastructural development in order to combat poverty and minimise effects poverty on our people in both rural and urban areas

It is therefore important as a country to begin to *critically address the above bottlenecks* to assist in the growth of the LB Technology for infrastructural development in the country.

It is apparent that the country is open for and has embraced the technology, going by what has happened in the past 13 years and it is therefore imperative that we find solutions to the above mentioned issues.

The category of (S&ME) contractors is the largest so to speak with approximately 600 contractors in categories 5&6 hence the earlier we resolve these bottlenecks, the better.

## Zambia

Enabling Environment		
Policy Framework – Key Question (in bold) and Issues	Policy - status/progress as reported in Mombasa 2005	Policy - update on status/progress in 2007
<p><b>Is policy supportive of LBT and what work has been done to strengthen policy on LBT and make it operational over the last two years?</b></p> <p>(i) Is use of local resources and LBT in infrastructure investment mentioned in key policy documents, eg Vision Statement, NDP, PRSP, Macro Economic -Sector and Cross Cutting policies? If so, please give example.</p> <p>(ii) Is Privatization policy encouraging the involvement of local actors? How?</p> <p>(iii) Is Procurement policy favouring the use of local resources and LBT? How?</p> <p>(iv) What policies are ‘missing’ or need changing to increase the uptake of LBT?</p> <p>(v) What signs are there to indicate that policy promoting the use of local resources and LBT have become operational?</p> <p>(vi) If relevant policies are in place, but there is no or little activity on the ground, what could be the problem?</p>	<p>No report was presented</p>	<p>In the FNDP (2006-2010),the policy and Key Reforms is to adopt a multi-dimensional approach in implementation of interventions that seek to create an enabling environment for job creation by targeting employment generation in both rural and urban areas ( Ref.also to National Policy on the Construction Industry (1997), Transport Policy (2002) and Roadsip I &amp; II Documents. In all these docs the Govt has been consistent in its pronouncements.</p> <p>Privatisation policy has encouraged the involvement of local actors in the economy of the country by bidding for job especially in the construction industry.</p> <p>Yes, the procurement policy favours the use of local resources and local small-scale contracting industry such as in maintenance of roads, where the Road Fund is being used in these works and SME are the targeted beneficiaries.</p> <p>The use of the Road Fund generated from the fuel levy for all road maintenance is an Example.</p>

		<p>At operational Level:</p> <p>Not to a great extent. However, with good political will and commitment, which is shown by the current administration and in particular Honourable Kapembwa Simbao, the current Minister of Works and Supply MP, we anticipate that a strong lobby for LBT is now in place.</p> <p>This has proved itself through his initiative to introduce Enhanced Labour Based Road Maintenance courses for School leavers late last year (2006). So far 65 have been trained and 33 are undergoing training up to December 2007.</p> <p>The Minister wants to see to it that Government through his Ministry:</p> <ul style="list-style-type: none"><li>- Encourages small scale LB contractors to venture in these jobs as they provide employment opportunities to the rural communities.</li><li>- Assist LB contractors to obtain necessary tools and equipment for their use on these works</li><li>- Ensures that all feeder roads in rural areas including earth roads in towns and cities where possible are carried out by Small Scale LB contractors</li><li>- Empowers Small Scale LB contractors by getting the necessary skills through</li></ul>
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		provision of training in LB techniques
<b>Institutional Framework- Key Question (in bold) and Issues</b>	<b>Institutional Framework - progress as reported in Mombasa 2005</b>	<b>Institutional Framework - update 2007</b>
<p><b>Are there institutions specifically charged with operationalising/promoting LBT works, eg a specific unit or department? If so, are they effective, if not, what institutional framework is being considered to support LBT?</b></p> <p>(i) What is the role of this (ese) institution? Eg planning, capacity building, resource mobilisation, legislation, standards, implementation, M&amp;E, promotion of LBT etc?</p> <p>(ii) Are these institutions influencing across sectors, or specifically for one line ministry/sector?</p> <p>(iii) Are they supported by policy, and/or what role do they play in policy formulation</p>	<p>The October 2003 National Council for Construction Act was put in place while Road Development Agency (RDA) National Road Fund Agency (NRFA) and Road Transport and Safety Agency (RTSA) were setup in 2002 by Acts of Parliament. However, the process is not fully operational to date. They expect to achieve this goal by mid 2006</p>	<p>RTSA under the Ministry of Communication and Transport, RDA under the Ministry of Works and Supply, and NRFA under the Ministry of Finance and National Planning are now fully operational. Their roles are: To promote safety and education to road users: To execute annual work plans for the Roads infrastructure development in the country and To mobilise resources for execution of works respectively</p> <p>These institutions were formed through the ACTS of Parliament No 11, 12 and 13 of 2002 and are thus supported by Law.</p> <p>In accordance with Chapter 4 (4.1.2) of National Policy on the Construction Industry (1997), the policy objectives of NCC are: (i) to review, modify standards legislation and regulation for the construction Industry (ii) to monitor the development of the industry. Hence, plays a leading role in the promotion of the Construction Industry as a whole. However in this case it provides training to Small and Medium Entrepreneurs (contractors) in LBT. The three institutions collaborate in that the, NCC shall provide</p>

		<p>training , RDA shall ensure that there is enough work load for trained contractors and the NRFA shall provide the financing for both the training and road works.</p> <p>It is also important to mention that financial assistance to the Road sector institutions for capacity building is provided as alluded to in the Roadside document.</p>
<b>Legislation - Key Question (in bold) and Issues</b>	<b>Legislation - progress reported as in Mombasa 2005</b>	<b>Legislation - update 2007</b>
<p><b>Are there any certain pieces of legislation that make the use of LBT difficult or unfavourable? If so, what has been done to correct this?</b></p> <p>(i) Is existing (relevant) legislation in general appropriate for the promotion of LBT. eg labour laws, procurement legislation etc?</p> <p>(ii) How is relevant legislation enforced on LB projects; are there enforcement mechanisms in place?</p>	<p>No report was presented</p>	<p>The question of minimum wage for daily employees in various sectors of the economy has been a thorn issue for sometime. However on 2<sup>nd</sup> June 2006, the Govt through the Ministry responsible for Labour put in place a Statutory Instrument No.57 of 2006 based on The Minimum Wage and Conditions of Employment Act, Cap 276 (Law, Volume 15) setting the minimum wage to ZMK 268, 800 or approx.(US\$60) per month, thereby revoking the old one, No 119 of 1997 which had a minimum wage set at ZMK 98,000 or US \$ 25 per month.</p> <p>It is a requirement by each bidder at the time of bidding to indicate daily casual labour rate that he will be paying should he win the contract.</p> <p>Enforcement of minimum wage is carried out by the client/consultant checking monthly returns from contractors.</p>

		<p>However in terms of period of employment of daily paid employees other legislation stipulate that one cannot be employed longer than 6 months without being put on permanent basis.</p> <p>Now considering the temporary nature of most of work in the road sector, this has been and continues to be a problem to contractors. However contractors are always encouraged to put core staff on permanent basis. Govt and other stake holders need to think through this.</p>
<p><b>Contracts - Key Question (in bold) and Issues</b></p>	<p><b>Contracts - progress as reported in Mombasa 2005</b></p>	<p><b>Contracts - update 2007</b></p>
<p><b>Are contract documents suitable for LB contracting, ie for contracting smaller domestic firms? Have there been any improvements or amendments over the last two years</b></p> <p>(i) Are there Special Considerations in LB contracts, eg targeting, labour management, labour standards etc?</p> <p>(ii) Are contracting procedures appropriate? Eg packaging of works, tendering procedures, relaxed collateral requirements etc</p> <p>(iii) Are domestic contractors accessing works through competitive bidding? If not what is the main difficulty</p>	<p>Through the Road Department, now Road Development Agency (RDA) with its former school, now Construction School, contract documentation/manuals have been fully developed that suit all labour-based practitioners are now available on request. However, different donors have their own forms of contract Thus, RDA has been mandated to standardize all contracting materials</p>	<p>As earlier reported</p> <p>Harmonisation of all contract documents of various donors is on going, Small works contract documents are in place suitable for S S/ LB contractors.</p> <p>However, the hiccup for many small scale contractors are the issues of performance bonds which the Contractors' association is lobbying to reduce for majority of them cannot afford.</p> <p>However contractors in category 6, (which is the lowest) are not required to provide bid bonds. Further in the recent months Banks have been advertising for issuance of security bonds / loans to S.M.Es which Contractors could benefit from. <i>The</i></p>

		<p><i>problem still remains on collateral.</i></p> <p>One programme (RSPS) experimented with establishing of the required Performance Bond by deducting the required amount over the first number of IPC's. Furthermore, LB-contractors are allowed to provide Advance guarantees from insurance companies.</p> <p>Domestic Contractors do access the works through the domestic preference factors such as No of shares held by Zambians in the company, is being considered for inclusion in all future tender documents.</p> <p>For small scale LB contractors domiciled in the area of works are given preference over those coming from outside. LB contractors whose staff are trained by NCC Construction School or similar institutions are given preference factors.</p> <p>Through categorising registration with NCC contractors are able to bid for the works meant for that category through National Competitive Bidding (NCB).</p>
<b>Incentives - Key Question (in bold) and Issues</b>	<b>Incentives - progress as reported in Mombasa 2005</b>	<b>Incentives - update 2007</b>
<p><b>Are there any incentives or disincentives for the use of LBT, and what has been done over the last two years to encourage the domestic construction industry and the use of LBT?</b></p> <p>(i) eg regulation on import duty, taxation, joint ventures, domestic preference, etc</p> <p>(ii) Increased budgetary allocation for those councils who promote</p>	<p>To some extent the government has indicated preference for labour based contractors when awarding contracts. Furthermore, contractors have benefited from a waiver of duty on agricultural equipment which is also needed in labour based works</p>	<p>Give preference to small scale contractors in the procurement for maintenance works and specific labour based rehabilitation works, by providing two registration categories for LB-contractors, which are a condition to tender.</p>

LBT		A disincentive is often the requirement for a short construction period for relative much work. LB-contractors should learn to share a piece of cake, rather than trying to swallow it alone. Clients should offer the works in appropriate portions, which can be tackled by a LB-contractor.
<b>Capacity Building</b>		
<b>Training - Key Question (in bold) and Issues</b>	<b>Training - progress as reported in Mombasa 2005</b>	<b>Training - update 2007</b>
<p><b>Is there sufficient capacity to upscale/current planned LBT works at all levels?</b></p> <p>(i) Is there training capacity for LBT in the country? Institutionalised? Sustainable?</p> <p>(ii) What type of training is available for various cadres and role players i.e. for both the private sector and public sector?</p> <p>(iii) Is training capacity sufficient to meet the demand?</p> <p>(iv) Is training accessible, ie can customers afford training costs?</p> <p>(v) Has LBT been introduced in under and post graduate curricula?</p>	Education and training on LBT has not yet kicked off but the marketing strategy through National Council for Construction is in place	<p>Yes, training capacity is more or less sufficient. Several courses have been developed and conducted for on and off carriageway maintenance, contract management, entrepreneurship for both gravel and paved roads through NCC, with support from NORAD (1987-2004) approximately 500 Maintenance and 10 Rehabilitation contractors were trained during this period. Between 1996 and 2000 UNDP/UNCDF conducted a pilot project financing LB rehabilitation contractors trained at the former RDTS to carry out road rehabilitation works on selected roads in Eastern Province of Zambia.</p> <p>Under DANIDA (2003 to date) supported RSPS the programme is supporting 13 LB contractors in three districts of Western Region of Zambia. The support from DANIDA is on going and will continue in the second phase of the RSPS II commencing before the end of 2007 for 5 years.</p> <p>Not only have we trained private firms but we have developed and conducted modules for public institutions like Ministry of Local Government and Housing.</p> <p>However, sustainability is questionable as SMEs do</p>

		<p>not appreciate the value for training thus not willing to pay economic fees. GRZ heavily subsidised these courses.</p> <p>LBT has not yet been introduced in other training institutions apart from NCC and some Consulting firms. However, efforts are being made to have curricula/syllabi accredited with TEVETA (Technical Education, Vocational and Entrepreneurship Training Authority) in Zambia so that it is nationalised and introduced to other training institutions. In the training activities, there is too much reliance on NCC is the sole institute to carry out this training. Stronger collaboration should be established with experienced trainers in the private sector, to broaden the opportunities for training. Emphasis should also be put on training of engineers from consulting firms, and to establish standard LB-curricula at UNZA and Copperbelt University, so that young educated engineers know upfront that LB-technology is a viable option for road maintenance and construction, besides the machine based alternatives, which are traditionally taught at the training institutions.</p>
<p><b>Research &amp; Development - Key Question (in Bold) and Issues</b></p>	<p><b>Research &amp; Development- progress as reported in Mombasa 2005</b></p>	<p>Research &amp; Development - update 2007</p>
<p><b>Is there any other research or development with regards to LBT taking place in the country?</b></p> <p>(i) Have any research or development needs been identified</p> <p>(ii) Is there a system in place to collate and disseminate best practices and research findings</p>	<p>The Research Department operating under the auspices of the NCC -Construction School, was set up in October 2004. However, it is not yet operational</p>	<p>TDAU (Research branch) at the University of Zambia has come up with several LB equipments for use in various fields of Construction and Agriculture. NCC has also quite a number of such equipment. Both institutions disseminate their information through various fora like exhibitions at the Commercial shows and Trade Fare</p> <p>On one of the LB Training sites in Western Province, experiments are ongoing to find low-cost</p>

		<p>options for building of feeder roads in deep Kalahari sands, including the protection of side slopes.</p> <p>On a gravelled trial section of 100m, three methods have been applied- (i) Concrete hollow blocks, (ii) Concrete hollow blocks but filled with concrete of lean mix and (iii) In situ cement stabilized sand slabs (1m x0.5m x0.1m). The idea is to come up a suitable method of confining the gravelled section, compare the durability, effectiveness and the cost implications of each method with a view to replicate it elsewhere in the province.</p> <p>Other techniques, which are more costly, are also tried such as the use of emulsion treated sand and geo-cells.</p>
<p><b>Awareness Raising &amp; Advocacy - Key Question (in bold) and Issues</b></p>	<p><b>Awareness raising/advocacy -progress as reported in Mombasa 2005</b></p>	<p><b>Awareness raising/advocacy - update 2007</b></p>
<p><b>What is being done in terms of promoting or lobbying for LBT in the country, and who is doing this?</b></p> <p>(i) Is there a national champion for LBT?</p> <p>(ii) What can be said about LBT awareness level at various levels?</p>	<p>To some great extent raising awareness is being done through National Construction Council (NCC) magazines, newsletters and website. Previously the magazine focused mainly on construction industry in general. In the recent past, space has been provided for LBT awareness campaign. They have also endeavoured to use radio programmes to sensitize all stakeholders on the benefits of using LBT</p>	<p>Apart from previously outlined in the preceding report, NCC has step up advocacy through Television documentaries, exhibitions, Radio programmes. To a greater extent the current Minister of Works and Supply has recently contributed a lot through policy statements and press briefings during his field trips.</p> <p>NCC and National Association for Small and Medium Scale contractors which is now fully operational can be seen as a National Champions in lobbying for LB programmes for most of the members are trained Labour Based Road contractors.</p> <p>But foremost, the best promotion or lobby for LBT-works is to carry out good LB-contracts,</p>

		implemented by well-trained contractors, and supervised by well-trained consultants. The best promotion of labour based works have been projects such as the UNDP Feeder Roads Project in Eastern Province in the second half of the nineties and the more recent RSPS programme in Western Province, which both have shown and proven that good and long lasting feeder roads can be built with LB-technology.
<b>Allocation of resources</b>		
<b>Financial - Key Question (in bold) and Issues</b>	<b>Financial - progress as reported in Mombasa 2005</b>	<b>Financial - update 2007</b>
<p><b>Is the level of financial allocation for LBT work satisfactory and what is the trend over the last two years?</b></p> <p>(i) What share of infrastructure investment budget is annually allocated to LBT</p> <p>(ii) Are resources ring fenced for LBT</p> <p>(iii) Which institutions are financing LBT? Government, Donors, Private financiers etc</p> <p>(iv) Are credit facilities available for LBT contractors?</p>	No report was presented	<p>For NCC in 2006 and 2007 budget about 35% of its budget is allocated to training in LB courses. These finances are wholly provided by GRZ. Only 6% is contributed as user fees from course participants.</p> <p>In the recent past, several Banks have advertised for Loan offers to SMEs in which category these contractors fall. Therefore those willing and able could access such funds. The newly established RDA is promoting LB-works by earmarking and procuring specific projects for LB-construction. However, this can be further improved by earmarking a standard proportion of the budget for LB-works.</p> <p>No special credit facilities are in place for LB-contractors, apart from the standard commercial banks and the contract advances, which can be obtained by providing the required guarantees.</p>
<b>Equipment – Key Question (in bold) and Issues</b>	<b>Equipment – progress as reported in Mombasa 2005</b>	<b>Equipment – update 2007</b>
<p><b>How are private contractors accessing the necessary appropriate equipment?</b></p> <p>(i) If not, what is the main difficulty? Eg equipment finance,</p>	The strategic plan to have plant pool operated privately in every province of the country is in place but not effected due to financial	As earlier reported the plant pool is not yet operational however, NCC has offered its equipment that mostly lies idle for hire to

<p>equipment availability etc  (ii) What type of support is provided by Government and/or local financial institutions?</p>	<p>constraints</p>	<p>interested parties though not on full time commercial basis. Secondly, the equipment is offered at very high rates, which can not be paid by the LB-contractors. However the Govt has secured a loan from the Govt to procure Road construction equipment worth about US\$ 39m with back up services (training spare parts) etc to be supplied to MWS before the end of the year. However, this will mainly be heavy equipment and is suitable only for conventional machine based contractors and not for LB-contractors. LB-contractors have much difficulty to hire equipment they require from the private market. It is too expensive or of lousy poor quality. Much more should be done to develop the local steel and machining industry to manufacture appropriate equipment, which can be bought by LB-contractors. LB-contracts should be spread out over 2 or 3 years, and thus be made larger, so that a larger advance can be given to the contractor, which enables him to buy some equipment upfront, and utilize for an extended period.</p>
<p><b>Linkages - Key Question (in bold) and Issues</b></p>	<p><b>Linkages - progress as reported in Mombasa 2005</b></p>	<p><b>Linkages - update 2007</b></p>
<p><b>How are LB infrastructure initiatives integrated into wider development plans and if so, what were the benefits, eg financial, resource utilisation, impact, sustainability etc?</b>  (i) How is information, experiences and best practices from LB infrastructure initiatives shared amongst practitioners and other stakeholders</p>	<p>Road SIP (Road Sector Improvement Programme) has fully created connectivity among stakeholders through various programmes among many others. The most notable is the Poverty Reduction Program (PRP). This has brought in networking among various institutions /stakeholders in terms of achieving enabling environment for all</p>	<p>As earlier reported</p>
<p><b>Mainstreaming cross cutting issues</b></p>		
<p><b>Gender HIV/AIDS, environment, governance – Key Question (in</b></p>	<p><b>Gender, HIV/Aids, environment,</b></p>	<p><b>Gender, HIV/Aids, environment, governance -</b></p>

bold) and Issues	governance - progress as reported in Mombasa 2005	update 2007
<p><b>How are cross cutting issues such as gender, HIV/Aids, environment and accountability considered at various levels of planning and implementation? What type of training is provided in this regard and how are policies and strategies enforced?</b></p> <p>(i) Are these components included in the project budgeting process as “accompanying measures”</p> <p>(ii) Do the execution contracts include specific conditions of contract for addressing these issues ?, If So, specify/elaborate</p>	<p>HIV/AIDS has had an overwhelming response from all stakeholders. Zambia has reached a stage where all contractors have an obligation to disseminate HIV/AIDS information. Starting from training, contractors are well informed about the pandemic. They in turn talk to their labourers during contract implementation on continued basis up to completion of the works.</p> <ul style="list-style-type: none"> <li>▪ On environment, a unit under Road Development Agency has been specifically designed /created to deal with environmental issues in co-ordination with the Environmental Council of Zambia.(ECZ)</li> <li>▪ On poverty, all efforts being done above are meant to reduce poverty</li> </ul>	<p>National Aids Council (NAC, a broad based organization comprising Govt, private sector and civil society representation was established by an Act of Parliament in 2002.</p> <p>The National HIV/AIDS/STI/TB Policy of 2005 provide the direction and mandate for the National response</p> <p>During the implementation of the FNDP(2006-2010) a committee of Ministers to provide policy direction on HIV/AIDS has been put in place.</p> <p>At lower levels, provincial, district and in local communities, HIV/AIDS Task Forces (PATF, DATE, CATF ) have been established to operate as sub committee of the decentralised development coordinating structures.</p> <p>The role of these bodies is to coordinate awareness campaigns on issues of HIV/AIDS through meetings, dramas, Role plays, information posters etc to sensitise local communities on the dangers of the disease and how it can be avoided</p> <p>However, in addition all LB-contracts and machine based contracts have included HIV/AIDS awareness clauses, which do require the contractors to organize HIV/AIDS awareness programmes financed by the Client through the contract, therefore by MWS through RDA. Through the contracts, contractors are now</p>

		<p>required and mandated to engage focal points and specialized institutions or persons to carry out structured HIV/AIDS Awareness programmes on their construction sites on a monthly basis. These specialized institutions or persons are contracted by the contractor and paid from provisions made in the contracts.</p> <p>On Environmental issues , the Environmental Council of Zambia (ECZ) was established by an Act of Parliament (1992)</p> <p>National Environmental Action Plan (NEAP) 1994 drawn up to aid environmental planning and implementation during the FNDDP</p> <p>National Policy on Environment drawn up in 2004 which proposes an all encompassing approach to environmental management.</p> <p>Training of staff under RDA and Councils in environmental management is being supported by DANIDA in the RSPS</p>
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