

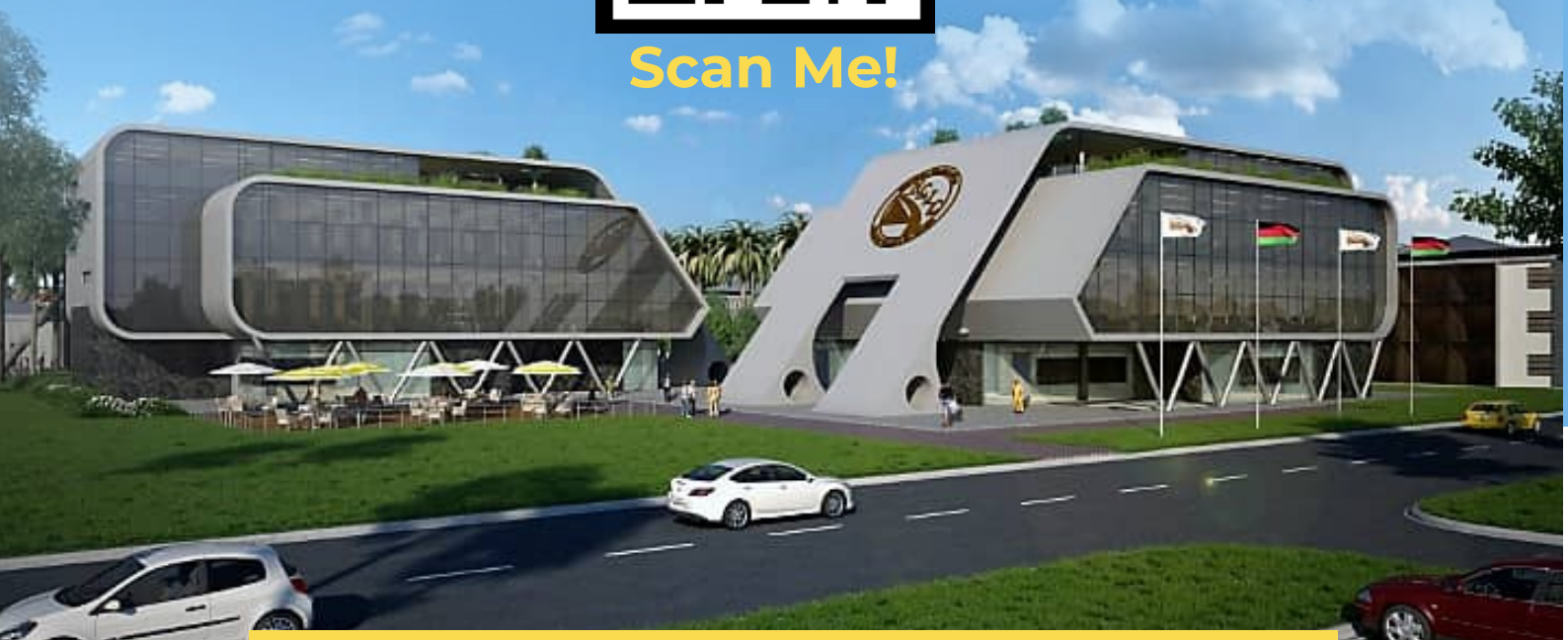


# National Construction Industry Council

## STRATEGIC PLAN 2023-2028



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**Acronym**

BoAQS	Board of Architects and Quantity Surveyors
CAGR	Compound Annual Growth Rate
DHRMD	Directorate of Human Resources Management and Development
GDP	Gross Domestic Product
M&E	Monitoring and Evaluation
MEI	Malawi Engineering Institution
MEL	Monitoring, Evaluation and Learning
MIP-1	Malawi Implementation Plan One
MIPPS	Malawi Institute of Physical Planners
MSMEs	Medium Small Enterprises
MUBAS	Malawi University of Business and Applied Sciences
MWK	Malawian Kwacha
NCIC	National Construction Industry Council
NCI	National Construction Industry
PESTEL	Political, Economic, Social-cultural, Technological, Ecological and Legal environment
PPDA	Public Procurement and Disposal Authority
SWOC	Strength, Weaknesses, Opportunities and Challenges
TEVETA	Technical, Entrepreneurial and Vocational Education and Training Authority
TOC	Theory of Change



## Key Terms Definition

- Persons engaged in the Construction Industry:** Means a contractor, consultant, material manufacturer and material supplier.
- Council:** Means the National Construction Industry Council which is a body corporate having perpetual succession and a common seal and shall, under that name, be capable of suing and being sued and of purchasing or otherwise acquiring, holding and alienating moveable or immovable property and, subject to the provisions of the act.
- Foreign Firm:** Means a firm operating in Malawi but belonging to a person who is not a Malawian national and having fifty-one per cent or more of its capital originating from outside Malawi.
- Local Firm:** Means a firm operating in Malawi having fifty-one percent or more of its capital originating from within Malawi but belonging to a person who is not Malawian national.
- Malawian Firm:** Means a firm operating in Malawi and having fifty-one percent or more of its capital belonging to a Malawian national.

## Foreword

The Board of the National Construction Industry Council is very committed to serve the people of Malawi.

In line with the National Construction Industry (NCI) Act and the National Construction Industry Policy the NCIC was established for the regulation, promotion and development of the construction industry in Malawi, for the registration of persons engaged in the construction industry, for the co-ordination of training of persons engaged in the construction industry. This is a very enormous task that requires proper planning to fit with the national short-term and long-term goals for the country.

Through the 2023-2028 NCIC Strategic Plan, NCIC under the policy direction of the Government of Malawi through the Ministry of Transport and Public Works, reaffirms its role to contribute towards the Malawi 2063. The Vision, Mission, Strategic Objectives and Strategies developed under this Strategic Plan will, together with the MIP 1, propel the country on a road to the attainment of the domesticated Sustainable Development Goals and lay the foundation for *An Inclusively Wealthy and Self-Reliant Nation* by 2063. This will be achieved generally by supporting the development of the Malawian construction industry players while at the same time creating value for the finished construction services and products.

As evidenced in this plan, there are four pillars which anchor this Vision. These are: (1) Service Excellence, (2) Regulation and Compliance (3) Promotion and Development, and (4) Strategic Partnerships. These pillars are supported by values namely (1) Quality Driven (2) Integrity (3) Partnerships (4) Agility and Innovation, and (5) Stakeholder focus.

Throughout the journey for developing this Strategic Plan, key stakeholders including the academia, staff, Government Ministries, Departments and Agencies, construction service providers and clients, have been consulted. This therefore means that it represents the valuable input of these various stakeholders. Let me take this opportunity to thank all stakeholders for providing insights during the thoughtful process of consultation and drafting of the Strategic Plan.

The NCIC Board, therefore is confident that with the total commitment of the stakeholders, the Construction Industry in Malawi will move great strides and contribute a lot to the sustainable development of the country.

QS Jeremiah Magaba  
**Board Chairperson**

## Preface

It is an honour for me to present the fourth National Construction Industry Council Strategic Plan that will run from 2023 to 2028 (2023-2028 NCIC Strategic Plan). This Strategic Plan sets out the roadmap through which the Malawi Construction Industry will be regulated, developed and promoted for the next five years. It has been inspired and informed by the desire to transform the country into *An Inclusively Wealthy and Self-Reliant Nation* as envisioned in the Malawi 2063.

The Strategic Plan is anchored by values being: Quality Driven, Integrity, Partnerships, Agility and Innovation, and Stakeholder focus (QIPAS), which form strong foundations through which NCIC will offer quality driven services to its stakeholders and the nation at large to fulfil the Strategic Objectives of the Plan.

The Strategic Plan builds upon the achievements made in the previous strategic plans, the input from various stakeholders and is motivated by the desire to transform the Construction Industry into a quality driven industry that is vibrant and innovative for the delivery of quality infrastructure and economic empowerment.

The development of the strategic plan has been intensively consultative. The consultations were held in order to get vital information from various stakeholders and to strengthen the ownership of the plan. Strategic issues were distilled from the situational analysis. The strategic issues informed the themes and the ultimately, the strategy. It assumed a process-oriented approach with counterpart team members being involved at every stage in the development of the plan.

The Balanced Scorecard approach has been used in the development of this strategic plan. This approach was chosen in order to identify and improve various internal business functions and their resulting external outcomes. In addition, in implementing Government of Malawi's evidenced-decision making policy, this approach will enable the measurement of NCIC performance and reporting to the Board, the Government and to the people of Malawi

The Plan ensures that the link with the Malawi 2063 and the MIP 1 is clear and streamlined. It also ensures that it implements Government's cross-cutting policies including those related to HIV/Aids, mainstreaming of Disability, Gender, Environmental Protection, the Malawi Export Strategy and many more.

It is my sincere hope that all the stakeholders will continue demonstrating their commitment through supporting the implementation of this Strategy. I would, therefore,

urge all stakeholders to make sure that the partnerships created through the Plan are utilised and sustained.

As the Chief Executive Officer, I am committed to provide the leadership and remain the primary custodian and driver of the implementation process and keep staff focused on intended results.

Eng. Gerald T. Khonje

**Chief Executive Officer**



## Executive Summary

The National Construction Industry Council (NCIC) was established through an Act of Parliament (Cap 53.05) in 1996 with the mandate of regulation, promotion and development of the Construction Industry in Malawi.

The need for the current strategic plan has been informed by the desire for NCIC to orientate the services we offer to be stakeholder focused. The plan builds upon the achievements made in the previous strategic plans. The desire to improve the performance of the NCIC and indeed the industry is apt. The development of the strategic plan has been intensively consultative. The consultations were held in order to get vital information from various stakeholders and to strengthen the ownership of the plan. It assumed a process-oriented approach with counterpart team members being involved at every stage in the development of the plan

The Balanced Scorecard approach has been used in the development of this strategic plan. Strategic issues were distilled from the situational analysis. The strategic issues informed the themes and the ultimately, the strategy.

### **Vision**

‘Transformed, sustainable and quality driven construction industry’

### **Mission**

‘Create an enabling environment for a vibrant and innovative construction industry for the delivery of quality infrastructure and economic empowerment’

### **Core Values**

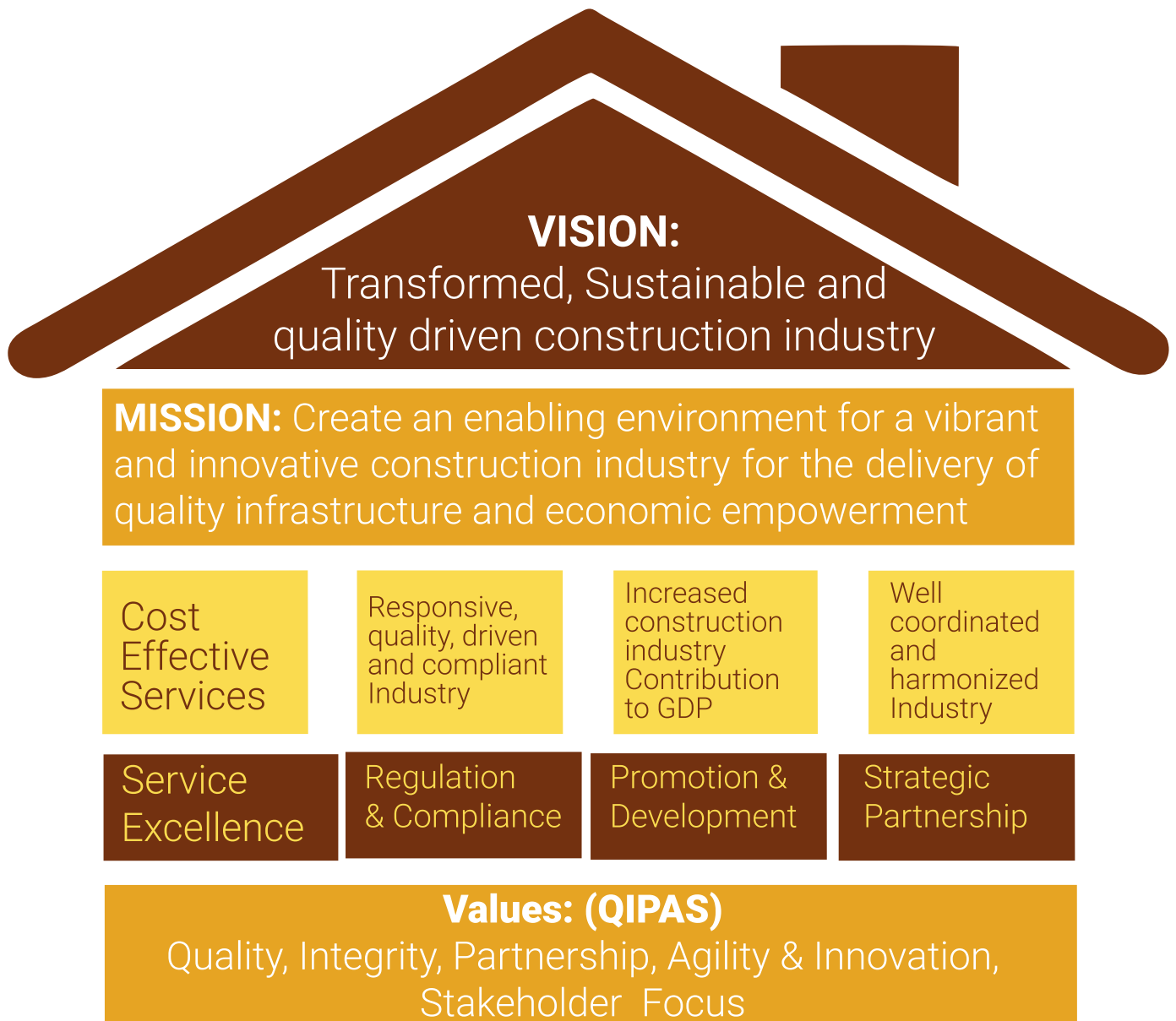
- Quality
- Integrity
- Partnership
- Agility and Innovation
- Stakeholder focus

The following strategic themes and results were identified:

Strategic Theme	Strategic Result
Compliance and Regulation	Responsive, quality driven and compliant Industry
Strategic Partnership	Well-coordinated and harmonised Industry
Service Excellence	Cost Effective services
Promotion and Development	Increased construction industry contribution to GDP

Strategic objectives were formulated to drive the achievement of the desired organisational results.

This culminated into the NCIC Strategy house as shown below:



The strategic plan will be implemented using the Balanced Scorecard approach. The strategic objectives at the corporate level will be cascaded to Directorates, Sections and Units with clear measures and annual targets.

NCIC expects to support the implementation of the plan by injecting MWK 25 billion, internally generated funds, over the plan period.

NCIC will proactively manage organisation-wide risks through the formulation and implementation of a sound risk management framework. Monitoring, Evaluation and Learning will be carried out at corporate, directorate and at individual level. The key performance indicators contained in the strategic plan implementation matrix, complemented with evidence-based data will form the backbone of the M&E plan.



## INTRODUCTION AND BACKGROUND

### 1.0 Introduction

This chapter covers the background of the construction industry at global, regional and national level. The chapter teases out key agencies involved in the construction industry, the legal framework that guides the industry and the alignment of the NCIC strategic plan to Malawi's 2063 Vision, MIP 1 (2023-2030), the Transport Sector Master Plan, Ministry of Transport and Public Works reform areas, the National Construction Policy and Malawi's key priority projects.

### 1.1 Background

Construction is the process of building, altering, repairing, improving, or demolishing any structures or buildings using a detailed design and plan. This cuts across new or existing commercial, industrial or domestic buildings or structures. The construction industry transforms various resources into physical, economic and social infrastructure necessary for the socioeconomic development of the country. It includes planning, designing, procurement, construction/ production, alteration, repairing, maintenance and demolition of various physical infrastructures. The different types of construction are buildings construction, heavy and civil engineering construction, specialty trade contractors, land planning and development.

#### 1.1.1 Global Construction Industry

The global construction market is segmented by type of construction; end use and type of contractor. The types of construction include: buildings; heavy and civil engineering; specialty trade contractors; and land planning and development. The end user may be public or private while the type of contractor may be large or small.

The scope of work in the construction industry is wide and includes any preliminary site preparation work (including pile driving) for the construction or erection of such building or structure; transportation systems and facilities such as airports, harbours, highways,

subways, bridges, railroads, transit systems, pipelines and transmission and power lines; energy generation and transmission structures; structures for containing, controlling and distributing fluids , such as water treatment and distribution, sewage collection and treatment distribution systems, sedimentation lagoons, dams, and irrigation and canal systems; underground structures, such as tunnels and mines; and electrical or metal work associated with other engineering projects. The industry comprises of large and small contractors and each country has a way of defining and classifying the contractors.

The global construction market is estimated to have reached 14,503.87 billion US dollars at the end of 2022 and is expected to grow at a compound annual growth rate (CAGR) of 6.6.% in 2023. The market is expected to grow to US dollars 19,519.26 billion by 2027 at a CAGR of 6%. The industry has been on a growth trajectory but was disrupted by Covid 19 pandemic. Construction output contributed for 25.9% of China's GDP in 2020, up from 6.2% in 2019.

The construction sector is one of the largest in the world economy, with about \$10 trillion spent on construction-related goods and services every year. (McKinsey, 2023). The aggregate size of the construction market was valued at US\$7.28 trillion in 2021 and is predicted to reach US\$14.41 trillion by 2030. (Deloitte, 2022). The revenue of the global construction industry is expected to grow steadily over the next years. In 2030, it is projected to be more than twice as big as it was in 2020. The size of the construction market amounted to 6.4 trillion U.S. dollars in 2020, and it is expected to reach 14.4 trillion in 2030. (Statista, 2023)

The demand for construction is increasing due to huge economic growth in developing countries and low interest rates in number of developed countries. Also, factors such as increasing private sector investments in construction, technological development, and rising disposable income are expected to propel the growth of the market .

### 1.1.2 Construction Industry in Africa

The industry is projected to continue to grow, fuelled by population growth trends, rural urban migration, growing expenditure on infrastructure projects by Government and demand for residential homes by a large segment of the population. In 2019, there was

approximately US\$500 billion investment to the 452 largest projects in Africa. The total size of the African construction market is approximately US\$10 trillion a year. This amount was expected to increase to US\$13 trillion in 2022. (2021 Construction Sector in Africa). The industry has a mix of both large and small contractors, foreign and local. It is largely skewed towards large foreign contractors in terms of revenue contribution. While local contractors are many, most of them occupy the lower end of the construction value chain. The contribution of the industry to employment creation is enormous, and its growth has been rapid. However, there are still many crucial challenges: financing, shortage of skilled employees, low technology uptake and adoption among African based firms, lack of modern and adequate equipment and high construction costs.

The Africa Construction Market is segmented by region (Eastern Africa, Western Africa, Southern Africa, and Northern Africa), sector (Commercial Construction, Residential Construction, Industrial Construction, Infrastructure (Transportation) Construction, and Energy and Utility Construction), and construction type (Additions, Demolition and New Construction).

The African construction market is expected to record a CAGR of more than 7.5% during the forecast period (2022 -2027). The industry remains attractive for most large economies because of huge investment opportunities in energy and infrastructure, cheap labour, and a fast-growing consumer market.

### 1.1.3 The Construction Industry in Malawi

The construction sector in Malawi is categorised into five main sub-sectors: roads, water, energy, housing and irrigation. Consultants and contractors are key private players in the construction industry, and only firms registered with the National Construction Industry Council (NCIC) are qualified to work. There are however many clients who use "contractors" that are not registered.

As at December 2022, Malawi had 2,388 contractors registered with NCIC. There were 1,043 building contractors 937 civil, 130 electrical 166 specialist and 112 consultants registered. There was no local consultant registered with NCIC. The table below provides a summary.

Table 1: NCIC Register of Firm as at December 2022

Type	Foreign	Malawian	Local	Total	Foreign	Malawian	Local
Building	11	1,027	5	1,043	1.05%	98.47%	0.48%
Civil	13	920	4	937	1.39%	98.19%	0.43%
Electrical	2	127	1	130	1.54%	97.69%	0.77%
Specialist	2	162	2	166	1.20%	97.59%	1.20%
Consultant	4	108	-	112	3.57%	96.43%	0.00%
<b>Total</b>	<b>32</b>	<b>2,344</b>	<b>12</b>	<b>2,388</b>			

The industry contributed 4.5% and 3.7% of the country's GDP in 2021 and 2020 respectively. The sector has been on a growth trajectory, with revenue contribution of contractors being highly skewed towards foreign firms despite the percentage of Malawian contractors being more than 96% across the various categories. There has been some concerted effort by the Government aimed at developing and strengthening the local construction industry through various laws and regulations such as the NCIC Act and Construction Industry Policy, Public Procurement and Disposal (PPDA) Act.

Participation and revenue contribution of the local construction industry has remained low due to a number of challenges among them capacity constraints which are manifested through inadequate skills, inadequate capital base and inadequate equipment.

#### 1.1.4 Major Government Agencies Involved in the Construction Industry in Malawi

The Ministry of Transport and Public Works is the policy owner in the industry. There are however many other Government agencies that are tasked with policy implementation and regulation of the industry. These include: -

The National Construction Industry Council (NCIC) mandated to, *inter alia*, promote, develop and register contractors;

Malawi Bureau of Standards, mandated to, *inter alia*, promote standardization in commerce and industry; to prepare and issue standards and to administer schemes based thereon; to make arrangements to provide facilities for the testing and calibration of precision instruments, gauges and scientific apparatus, for the

determination of their degree of accuracy by comparison with standards, approved by the Minister on the recommendation of the Board, and for the issue of certificates in regard thereto and; to assist any ministry, Government department, local authority, other public authority or any statutory corporation in the preparation and framing of the specifications or codes of practice required by it; Board of Architects and Quantity Surveyors, mandated to, *inter alia*, qualifying, registering and disciplinary authority of Architects and Surveyors;

Malawi Engineering Institution which is mandated to, *inter alia*, be the authority of the engineering profession for qualifications, registration and discipline; establishment of the Malawi Engineering Institution and the Engineering Registration Council; to provide for the regulation, registration, promotion and development of the profession of engineering in Malawi;

Physical Planning Council mandated to, *inter alia*, hear and determine appeals lodged by a person aggrieved by the decision or action of any planning committee or the Commissioner for Physical Planning

The Physical Planners Board mandated to regulate and register physical planners;

Technical, Entrepreneurial and Vocational Education and Training Authority (TEVETA) of Malawi mandated to, *inter alia*, promote and co-ordinate technical, entrepreneurial and vocational education and training;

Local Government Councils established under the Local Government Act to, *inter alia*, to promote infrastructural and economic development through the formulation, approval and execution of district development plans within its jurisdiction

### 1.1.5 Legal Framework for the Construction Industry in Malawi

There are several Acts that are relevant for the Construction Industry in Malawi. There are also many agencies involved. The industry lacks a clear governance and coordination framework. This has resulted to duplication of roles among the actors, confusion among the consumers of services provide by various agencies and complaints from the citizens.

Harmonization and coordination among the industry actors (private players, government agencies and the public) has been a recurring issue in several fora.

#### **1.1.6 Mandate of The National Construction Industry Council**

The National Construction Industry Council (NCIC) was established through an Act of Parliament (Cap 53.05) in 1996 with the mandate of regulation, promotion and development of the Construction Industry in Malawi; facilitating Malawian firms to have access to resources for the development of their operations; promoting, in liaison with other bodies, both within Malawi and elsewhere, proper developmental issues relating to the Construction industry; promoting research, development and use of competitive local materials; promoting and facilitating, where possible, the construction of affordable low-cost and medium-destiny housing; promoting safety standards in the construction industry; prescribing and varying the categories for the registration of persons engaged in the construction industry; recommending to the Minister conditions under which a foreign firm may register and operate in Malawi; keeping and maintaining a register for each category of persons engaged in the construction industry; conducting training, within Malawi and co-ordinating the training conducted by others, of persons engaged in the construction industry; making available, from time to time, to persons engaged in the construction industry published information, advice and assistance in relation to the construction industry; publishing, from time to time, such technical and commercial information as it deems necessary or expedient for the benefit of persons engaged in the construction industry; reviewing, from time to time, the process of awarding contracts; monitoring and evaluating, from time to time, the capacity and progress of persons engaged in the construction industry; encouraging competition in the professions or trades of persons engaged in the construction industry; regulating the activities of the construction industry in Malawi through the concerned Boards and Associations; co-ordinating with construction industry councils within or outside the region; standardizing quality control, contract documentation, codes of practice, procurement processes, legal contractual procedures in liaison with other organizations; exercising disciplinary control over the conduct of any person engaged in the construction industry and practicing in

Malawi; and performing such other functions as the council deems necessary or expedient to achieve the objects of this Act.

Since its formation, NCIC has prepared three other strategic plans. The first strategic plan covered the period 2008/09-2013/14; the second one covered the period between 2013/14-2018/19, while the third one was for the period 2018/19 to 2023/24. The third strategic plan focused on six key result areas:-

- Increased compliance to professional ethics, standards and regulations;
- Improved performance and professionalism in the Construction Industry;
- Improved participation of the local firms in the Construction Industry;
- Increased participation of women and youth in the Construction Industry;
- Reduced non-compliance to cross cutting policies and regulations; and
- Strengthened Institutional Capacity

#### 1.1.7 Governance Structure for NCIC

NCIC has a clearly set out Governance Structure. The Board provides strategic direction and comprises of 13 members drawn from the sectors and areas stipulated in the National Construction Industry Act. The Board members are nominated by several bodies including the Master Builders' Association and the Malawian Building Contractors and Allied Trades Association; the Board of Architects and Quantity Surveyors; the Board of Engineers; the Association of Consulting Engineers; Board of Registration of Land Economy Surveyors, Valuers, Estate Agents and Auctioneers; the Malawi Investment and Trade Centre ; the Malawi Chamber of Commerce and Industry; the University of Malawi; the Ministry of Finance (represented by the Secretary for Economic Planning and Development; two members representing material manufacturers; two members from financial institutions; the Solicitor General; the Secretary for Works and Supplies and one person of good character and good standing in the community. For some of the positions in the Council, a representative stands in for the nominee.

In line with good corporate governance principles, the Council meets regularly during the year to review performance and provide strategic guidance and direction.



## 1.2 The NCIC Strategic Plan, 2023-2028

The need for the current strategic plan has been informed by the desire for NCIC to orientate the services they offer to be stakeholder focused. It is also informed by the desire to improve the performance of the NCIC, which is indeed apt for the construction industry.

This strategic plan builds upon previous achievements made by the Council, growing importance for improved harmony and coordination among the actors in the industry and the significance of improving the quality of infrastructure in Malawi, the quest to grow the construction industry market share for the local contractors notwithstanding.

The development of the strategic plan has been intensively consultative. It assumed a process-oriented approach with counterpart team members being involved at every stage in its development. The stakeholders were also consulted and their very valuable inputs incorporated in the plan. The plan also benefitted from inputs from the Board.

The process entailed evaluating achievements from the strategic for the period 2018/19 - 2023/24 and using force field analysis to understand the factors that contributed to the success and those that hindered the implementation of planned activities; analyzing the strengths, weaknesses, opportunities and challenges; analyzing the global, regional and national political, economic, socio-demographic, technological, legal and environmental factors in the operating environment; analyzing the key stakeholders; setting the basis for strategic choices by framing the key strategic issues and eventually formulating the strategic plan. The Balanced Scorecard approach has been used in the development of this strategic plan.

## 1.3 Alignment to National Policies

### 1.3.1 Alignment to Malawi 2063 Vision

Malawi's 2063 Vision is based on three pillars and seven enablers. The Pillars are agricultural productivity and commercialization; industrialization; and urbanization. The enablers are mindset change; effective governance systems and institutions; enhanced public sector performance; private sector dynamism; human capital development; economic infrastructure and environmental sustainability. The NCIC strategic plan is

primarily aligned to the industrialization and urbanization pillar, and all the enablers are relevant. It is however notable that there would also be a lot of agriculture oriented construction activities.

Under the industrialization pillar, Malawi's 2063 Vision aims at developing competitive transport systems across all modes. Investing in transport infrastructure and storage infrastructure (such as cold-rooms and modern facilities fitted with state-of-the-art equipment for the handling of products) will require the services of contractors. NCIC is mandated to license contractors, many of who are involved in road construction, construction of buildings and storage facilities that will be key to the industrialization pillar. NCIC strategic plan aims to operationalize the research agenda that has been developed. The plan will prioritise technology adoption, thus connecting with the research, science and technology that will drive the industrialization pillar.

On the urbanization pillar, the objective is to develop world class urban centers and tourism hubs with the requisite modern socio-economic amenities. In this regard, secondary cities, infrastructure development planning and investment in cities and towns that is regulated and controlled are aspects that the NCIC strategic plan is aligned to. As rural urban migration deepens in the country, critical infrastructure – residential houses, transport, health care facilities and other utilities will be required. These will have to be supported by the construction industry.

All the enablers will be embraced during the plan period as they are all relevant to this strategic plan. In particular, the outcomes in the table below resonate with the objectives of the NCIC strategic plan. It is important to note all the aspects in Enabler 1 in Malawi 2063 Vision are relevant in the NCIC plan.

Table 1 Malawi 2063 Vision Enablers and Outcomes

Enabler	Outcomes
Enabler 2: Effective Governance Systems and Institutions	<p>Increased accountability and transparency in public service delivery</p> <p>Improved adherence to the rule of law</p>
Enabler 3: Enhanced Public Sector Performance	<p>Improved public service regulatory framework</p> <p>Enhanced capacities for the institutions coordinating the Enabler</p> <p>Improved service delivery</p>
Enabler 4: Private Sector Dynamism	<p>Conducive legislation for private sector</p> <p>Enhanced capacities for the institutions coordinating the Enabler</p> <p>Enhanced economic infrastructure: Investing in power generation and supply; transport infrastructure; and ICT</p> <p>Structured and resourced MSME sector: Promoting MSMEs, Supporting and empowering youth, women and persons with disabilities to create businesses through entrepreneurship and access to finance</p>
Enabler 5: Human Capital Development	<p>Improved sports infrastructure</p> <p>Improved quality of education</p>

<p>Enabler 6: Economic Infrastructure</p>	<p>Improved availability and access to long- term development financing for infrastructure projects</p> <p>Sustainable infrastructure</p> <p>Enhanced capacities for the institutions coordinating the Enabler</p>
<p>Enabler 7: Environmental Sustainability</p>	<p>Harmonize policies and coordinate implementation efforts towards environmental sustainability</p> <p>Inculcate people centred value systems on environmental resources use and management</p>

### 1.3.2 Alignment to MIP 1

NCIC strategic plan is aligned to MIP1 – 2021-2030. Under MIP1, youth employment is prioritized. NCIC strategic plan intentionally focuses on subcontracting local firms and training of women and youth. The construction industry is a major contributor to youth employment. Research, Science, Technology and innovation is key in MIP1. NCIC targets to operationalize the research agenda in the 2023-2028 strategic plan. The objective for Industrialization pillar is to have a vibrant knowledge based economy with a strong manufacturing industry. The creation of special economic zones and export processing zones is a priority area which the NCIC plan will align itself to.

Under MIP1, it is envisaged that development of strategic infrastructure that facilitates affordable and sustainable services – including but not limited to a transport network that connects strategic sectors of the economy;

As a regulator, NCIC will promote development of the construction industry in the areas targeted by MIP1.

### 1.3.3 Alignment to National Construction Industry Policy

This plan is aligned to National Construction Industry Policy outcomes which are: -

Improved regulatory environment;  
Enhanced capacity of the local firms;  
Increased participation of local construction players in the international market;  
Improved corporate governance in the construction industry; and  
Institutional framework strengthened

It is also well aligned to the policy objectives of:-

developing robust, comprehensive, clear, and easily administered registration, classification, and enforcement procedures and processes;  
enhancing the capacity of the local firms so that they provide quality works, and competitive services in the construction industry at local, regional and international markets;  
promoting regional and international collaboration and ensure that the local industry take full advantage of regional and international trade protocols;  
improving corporate governance in the construction industry; and  
strengthening the institutional framework and improve coordination for The National Construction Industry Policy implementation.

#### 1.3.4 Alignment to Malawi Priorities Project

This plan aligns well with the priority projects of a) increasing compliance with construction permit process to ensure benefits of urbanization; and b) upgrading road infrastructure for tourism.

75% of urban population in Malawi is concentrated in Lilongwe, Blantyre, Mzuzu and Zomba. Around 65% of the urban residents live in informal settlements, majority of the houses are built with traditional materials that did not comply with building standards. Improving quality of infrastructure is a goal the strategic plan addresses itself to.

Investment in passenger-transport infrastructure and upgrading road infrastructure to meet internationally accepted standards is key. Poor conditions of roads are an impediment to attracting more international visitors. A focus on quality infrastructure will reinforce the need to consolidate investments in the tourism sector.

### 1.3.5 Alignment to Ministry of Transport and Public Works Public Sector Reforms Agenda

Reform Areas 7 and 8 for the sector focus on, respectively, devolution of the transport and building sectors and review of key legislation governing transport and building sectors respectively. In this regard, NCIC strategic plan aims to partner with local authorities and other stakeholders in the industry. This will lead to improved monitoring and supervision of projects and reduced costs of project management and improved access to services as stipulated in the reform agenda Area 7. The NCIC plan also aims to improve harmonisation and coordination and contribute towards addressing the gap that “no single government instrument brings together all the key stakeholders in the transport and building sectors” as stipulated in the Ministry of Transport and Public Works reform Agenda number 8. This reform agenda aims at achieving the outcome of improved regulation of the sectors using the different revised legislations that will take into account changes that have happened in the sectors, justified by the fact that creation of an enabling environment for the different players in the sectors including investors is necessary.

### 1.4 How the Plan is Organized

This strategic plan has five chapters. Chapter One focuses on Introduction and Background. In this chapter, background of the construction industry at global, regional and national level is provided. The key agencies involved in the construction industry are mentioned. And their mandate briefly highlighted. Thereafter, the legal framework that guides the industry is introduced and the National Construction Industry Council and its mandate discussed. The need for the strategic plan 2023/23 -2027/28 is then introduced. The alignment of the plan to Malawi’s 2063 Vision, MIP 1 (2023-2030), the Transport Sector Master Plan and the National Construction Policy is also discussed before the layout of the strategic plan is presented.

Chapter two of the plan focuses on situation analysis. Under this chapter, a review of achievements made in the previous plan is presented. This is followed by organizational assessment, SWOC, PESTLE and stakeholders analysis. At the end of this chapter, the key strategic issues are presented.

The strategic direction is presented in Chapter Three. In that chapter, the vision, mission, values as well as the pillars and their results are presented. The strategic perspectives are also presented in that chapter, together with the strategic objectives and the initiatives. Chapter Four presents the implementation arrangements, monitoring and evaluation and the theory of change (ToC). Under the implementation arrangements, the current organizational structure for NCIC is presented. The suitability of the current structure for the implementation of the strategic plan is commented on and proposal on what should happen given. The objective owners are indicated and the need to cascade the strategic plan to departments and later develop personal score cards is also presented. The frequency of monitoring and evaluation is also provided. A brief section covering the theory of change is presented.

Chapter Five covers financing arrangements and strategic risks. The sources of finance to support strategic plan implementation, and the key risks associated with the implementation plan are covered in this chapter. Mitigation measures for the risks are presented and the case for proactive risk management articulated.



## SITUATION ANALYSIS

### 2.1 Introduction

This chapter provides the situational analysis of the NCIC. The analysis focused on achievements and challenges in the implementation of the previous Strategic Plan and the external and internal business environment by using political, economic, social, technological, ecological and legal environment (PESTEL) and Strengths, Weaknesses, Opportunities and Challenges (SWOC) tools. It also took into account the current status of the construction industry in Malawi. Emerging strategic issues were filtered from the situational analysis and are presented in this chapter. The strategic themes and results for the strategic plan are discussed at the end of the chapter.

### 2.2 Review of the past achievements and emerging strategic issues

NCIC had made significant progress towards the execution and implementation of the past strategic plan. A number of challenges were faced during the implementation of the plan.

#### **Synthesis of challenges faced in the execution of the 2018-2023 Strategic plan**

- i. Bureaucratic processes within the Government system
- ii. Conflicting and overlapping of mandates among the actors
- iii. Weak coordination among the industry players
- iv. Resistance to change by some of the industry players
- v. Low Access and uptake of technology
- vi. Inadequate NCIC capacity to effectively discharge their mandate
- vii. Weak regulatory framework

### 2.3 NCIC's Financial and non-financial performance

During the period under review, NCIC collected a total of MWK 14.7 billion, against a total expenditure MWK 13.5 billion. Earnings after interest and tax grossed to MWK 1.1 billion or 8% of total earnings. NCIC is optimistic that the industry will continue generating enough revenue to support the planned growth.

*Table 3 Summary of the recent past financial performance*

**NCIC Review of Historical Financial Performance in Thousands ( MK'000')**

Financial Performance Targets	2022/23	2021/2022	2020/21	2019/20	2018/19	Total for the period	Average
Total Revenue (MWK)	4,302,780	2,562,483	2,805,782	2,561,399	2,453,108	14,685,552	2,937,110.40
Total Expenditure (MWK)	3,816,519	2,093,934	2,724,564	2,506,013	2,398,986	13,540,016	2,708,003.20
Earnings after interest and tax (% of Revenue) (MWK)	486,261	468,549	81,218	55,386	54,122	1,145,536	229,107.20
Earnings after interest and tax (% of Revenue)	11%	18%	3%	2%	2%	8%	9%
Change in Revenue (%)	68%	-9%	10%	4%			
Change in Expenditure (%)	82%	-23%	9%	4%			

## 2.4 Internal and External Environmental factors Analysis

Internal and external environmental factors analysis was carried out using two approaches, i.e., Strengths, Weaknesses, Opportunities and Challenges (SWOC) and Political, Economic, Socio-demographic, Technological, Environment and Legal (PESTEL) analysis.

### 2.4.1 SWOC Analysis

The SWOC analysis is presented in the table below

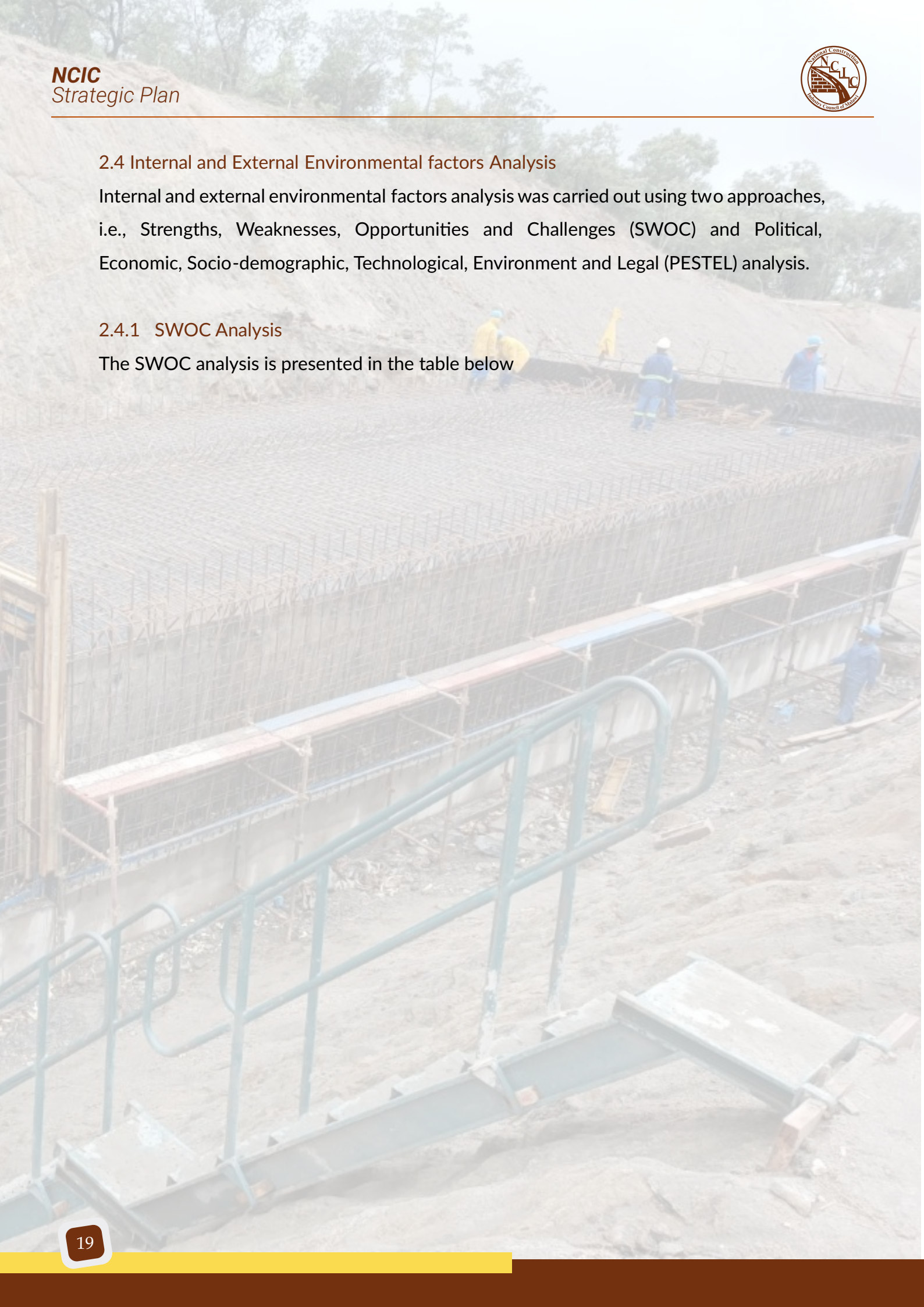


Table 4 SWOC Analysis

S/no.	Strengths	S/no.	Weaknesses
i.	Sound financial base emanating from prescribed revenue streams	i.	Bureaucratic and rigid organizational structure
ii.	Qualified and experienced staff	ii.	Limited uptake of technology
iii.	Existence of offices in the regions	iii.	Ineffective regulations
iv.	Clear mandate and governance structure anchored in the law	iv.	Limited collaboration with key stakeholders
v.	Availability of physical infrastructure and land for expansion	v.	Over reliance on construction levy as source of revenue ( 75% of total revenue)
vi.	Well-articulated conditions of service, policies, processes, procedures and practices	vi.	Limited resources
vii.	Management committed to change	vii.	Low Inter and intra departmental collaboration
viii.	Well formulated Research Agenda for the Construction Industry	viii.	Weak performance management practices and systems
ix.	Representation, nationally and locally	ix.	Low staff morale
		x.	Poor visibility
		xi.	Poor service delivery leading to low stakeholders satisfaction
x.	Professional Board of Directors		
	<b>Opportunities</b>		<b>Challenges</b>
i.	Government support	i.	Government Bureaucracy
ii.	Growing Technology	ii.	Imposition of contradicting Government policies
iii.	Malawi Vision 2063 with clear role for the construction industry	iii.	Duplication of mandate among state entities

iv.	Industry support from development partners	iv.	Lack of cooperation and competition among industry players
v.	Recognition of the roles of the industry in continental and regional economic integration agenda.	v.	Influx of large foreign firms overcrowding local industry players
vi.	Opportunity to partner with Research institutions and Financiers to implement the Research Agenda	vi.	High cost of construction materials
vii.	High demand for training of artisans	vii.	Poor industry governance
viii.	Opportunity for climate change financing	viii.	Restrictive NCI Act
ix.	Collaboration with industry players	ix.	Poor adherence to the industry standards
x.	Growing construction industry		



## 2.4.2 Political, Economic, Social, Technological, Legal and Environmental (PESTEL) Analysis

The PESTEL analysis is presented in the table below

Table 5 PESTEL analysis

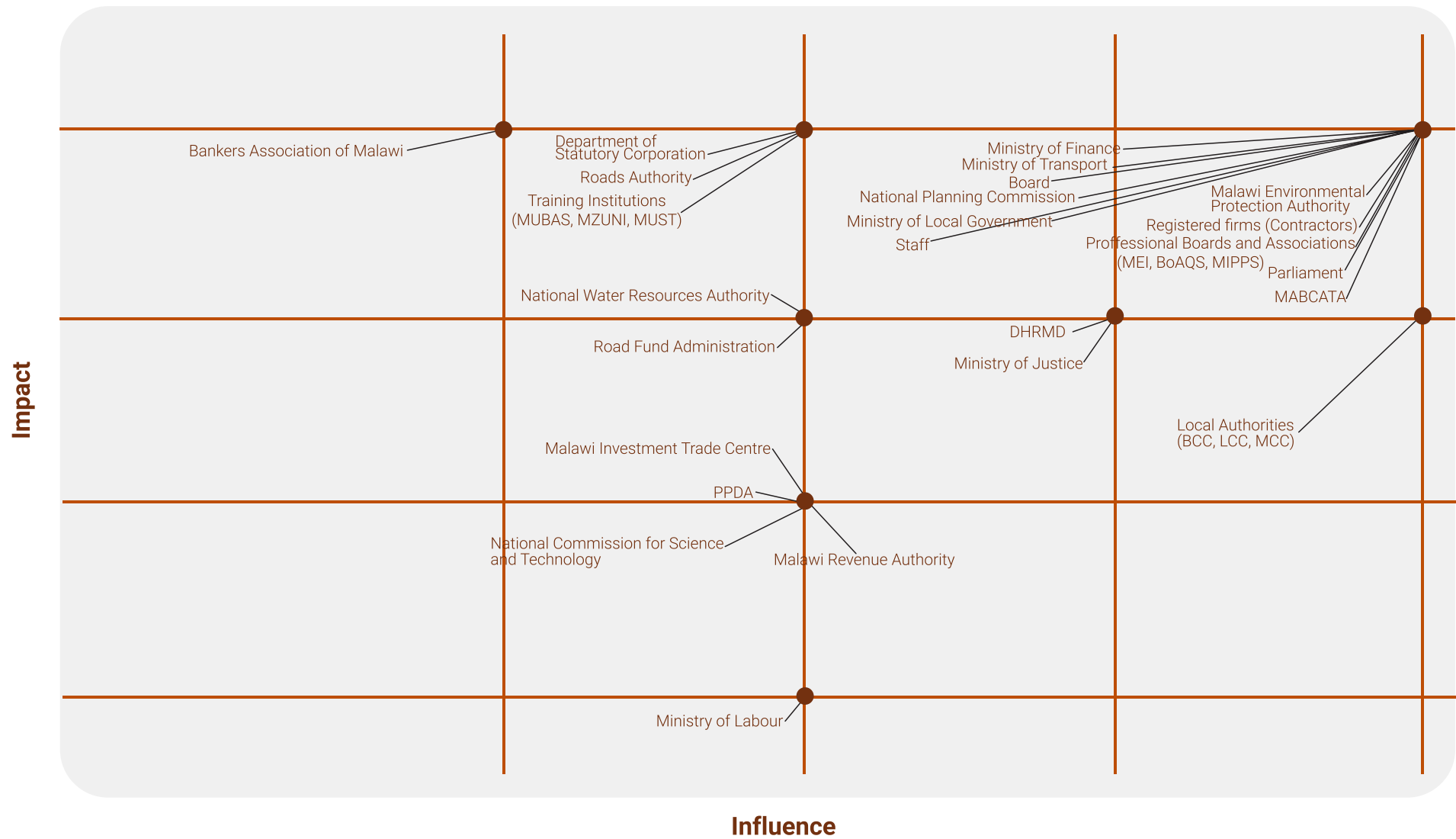
S/no.	Political
i.	Frequent changes in Policy direction from both Government and development partners
ii.	Political interference
iii.	Regional integration
	<b>Economical</b>
iv.	Shortage of foreign exchange
v.	Unfavourable economic environment
vi.	High cost of construction affecting industry growth
vii.	Unfavourable bilateral and donor agreements
	<b>Social-Cultural</b>
viii.	Increase in awareness of construction standards among the population
ix.	Growing demand for modern and quality infrastructure
x.	Unethical business practices
xi.	Growing population growth leading to infrastructural deficit
	<b>Technological</b>
xii.	Advancement in technology
xiii.	Access to international construction standards
	<b>Environmental</b>
xiv.	Climate change effects requiring a shift of construction methods
xv.	Negative environmental impact
xvi.	Growing pressure to embrace climate change adaptation and mitigation practices
	<b>Legal</b>
xvii.	Fragmented regulatory regime
xviii.	Weak legal regime biased towards foreign firms
xix.	Increased awareness among the population on their legal rights
xx.	Harmonization of regional legislation on construction

## 2.5 Stakeholder Analysis

NCIC have powerful and influential stakeholders. Most stakeholders exhibit high influence in their mandate and are core to the achievement of results. NCIC will continue to engage the stakeholders and capitalize on their contributions. This strategy takes cognizant of the need for NCIC to maintain good stakeholder relations while at the same time maintaining their independence.

The figure below depicts the level of influence and importance of the particular stakeholder. All stakeholders on the top quadrant will be prioritised with a continuous engagement programme. Continuous engagement programme will continue for those in secondary quadrants. The stakeholders on the low priority are equally important. NCIC will continue to engage them on a need basis. Detailed stakeholders' analysis is shown in Annex 1.





## 2.6 Strategic Issues and justification

Strategic issues were distilled from the analysis above. The strategic issues informed the themes presented in Chapter three of this plan.

### 2.6.1 Regulation and Compliance

- a) The construction industry is faced with internal and external dynamic variables, requiring a sustainable regulatory and compliance framework, which would in turn support industry growth. The regulatory and compliance standards have not been fully developed and the awareness levels are not sufficiently understood by all the industry players. Compliance levels within the industry are low due to weak regulatory frameworks and low adherence to professional ethics.
  - i. How will NCIC develop a responsive regulatory framework and ensure its adherence?
  - ii. What will NCIC do to strengthen industry compliance and quality?
  - iii. How will NCIC encourage self-regulated, ethics-based industry compliance?
- b) Regulatory quality is a concern in the construction standards. It is a primary variable in competitiveness, harmony among foreign and local contractors and construction cost structure. There have been industry players that do not comply to the regulatory requirements.
  - i. What will NCIC do to enhance regulatory quality in the industry?
  - ii. What will NCIC do to harmonise quality amongst the various regulators in the industry?

### 2.6.2 Strategic Partnership

- a) Construction industry has a number of critical players. Some of them do not observe good governance, and paint the industry in bad light, leading to loss of public trust in the industry. Accountability among some industry players is low.
  - i. What will NCIC do to strengthen the industry governance and accountability?

- ii. What will NCIC do to enhance public trust and confidence, and raise her visibility?
- b) They are cross cutting issues either developed or for compliance enforced by a number of government institutions. The players work in isolation and at times in competition. Lack of harmonized approaches causes confusion in the industry, increases transaction costs and discourages industry growth. The large industry players crowd out the small ones and gives advantage to foreign contractors over the local ones.

NCIC is mandated to promote the growth of the local industry including the participation of women and youth in the construction industry. Inclusion of women and youth in the industry remains low.

- i. What will NCIC do to strengthen industry coordination and harmonisation among the many players?
- ii. How will NCIC promote the participation of women and youth in the industry?

### 2.6.3 Service Excellence

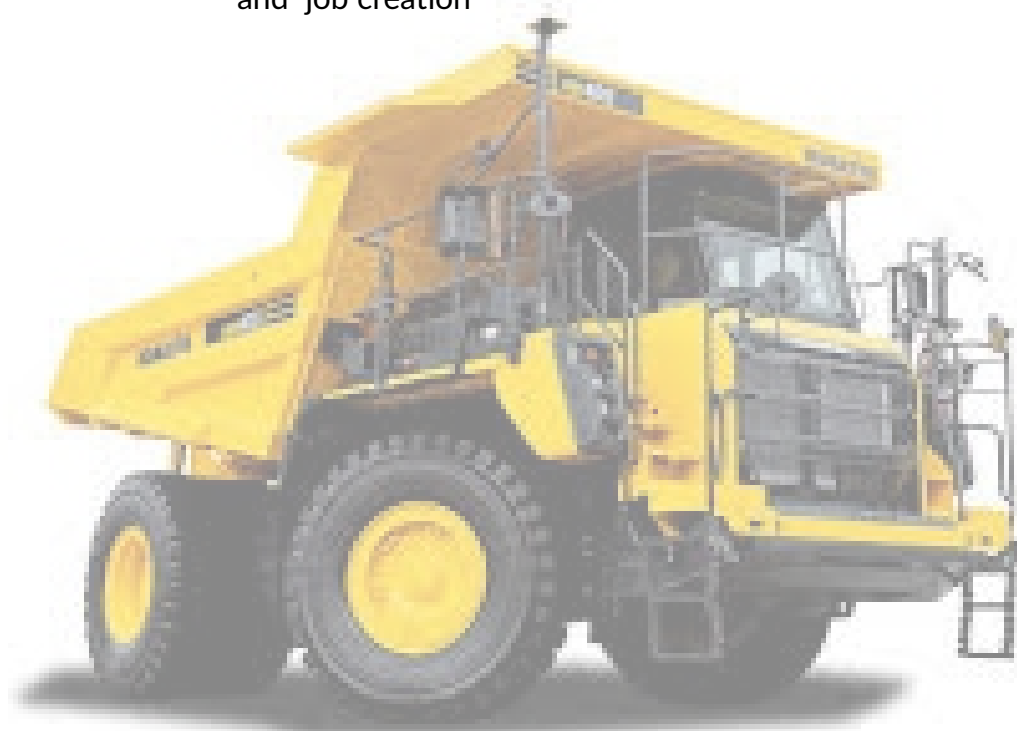
- a) NCIC is mandated to develop and regulate an industry that is fast growing and evolving. The industry generates a lot of employment opportunities for local citizens and can be a major revenue earner for the government. Recent trends point towards a trajectory that has stagnated and has not kept in tandem with technological developments. Internal processes, service delivery channels and industry players service experience need to be recalibrated to sustain growth and relevance of NCIC.
  - i. What will NCIC do to enhance her institutional capacity, service delivery and grow the industry?
  - ii. How will NCIC leverage IT to enhance efficiency service delivery?

- b) The operational cost is a concern to the industry. The buildup of the costs is due to bureaucratic processes and operational inefficiencies. Besides, stakeholders have raised concern on NCIC visibility.
- i. What will NCIC do to enhance its process and achieve cost effectiveness?
  - ii. What will NCIC do to enhance the quality of services?

#### 2.6.4 Promotion and Development

NCIC has witnessed growth of the construction industry, including the number of registered firms. The contribution ratio of local to foreign contractors remains low. Contribution of the local industry remains low due to lack of capacity among the local contractors, including technology, financial constraints and expertise. There have been concerns that NCIC needs to do more to promote and develop the industry, leverage the contribution of local contractors and increase the contribution to the GDP. The construction industry has untapped potential to drive the economy and create the much needed jobs.

- i. How will NCIC develop and promote growth of Malawian contractors?
- ii. What will NCIC do to grow the industry's contribution GDP and job creation



## STRATEGIC DIRECTION

### 3.0 Introduction

This Chapter provides the detailed strategy including the focus areas, strategic objectives, measures and strategic initiatives.

### 3.1 Vision

Transformed, sustainable and quality driven construction industry.

### 3.2 Mission

Create an enabling environment for a vibrant and innovative construction industry for the delivery of quality infrastructure and economic empowerment.

### 3.3 Core Values

The following core values of the NCIC will provide the guiding principles, which will help the board, management and staff to behave and relate with all stakeholders.

Quality	We are consistent in what we do and put quality first.
Integrity	We are honest, transparent, accountable and uphold strong ethical principles.
Partnership	We believe working together, for each other makes everyone better.
Agility and Innovation	We are flexible, responsive, creative and adaptive to disruptions and changing environment.
Stakeholder focus	We exist because of our stakeholders and they come first in all that we do.

### 3.4 Strategic Themes

The strategic plan has identified specific areas of focus for which NCIC must excel in order to achieve its vision. The four focus areas have operationalised the NCIC vision statement into more specific focus areas and eventually into strategic initiatives. The issues emerged from the Institutional and Situational analysis. The distilled issues will be prioritized and implemented during the plan period

#### 3.4.1 Strategic Theme and results

The strategic themes are presented in the table below:

*Table 6 Themes and Results*

<b>Strategic Theme</b>	<b>Strategic Result</b>
Compliance and Regulation	Responsive, quality driven and compliant Industry
Strategic Partnership	Well-coordinated and harmonised Industry
Service Excellence	Cost Effective services
Promotion and Development	Increased construction industry contribution to GDP

#### 3.4.2 Compliance and Regulations

NCIC is mandated to ensure the sector complies with rules and the laws of the country. NCIC need to ensure a strong and responsive industry regulatory framework driven by the need for quality and continuous improvement. The regulatory framework will be anchored on a compliance and enforcement framework and Monitoring, Evaluation and learning.

The theme will entail the following;

- Strengthening the regulatory framework
- Ensuring the regulatory framework is quality focused
- Sound compliance and enforcement framework
- Strengthening Monitoring, Evaluation and learning
- Strengthening the construction industry quality control

### 3.4.3 Strategic Partnership

NCIC operates in an industry that has multiple players. NCIC will need to develop mutually beneficial partnerships to leverage resources, capabilities, and collective intelligence. Moreover, to create the much need harmony and reduce competition among actors, NCIC will seek win-win collaboration for the benefit of the construction industry.

The theme will entail;

- Collaborating with industry players
- Harmonising the industry regulatory regime
- Partnering with institutions and other actors for industry capacity development
- Harmonised review and implementation of the regulatory regime
- Creating a common understanding of the industry's objective among the actors
- Information sharing for industry growth
- Improving stakeholder satisfaction

### 3.4.4 Service Excellence

To support the industry growth and meet the needs of the stakeholders, NCIC must improve its institutional capacity and focus on efficient and effective services. This will require NCIC to invest in technology, infrastructure and re-engineer processes, responding to industry needs. A recent study indicated that the stakeholder satisfaction levels were barely above the average, suggesting the need to focus on service delivery and excellency.

The theme will entail;

- Strengthening NCIC institutional capacity
- Strengthening processes for quality and efficiency
- Improving competencies in line with NCIC mandate
- Creating the change culture
- Establishing a strong performance management culture
- Developing the infrastructure to meet the growing needs of the industry
- Improving cost effectiveness
- Expanding the revenue base to support the growth

Delivering quality services and products for improved stakeholder satisfaction

### 3.4.5 Promotion and Development

NCIC is mandated to promote and develop the local industry. Currently, the Malawian firms' contribution is low. There is consensus that growing the participation of the local firms will require multifaceted approach focussing on capacity development, technology, access to capital and equipment. Although there is an upward trend with respect to the number of registered Malawian firms, (2020/21 -86%; 2021/22-98%), their contribution in the industry is low. In particular local firms are concentrated on the lower part of the construction value chain, with low contribution. Foreign firms dominate the major constructions projects, and hence their high contribution. While the regulatory regime has set the minimum 30% contribution by the local firms, implementation of the same is mired with enforcement challenges.

This will entail;

- Developing the capacity of the Malawian firms

- Partnering with other institutions for capacity development

- Exploring avenues for partnering with other actors for sector wide financing

- Strengthening the regulatory framework and enforcement for improved local participation

- Reviewing and implementing the framework for provision of industry equipment

- Coordinating with other partners for skills development

3.5 NCIC Strategy house

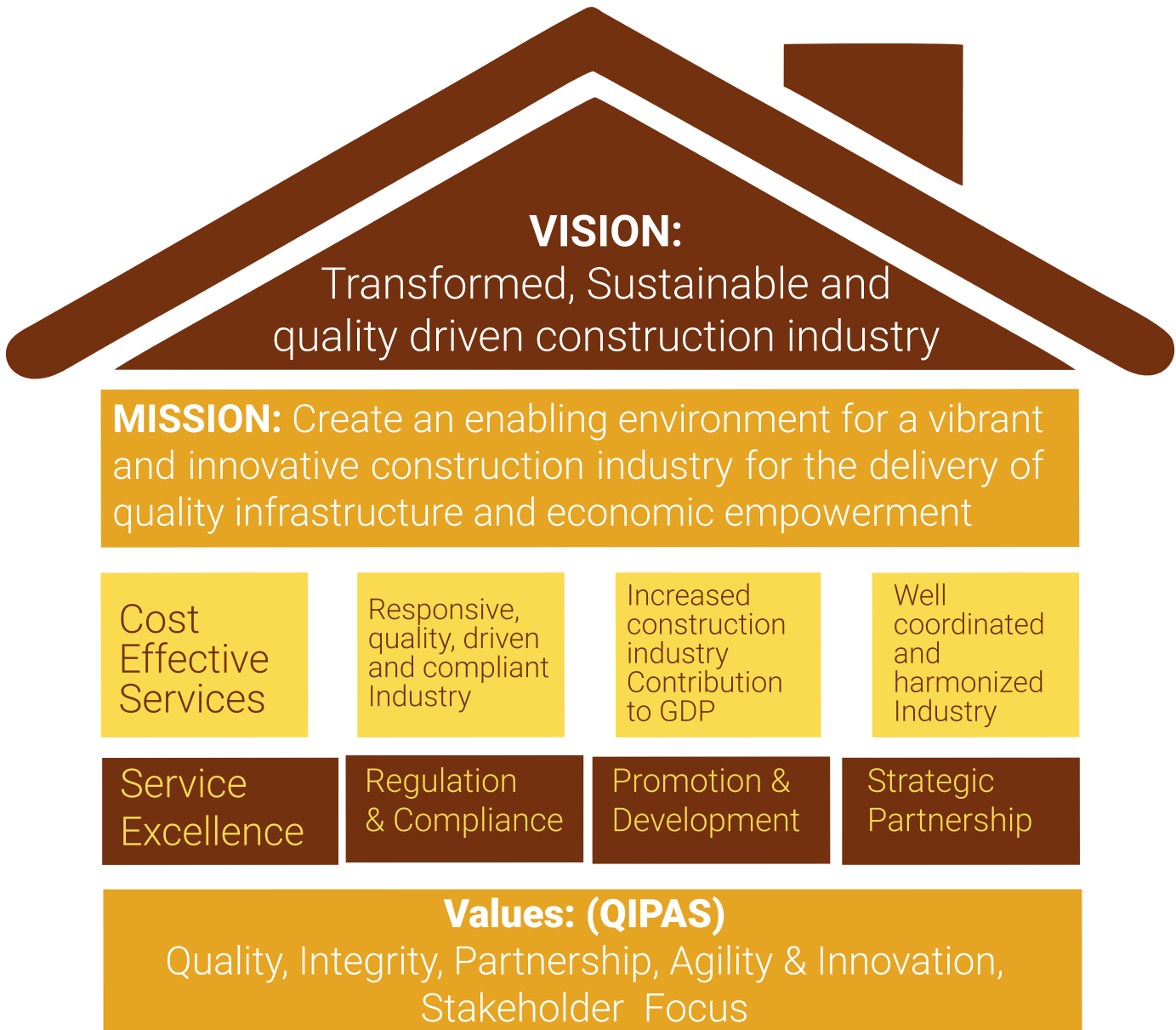


Figure 2 The strategy House

### 3.6 Strategic objectives and descriptors

Table 7 Objectives and Descriptors

Perspective/Objective	Objective Description	Results
<b>Stakeholder</b>		
Improve stakeholder satisfaction	They have been numerous complaints about the construction industry players. The stakeholder satisfaction level is on average. The objective seeks to; <ul style="list-style-type: none"> <li>i) Respond to stakeholder concerns and emerging issues</li> <li>ii) Improve stakeholder ownership and buy in of NCIC vision</li> <li>iii) Create forum for regular stakeholder Engagement</li> <li>iv) Strengthen stakeholder satisfaction levels.</li> </ul>	Stakeholder satisfaction, Buy in and ownership of the NCIC vision
Increase local industry participation and contribution	NCIC is mandated to promote and develop the growth of the local construction industry, including the participation of Malawian firms. The participation envisages the inclusion of women, youth and other marginalised groups. The objective seeks to; <ul style="list-style-type: none"> <li>i) Increase the participation of Malawian firms in the construction industry</li> <li>ii) Increase participation of Women, youth and other marginalised groups</li> <li>iii) Create employment opportunities for Malawi citizens</li> <li>iv) Increase the share of construction industry contribution to GDP</li> </ul>	Increased market share for local construction industry players, job creation for Malawians,
Strengthen coordination and harmonisation	Construction industry has many actors working in Silos. Collaboration among the players in the industry is weak and characterised by competition among the players. This increases transaction cost, weaken enforcement and increases rivalry. There are cases of un-harmonised standards and duplication of regulatory requirements. This objective will; <ul style="list-style-type: none"> <li>i) Harmonise the regulatory requirement among the players</li> <li>ii) Encourage collaboration</li> </ul>	Harmonized and well-coordinated industry

Perspective/Objective	Objective Description	Results
	<ul style="list-style-type: none"> <li>iii) Lower the cost of doing business</li> <li>iv) improve the attractiveness of the industry</li> </ul>	
<b>Stewardship</b>		
Increase revenue	<p>NCIC has largely relied on a single revenue stream. There is need to diversify and grow the revenue. Revenue leakages need to be sealed and operational cost contained. The objective will:</p> <ul style="list-style-type: none"> <li>i) Increase and diversify revenue</li> <li>ii) Improve cost effectiveness</li> <li>iii) Intensify outstanding revenue collection efforts.</li> </ul>	<p>Diversified revenue base, increased revenue</p>
Strengthen governance and accountability	<p>The construction industry is faced with unethical practices including corruption, collusion among contractors, undue influence and low public trust. This, coupled with low accountability has led to cases of noncompliance and disregard for the rule of the law. This objective will;</p> <ul style="list-style-type: none"> <li>i) Enhance the industry governance and accountability</li> <li>ii) Increase public trust</li> <li>iii) Encourage a self-regulated and ethic based industry</li> </ul>	<p>Improved industry governance maturity level Increased stakeholder trusts</p>
<b>Internal Business Process</b>		
Improve regulatory quality	<p>They have been concerns from the industry players and key stakeholders about the quality of the infrastructure. NCIC as the regulatory and enforcement agencies have been on the receiving end. Specifically, concerns have been raised about the quality of the work undertaken by the contractors. The objective will:</p> <ul style="list-style-type: none"> <li>i) strengthen compliance monitoring</li> <li>ii) improve the regulatory framework</li> <li>iii) Ultimately raise the quality of the constructions projects.</li> </ul>	<p>Effective regulations, increased compliance, reduced complaints,</p>

Perspective/Objective	Objective Description	Results
Improve processes	Compliance and regulatory agencies are increasing facing demand from their clients to reduce the bureaucratic process and adopt responsive and cost saving processes. NCIC need to improve the efficiency and the quality of their services. The objective will; i) Strengthen the process including regulatory, compliance, communication and stakeholder facing processes. ii) Integration of the processes iii) Review the structure and functions	Optimised services, Quality and efficient services
Strengthen research	Regulatory agencies have to establish industry standards that are research driven. Responding to emerging concerns of the industry require an evidenced based approach driven by research. NCIC need to strengthen the research and the adoption of the research findings. The objective will; i) Strengthen the research ii) Enhance the adoption of standards based on research findings.	Increased research uptake, Well regulated industry
<b>Organisational capacity</b>		
Improve employees skills and organisational culture	NCIC is operating in a dynamic environment with demand for highly skilled and competent work force. At the moment, there is need to strengthen advocacy, leadership, management, and other technical skills in line with the emerging needs of the industry. There is need to review the establishment register and to fill it with appropriate employees. Moreover, intra and inter department collaboration need to be strengthened for improved performance. A performance oriented culture, anchored on self-driven teams need to established. The objective will: i) Build the relevant skills and competencies ii) Strengthen the establishment register iii) Enhance the appropriate intra and inter departmental collaboration, organisation culture and work environment, and a	Highly competent and motivated team strong inter and intra departmental collaboration

Perspective/Objective	Objective Description	Results
	performance oriented culture. iv) Strengthen team work	
Improve infrastructure and technology uptake	The construction industry is technology driven and NCIC cannot afford to be left behind. Compliance and regulatory agencies are increasing adopting technology. NCIC has a deficit of office space, modern equipment and other facilities necessarily for their operations. Besides, they have ample under developed land. The objective will: i) Upgrade and enhance utilisation of technology ii) Modernise the infrastructure including office space and other relevant equipment iii) Enhance utilisation of asset.	Efficient service delivery,

### 3.7 NCIC Strategy Map

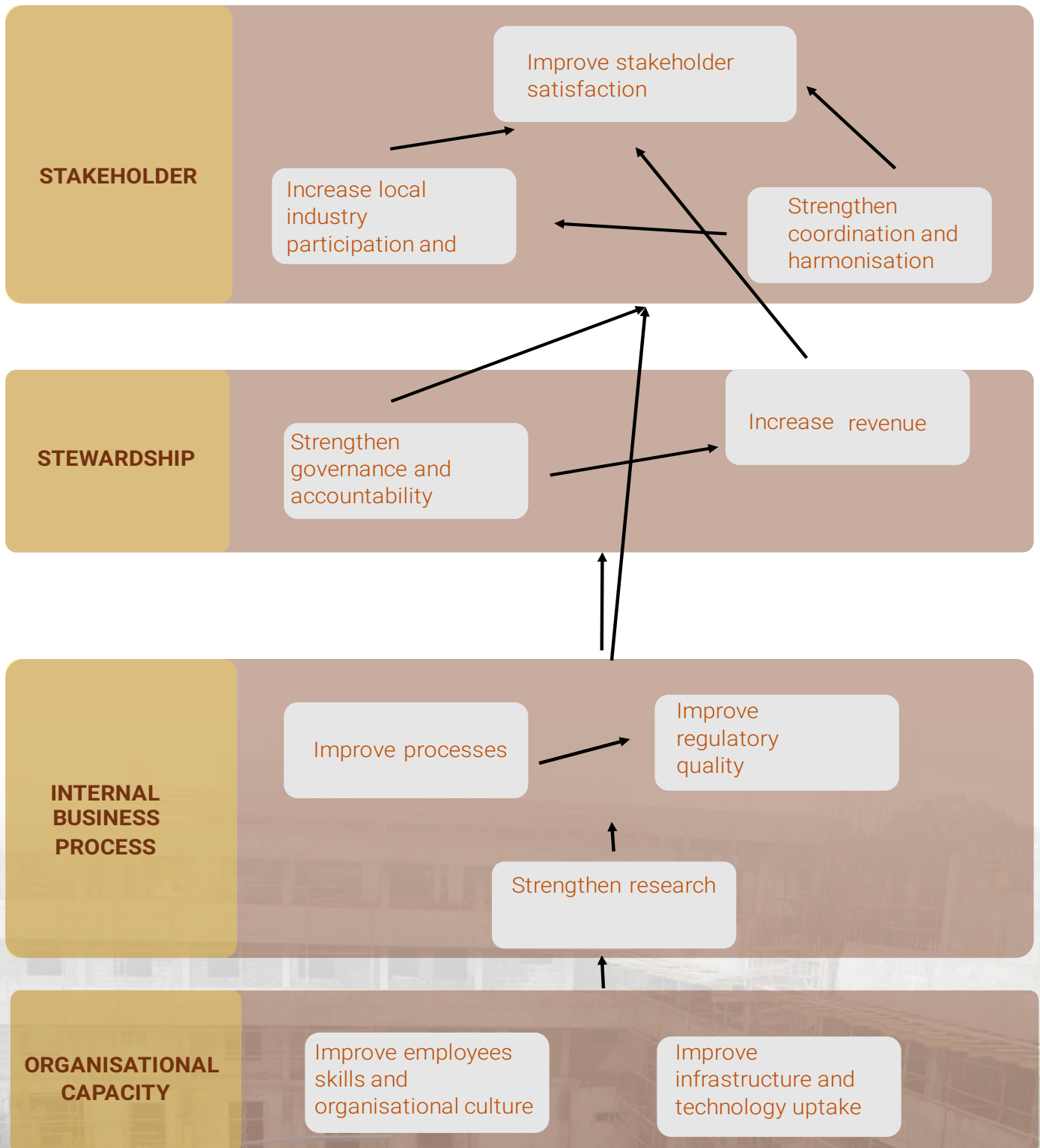


Figure 3 Strategy map

### 3.8 NCIC Corporate Scorecard

Table 8 Corporate scorecard

Perspective/Objective	KPI	Target	Strategic Initiative
<b>Stakeholder</b>			
Improve stakeholder satisfaction	% Stakeholder satisfaction level (NCIC, Industry firms)	90%	Stakeholder engagement and coordination project
Increase local industry participation and contribution	% Malawian firms market share (Contractors)	50%	Local industry capacity development program
	% Malawian firms market share (Consultants)	80%	
Strengthen coordination and harmonisation	% Joint initiatives planned and implemented	70%	Stakeholder engagement and coordination project
	% Industry players carrying out joint initiatives	70%	
	% Reported disputes among industry players resolved	80%	
<b>Stewardship</b>			
Increase revenue	% Revenue generated from new sources annually	5%	Revenue diversification and budget management project
	% Revenue increase annually	5%	
Strengthen governance and accountability	Corruption perception index for construction	30%	Stakeholder engagement and coordination project
<b>Internal Business Process</b>			

Perspective/Objective	KPI	Target	Strategic Initiative
Improve regulatory quality	% Noncompliant projects	10%	Regulatory environment and Compliance improvement project
	% Reduction of complaints	90%	
Improve processes	% Of processes optimized	60%	Process re-engineering and automation project
			Organizational restructuring and functional review project
Strengthen research	% Research findings promoted into practical solutions	50%	Research development and innovation project
	% Policies and Best practices emanating from research findings	50%	
<b>Organisational capacity</b>			
Improve employees skills and organisational culture	% Employees satisfaction levels	95%	Staff capacity development and organizational culture change project
	% Of inter departmental initiatives completed on time	80%	
	% Of staff who have acquired professional certification	60%	
Improve infrastructure and technology uptake	% Of processes optimized and automated	70%	Process re-engineering and automation project
	Return on Assets	20%	Asset development and improvement project
	% Asset Management Plan implemented	100%	

## IMPLEMENTATION, MONITORING, EVALUATION AND LEARNING

### 4.1 Introduction

This chapter addresses implementation arrangements that will be put in place to ensure effective implementation of the strategic plan. The roles different parties will play in the monitoring and evaluation of the plan are elaborated. Monitoring, evaluation and learning (MEL) is an important aspect of strategy execution. Indicator driven data will be collected, collated, analyzed and reported against targets. The frequency of reporting is provided, and those responsible for the objectives (objective owners) will be responsible for collecting data and monitoring reporting. The chapter concludes with the monitoring and evaluation plan.

### 4.2 Implementation of the strategic plan

The strategic plan will be implemented using the Balanced Scorecard approach. The strategic objectives at the corporate level will be cascaded to Directorates, Departments, Sections and Units with clear measures and annual targets. Those targets will in turn be cascaded to individual employees and will form basis for performance reporting and assessment.

The strategic plan has high level objectives. At the corporate level, these objectives have specific indicators. In order to drive performance, implementation progress reporting will be driven by indicators. This means that data for each indicator must be collected and the level of achievement reported against target.

The strategic plan will be cascaded to tier 2 (directorate and departmental level) and tier 3 (employee level) where tasks that are to be carried out at the directorate or departmental level will be reported based on the indicators at that level. Activities that are at the individual level will also have targets and the employee performance will be assessed against that.

Objective owners will be held accountable for the achievement of the objective and must therefore coordinate all the other actors involved in a given objective. Reporting should be data centric and evidence based.

Initiatives (projects) have been developed to support the realization of the respective objectives. These initiatives will be broken down to activities and will guide resource allocation and annual budgets. The initiatives will have key indicators against which their progress will be tracked.

With the plan cascaded to tier two (directorate and department) and to tier three (employee level), the next step will be to align it to the performance management system.

#### 4.3.1 Rapid institutional review

A strategy focused organization must re-orient the employees to be results-oriented. This is achieved through development an institutionalization of a robust performance management system. The balanced scorecard methodology requires that once a BSC compliant strategic plan has been developed, the next stage is to cascade it and align individual employee performance to the strategic plan. As the organization matures in the strategic planning continuum, its results-orientation also improves. This plan therefore requires the performance management system in NCIC to be strengthened.



Table 9 Rapid institutional review

Elements of the organisation (a)	Brief Description (b)	Rules/Policies (C )	Practices (D)	Gaps (E=C-D)	What need to be changed F (To address E)
<b>Human Resource</b>	The Human resource function is well established and supportive of employee training and development. The establishment has 55 out of which 46 currently filled.	Human Resource policies include; i) Recruitment Policy ii) Performance Management System iii) Staff Training and Development	i) The KPI's for tracking performance are not well defined. ii) There is meaningful tracking of performance at corporate level but weak at departmental and individual level. iii) Collection, analysis and reporting of the data is weak.	i) Weak Data governance and reporting system ii) Performance management system not aligned to the strategic direction and institutional mandate iii) Establishment that is loaded on administrative side and weak on the technical side. iv) Inadequate Human capacity (the number and competency)	i) Functional review and restructuring ii) BSC cascading iii) Strengthening and aligning PMS to the strategy iv) Data governance system review v) Staff development
Financial	Financial and administration function has clear mandate and focused on making NCIC financially independent.	Financial policies and systems are well established.	i) Over the years NCIC has relied heavily on construction levy as the main source of revenue. This is despite the fact that the law has room for diversified revenue	i) Limited revenue growth ii) Inefficiency in revenue collection	i) Process improvement and automation ii) Revenue diversification

Elements of the organisation (a)	Brief Description (b)	Rules/Policies (C )	Practices (D)	Gaps (E=C-D)	What need to be changed F (To address E)
			sources. ii) There is low uptake of technology with few processes automated.		
Organisational set up	The existing structure is tall with unclear career progression paths and with a wide span of control.	The organogram is guided and approved by DHRMD.	Ad hoc reporting lines	i) The organisation structure is not aligned to the strategy and institutional mandate. ii) The structure is bureaucratic and hinders intra and inter departmental collaborations	i) Organisational restructuring ii) Job evaluation and work load analysis
Over all institutional capacity	NCIC has limited capacity to effectively fulfil its mandate	The policies and systems are in place to support capacity.	i) Work overload in some areas ii) Unutilised assets	i) Failure to meet the stakeholders expectations ii) Failure to leverage on the assets	i) Job evaluation and work load analysis ii) Asset development and improvement

#### 4.4 Monitoring Implementation of Strategic Plan

The strategic plan will be monitored through a number of indicators (measures). These measures will track the progress made towards the implementation of the plan. Data on these measures will be collected and reported on quarterly, bi-annually and annual basis. The frequency for gathering data for each respective measure is reflected in the M&E plan presented at the end of this chapter.

The strategic plan monitoring and evaluation will take place at various levels. The highest will be at the Board of Directors level where progress made will be reported. The CEO will report progress on the implementation of the strategic plan to the Board. The report to the Board will capture level of achievement to target based on corporate level indicators. This reporting will be data centric and evidence based. Explanations and justifications on why targets have been achieved or not achieved will be given.

The second level will be at the Directors level. The respective Directors will report the progress made by their departments based on the departmental scorecards. This will take place every month, with more detailed reporting at quarterly, biannual and annual strategy review meetings. The third level will be at employee level where each employee will report of the progress made based on their performance agreements which are agreed upon at the beginning of the financial year.

Objective owners and initiative owners will be appointed to coordinate gathering of performance data on each of the objectives and initiatives respectively. Objective and initiative owners will serve as the implementation champions for the respective objectives and initiatives and will be expected to make follow up with those tasked to execute activities related to the initiatives and/or objectives.

Supervisors and managers will meet with their staff on regular basis to discuss performance. Evidenced based quarterly performance reports will be provided to the Directors. Every indicator at the departmental level will be reported on, basing on performance to target criteria. There will also be an annual review by Senior Management on the performance of NCIC.

#### 4.5 Learning

Through strategy review meetings, lessons learnt from the strategy execution process will be documented. These lessons will be used to enhance decision making and effectiveness of

strategic plan execution. Incorporating these lessons into decision making will reinforce continuous improvement in planning and execution of initiatives that are planned.

#### 4.6 NCIC's Theory of Change (ToC)

NCIC is focussed on transforming the construction industry so that Malawi citizens enjoy quality of life. Sustainable and quality driven construction industry that is innovative contributes significantly to the quality of infrastructure which is a powerful enabler to economic growth. The industry contributes to job creation, opens up markets and greatly contributes to movement of people, goods and capital within and outside the country.

The change model incorporates lessons learnt from current and previous plan. It is based on our theory of change that through NCIC's mandate and actions, compliant construction industry; increased participation of local construction industry players and quality infrastructure can be achieved. That would yield employment opportunities for Malawi citizens and spur wealth creation and sustained economic growth. Such outcomes would over time translate to improved quality of life. The theory emphasises on the following;

- a) Responsive, quality driven and compliant Industry
- b) Well-coordinated and harmonized Industry
- c) Cost Effective services
- d) Growing the industry contribution to GDP

The theory of change requires that NCIC collaborate with different stakeholders to support the industry and for a harmonised regulatory environment. This will call for sustainable change of the industry practices.

The TOC model, linked to the monitoring and evaluation framework for continuous learning and innovation is presented below.

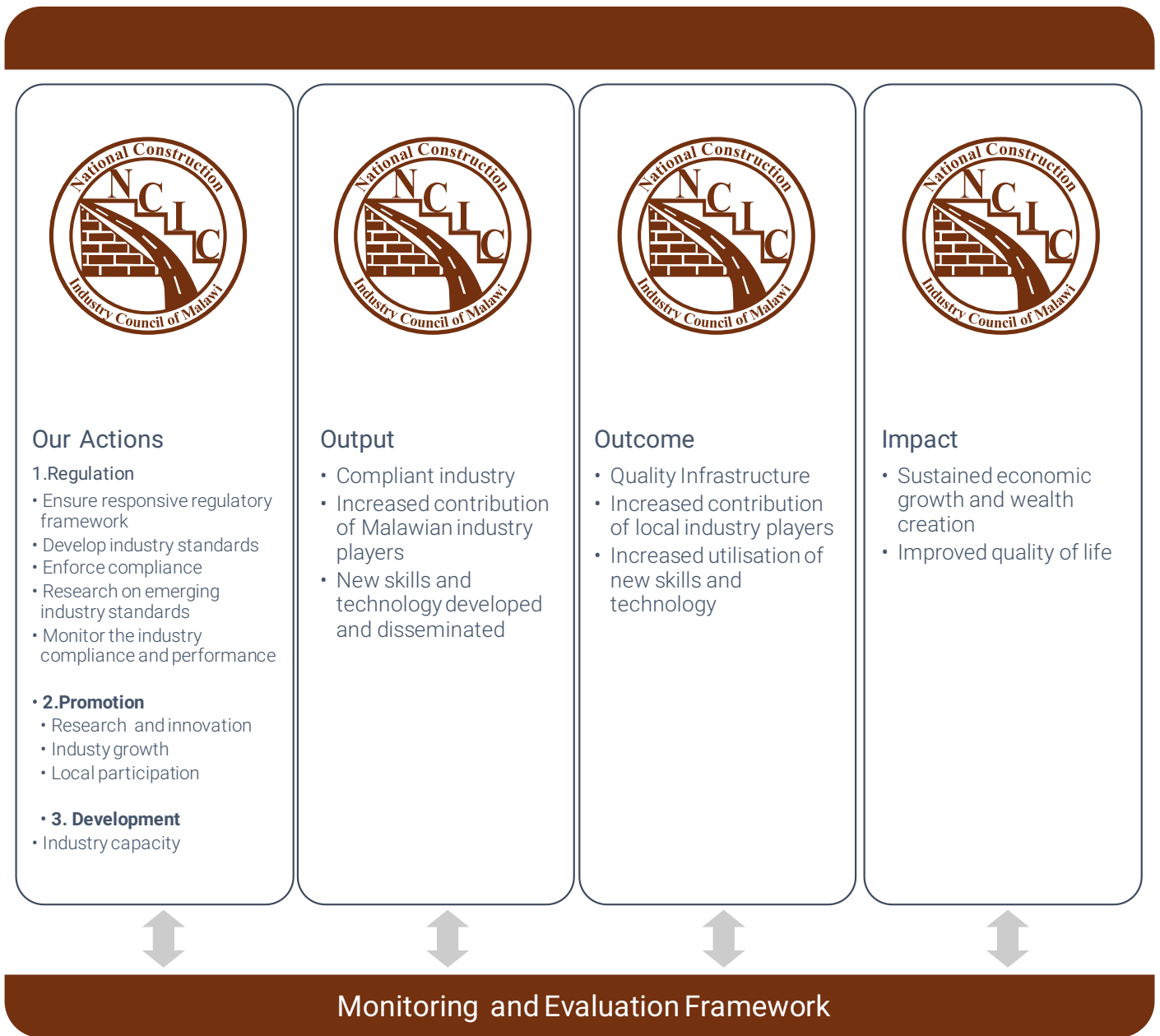


Figure 4 NCIC TOC

#### 4.7 Strategy Implementation Matrix

The scorecard contained in chapter 3 informs the strategy implementation plan.



Table 10 Strategy implementation plan

Perspective/Objective	KPI	Target	Strategic Initiative	Strategic Objective Owner
<b>Stakeholder</b>				
Improve stakeholder satisfaction	% Stakeholder satisfaction level (NCIC, Industry firms)	90%	Stakeholder engagement and coordination project	All Directors
Increase local industry participation and contribution	% Malawian firms market share (Contractors)	50%	Local industry capacity development program	Director, Regulatory and Enforcement Director Training and Research
	% Malawian firms market share (Consultants)	80%		
Strengthen coordination and harmonisation	% Joint initiatives planned and implemented	70%	Stakeholder engagement and coordination project	All Directors
	% Industry players carrying out joint initiatives	70%		
	% Reported disputes among industry players resolved	80%		
<b>Stewardship</b>				
Increase revenue	% Revenue generated from new sources annually	5.0%	Revenue diversification and budget management project	Director Finance
	% Revenue increase annually	5%		
Strengthen governance and accountability	Corruption perception index for construction	30%	Stakeholder engagement and coordination project	All Directors

Perspective/Objective	KPI	Target	Strategic Initiative	Strategic Objective Owner
<b>Internal Business Process</b>				
Improve regulatory quality	% Noncompliant projects	10%	Regulatory environment and Compliance improvement project	Director, Regulatory and Enforcement Director Training and Research Manager, Planning and Evaluation
	% Reduction of complaints	90%		
Improve processes	% Of processes optimized	60%	Process re-engineering and automation project	All Directors
			Organizational restructuring and functional review project	
Strengthen research	% Research findings promoted into practical solutions	50%	Research development and innovation project	Director, Regulatory and Enforcement Director Training and Research Manager, Planning and Evaluation
	% Policies and Best practices emanating from research findings	50%		
<b>Organisational capacity</b>				
	% Employees satisfaction levels	95%	Staff capacity development and	All Directors

Perspective/Objective	KPI	Target	Strategic Initiative	Strategic Objective Owner
Improve employees skills and organisational culture	% Of inter departmental initiatives completed on time	80%	organizational culture change project	
	% Of staff who have acquired professional certification	60%		
Improve infrastructure and technology uptake	% Of processes optimized and automated	70%	Process re-engineering and automation project	All Directors
	Return on Assets	20%	Asset development and improvement project	
	% Asset Management Plan implemented	100%		



#### 4.7.1 Initiative Owners

An initiative owner will be assigned and he/she will be responsible for ensuring that the initiative being implemented is on course and implemented. The initiative owner will coordinate other employees that contribute to the realization of the initiative. The owner will be responsible for gathering and analysing performance data and reporting during the strategy review meetings.

#### 4.7.2 Innovations

Research and Automation of business process will drive innovations during the plan period.



## FINANCING THE PLAN AND RISK MANAGEMENT

### 5.1 Sources of Financial Resources

NCIC will use internally generated funds for the execution of the strategic plan. Revenue earned will be retained to support the execution of the strategic initiatives. After payment of dividends to the government, remaining earnings will be re-invested for organisation continuity and financial health.

### 5.2 Assumptions

NCIC is allowed to retain and use the collected revenue. In line with the Public Finance Management Act, NCIC will continue engaging the Ministry of Transport and Treasury for their budget approval. This arrangement will remain relevant for the plan period.

Other key assumptions for the projected revenue and expenditure are;

- Prompt collection of revenue,
- Timely approval of the requests,
- Timely implementation of the strategic initiatives.

### 5.3 Sources of Financial Resources

For the plan period, the summary of projected revenues and expenditure are shown in the table below.

Table 11 Summary of projected revenues and expenditure in Malawi Kwacha

Financial Performance Targets	2027/28	2026/27	2025/26	2024/25	2023/24	Total for the Period	Average
Total Revenues	8,212,912,356	7,268,064,032	6,489,342,885	5,846,254,852	5,363,536,561	33,180,110,685	6,636,022,137
Total Expenditure	5,981,087,803	5,388,367,390	4,898,515,809	4,453,196,190	4,048,360,173	24,769,527,366	4,953,905,473
Earnings after Interest & Tax	2,231,824,552	1,879,696,641	1,590,827,076	1,393,058,661	1,315,176,388	8,410,583,319	1,682,116,664
Earnings After Interest & Tax (% of Revenues)	27	26	25	24	25	25	25
Change in Revenues %	13	12	11	9	24	126	126
Change in Expenditure %	11	10	10	10	6	83	83

#### 5.4 Risk Management

Successful implementation of the strategic plan has to take into the unique risk strategic risk faced by NCIC. NCIC has a strong risk management culture, supported by the risk management policy.

It is expected that NCIC will continue to proactively manage risks and invest in the right risk management infrastructure.

Identification, monitoring and risk mitigation will be an ongoing process throughout the strategic plan implementation period. Assurance will be provided by head of directorates, communicated to the Chief Executive officer and to the Board of Directors. The Board of Directors will receive a report on enterprise risks in each of their sittings and give directions on additional measures that should be taken for sustainable business continuity.

Major risks identified include:

- Stakeholder Dissatisfaction
- Adverse Environmental changes affecting the infrastructure
- Decrease in market share of local Industry participation
- Unharmonized and uncoordinated industry
- Revenue decrease
- Poor governance
- Fraud & Corrupt Practices
- Poor Quality and Inefficient Services
- Poor Quality infrastructure
- Reduced uptake of research findings
- Disengaged staff
- Poor organisational culture
- Low uptake of technology

Annex 2 contains the risks that identified during the strategic planning process.

#### 5.5 Financial Sustainability

NCIC will seek to strengthen financial sustainability by;

Collaborating with Ministry of Finance, Ministry of Transport and other key stakeholders for prompt approval of the budget and execution of the strategic initiatives,

Exploring avenues of increasing returns on asset,

Exploring other strategies for widening the resource base ,

Strengthening internal financial controls,

Compliance with Public Financial Management Act, Public Procurement Act and other related regulations,

Promoting corporate governance and accountability.



## ANNEXES

### Annex 1 Stakeholder Analysis

S/no	Stakeholder	Needs/Expectations	Influence	Importance	Influence (1-5)	Importance (1-5)
1	Staff	Job security, good working conditions and environment, career development, participation	over policy and procedure development, achievement of intended results, implementors of the SP	without them the Council cannot carry out its mandate,	5	5
2	Board	Execute the mandate of the Council, NCIC to have capacity to regulate & develop the industry for quality infrastructure	Policy changes, Composition of executive Management,	the Board is charged to make strategic decisions for the NCIC e.g. registration of firms, executive recruitment	5	5
3	MABCATA	A responsive business environment, fast registration of contractors and resolution of issues that arise, protection of local contractors	The association for contractors with many members, MABCATA can influence the local contractors. They can also influence foreign contractors on sub-contracting issues, and can lobby for changes in NCIC policy direction	NCIC can work with MABCATA to sensitize and gain support from the construction industry players through MABCATA	5	5
4	Registered firms (Contractors, Consultants, Material Suppliers and Manufacturers)	creation of responsive business environment, creation and protection of construction jobs, efficient service delivery	the Council depends on them on revenue - levy and fees, resist purported unfavorable legislation on them, influence policy and regulation changes through feedback, high paying construction jobs make firms wealthy - capability to influence policy change through cartels,	NCIC exists because of registered construction firms, they fund the operations of NCIC,	5	5

S/no	Stakeholder	Needs/Expectations	Influence	Importance	Influence (1-5)	Importance (1-5)
5	Professional Boards and Associations (MEI, BoAQS, MIPPS)	Being Consulted as experts when regulating the industry, involvement on construction projects in the industry, separation of roles of professionals, Availability and protection of reputation of the respective professional bodies and that professionals bringing disrepute to the industry are dealt with. Professional standards and practices are upheld and respected, and that the respective professional bodies codes of conduct are upheld by their members	If not consulted have potential to frustrate implementation of initiatives. The professional bodies can invoke disciplinary action on professionals bringing disrepute to the professional body, including deregistration and other sanctions. Working in partnership with NCIC, these are important plays that can improve ethical standards and governance in the industry. It is a regulatory requirement that names of firms/individuals involved in a construction project be displayed	Construction phases are dependent on the expertise of the professionals. The construction industry heavily relies on these professionals to ensure compliance to standards and also quality Suppliers of professionals	5	5
6	Training Institutions (MUBAS, MZUNI, MUST)	Learning institutions (Universities, TIVET and other tertiary institutions) expect that NCIC should partner with them, keep them posted on registration requirements and that NCIC feeds into the curriculum development and delivery based on industry practices. The institutions expect a strong industry-academia linkage, that NCIC collaborates with the institutions to shape industry research agenda and that industrial attachments and employment opportunities are available for students at NCIC and within the industry.	Through their curriculum delivery, these institutions can influence the quality standards embraced by the industry, and values of the contractors. Additionally, matching skills with industry needs, research results can influence changes in the regulatory regime and construction methods	they develop skills in construction players, the offer solutions through research	3	5

S/no	Stakeholder	Needs/Expectations	Influence	Importance	Influence (1-5)	Importance (1-5)
7	Roads Authority	NCIC to register service suppliers that have capacity to deliver, NCIC to regulate the behaviour of the service suppliers	Can influence Policy on procurement, influence the quantity and value demand for construction services	Major player on the demand side of construction services	3	5
8	Road Fund Administration	NCIC to register service suppliers that have capacity to deliver, NCIC to regulate the behaviour of the service suppliers. Quality infrastructure is in place and value for money is obtained for Malawi citizens.	Can influence Policy on procurement and financing the public roads financing, influence the projects to be financed and value for construction services. Can also influence other actors in the industry and some	Major player on the demand side of construction services, major finance source for construction levy	3	4
9	Parliament	NCIC to provide excellent regulatory oversight, NCIC to be accountable to Malawian citizens. Contractors deliver value for money in the projects they undertake and safety is taken into account in the ongoing works	Parliament makes laws. Members of Parliament influence development project to be undertaken and the amount to be allocated to those projects. The respective parliamentary committees (PAC, PIC, PBO) expect that public resources should be used well, that laws related to the industry are adhered to and that NCIC remains accountable and transparent in her undertakings, championing the interests of the people of Malawi through job creation, delivery of quality infrastructure	Members of Parliament and the importance of legislature in law making is high. NCIC would be pursuing amendments to the Act, seeking to improve harmony and coordination among industry players. Good will from parliament is crucial	5	5

S/no	Stakeholder	Needs/Expectations	Influence	Importance	Influence (1-5)	Importance (1-5)
10	Local Authorities (BCC, LCC, MCC)	NCIC to provide excellent regulatory oversight, NCIC to lead the compliance to laws, NCIC to partner with the Local Authorities to improve compliance (oversight of ongoing projects), review and update guidelines and standards	Can influence physical planning and land use at the local level. Can also influence construction permits issuance. Can therefore be partner in ensuring that only NCIC approved/registered contractors undertake construction works and uphold the professional ethics and standards. The Local authorities exercise building control.	Could represent NCIC on compliance to legislation	5	4
11	Ministry of Transport	NCIC to execute her mandate, and to have the NCIC strategic direction aligned to that of the Ministry	Policy holder, supervisor. Can influence flow of finances for construction projects that are prioritised by Government and development partners as well as legitimacy of NCIC.	Major player in legislation, setting policy direction and resource allocation	5	5
12	Ministry of Justice	NCIC to execute mandate	Principal legal advisor. Provides input on the contracts signed and agreements with foreign investors.	Can make changes in the statutes that can affect NCIC	4	4
13	National Water Resources Authority	NWRA regulates projects that impact on water resources such as construction of dams, power generation plants etc. The Authority expects to control and regulate the contractors undertaking such works. NCIC on the other hand expects that such contractors should be registered with them and should be assessed for compliance by NCIC	Can influence the contractors to undertake the projects and the type and magnitude (financial) of project being undertaken.	A number of projects in the NWRA space are ongoing or in the pipeline. There are also many agricultures oriented projects under consideration, and these have to depend on available water resources or rainfall	3	4

S/no	Stakeholder	Needs/Expectations	Influence	Importance	Influence (1-5)	Importance (1-5)
14	Malawi Environmental Protection Authority	Ongoing projects to have been cleared for Environmental Impact Assessment. That contractors remain responsible for environmental protection and to rehabilitate the environment affected during construction	Can grant or deny EIA approvals for projects. Is a player in ensuring compliance to the existing laws	Growing importance on environmental protection around the world. Player expected to grow in importance	5	5
15	Malawi Revenue Authority	Revenue collection Authority expects to increase tax revenue. NCIC is expected to contribute towards MRA agenda by ensuring that contractors seeking registration are tax compliant and that payments to contractors factor in relevant government taxes. Expects construction industry to grow and industry contribution to overall tax revenue to increase	Sites tax policy. Can pursue tax non-compliant contractors and construction industry service providers and institute sanctions/legal proceedings	Tax policy direction setting	3	3
16	Ministry of Finance	This is a major government policy holder. Expects NCIC to ensure public resources are effectively utilized and yield value for money; that projects are completed within budget, time and quality dimensions	Can affect the prices of construction materials and hence overall project cost, with a bearing on growth of the industry. Can influence payment of contractors and quality of work done if project budgets are reduced	Sets the fiscal policy in the country	5	5
17	National Planning Commission	NCIC plan is aligned to Malawi Vision 2063, MIP1 and other sector policies	Can influence planning, and resource allocation. Sites major government priority areas against which resource allocation is based	Potential to influence other key players - Ministry of Finance, Development partners. Public Investment decisions based on NPC blue prints	5	5

S/no	Stakeholder	Needs/Expectations	Influence	Importance	Influence (1-5)	Importance (1-5)
18	Department of Statutory Corporation	Oversees statutory corporations and ensures compliance to Statutory Corporations Act	Can determine existence or non-existence of NCIC	Serves as an Advisor to Government	3	5
19	DHRMD	That the organizational structure is aligned to NCIC mandate and optimised	Approves changes in structure, job grades and salaries. Can affect staff morale/motivation	A central player in most Government agencies	4	4
20	National Commission for Science and Technology	Innovation and quality of Engineering works is up to international standards. That research in the industry is promoted, and that local construction industry actors play an important role in the construction industry STEM and innovation agenda.	Can influence training curriculum design and the research agenda	Contributes to intellectual property from the country. IP rights fall within the NCST ambit	3	3
21	TEVETA	NCIC to provide excellent training services. NCIC to co-host training in partnership with TIVETs. NCIC to play role of honest broker in industrial apprenticeship and internships for TIVET students. Approval of NCIC courses	Influence the implementation of training programmes provided by NCIC	Provide oversight over TVET. Regulatory role over TVETs	3	5
22	Ministry of Labour	NCIC to regulate labour issues in the Construction Sector.	Labour Policies	May increase or reduce the workload and value of NCIC	3	2
23	PPDA	NCIC to regulate the behaviour of the service suppliers	Procurement practices for MDAs and the construction industry	Dictate the procurement practices	3	3

S/no	Stakeholder	Needs/Expectations	Influence	Importance	Influence (1-5)	Importance (1-5)
24	Ministry of Local Government	Policy holder for policies guiding the running of local authorities. That local authorities work programme is aligned to Ministry's priority areas and that quality infrastructure undertaken by LAs is maintained	Can influence local authorities - funding, priorities etc.	A key player in the construction industry ecosystem	5	5
25	Bankers Association of Malawi	Banks expect that service providers in the industry service the loans and other facilities they obtain from the Banks, on timely basis. They expect that industry players are trustworthy and that resources obtained are put to the use for which they are accessed	Can influence the amount of funding accessed as well as terms and conditions for accessing the funds	Important player in financing projects	2	5
26	Malawi Investment and Trade Centre	That local contractors grow and are able to undertake projects outside Malawi. That infrastructure is well developed and services as a catalyst for foreign investors to Malawi and that the construction industry is vibrant	Can determine priority investment areas for foreign firms and also share investment opportunities aboard with local construction industry players	Can affect the ratio of local to foreign contractors	3	3

Table 12 Stakeholder analysis matrix

## Annex 2 Risk Management

Risk No	Risk description	Causes	Likelihood (1 - 5)	Impact (1-5)	Severity	Mitigating Plan
1	Stakeholder Dissatisfaction	<ul style="list-style-type: none"> <li>i) Poor response to stakeholder concerns and emerging issues</li> <li>ii) Failure to improve stakeholder ownership and buy in of NCIC vision</li> <li>iii) Failure to create a forum for regular stakeholder Engagement</li> <li>iv) Failure to strengthen stakeholder satisfaction levels.</li> </ul>	5	5	25	<ul style="list-style-type: none"> <li>i) Adequate budget</li> <li>ii) Assigning responsibility of this objective to a senior member of staff with specific targets and key performance measures</li> </ul>
2	Decrease in market share of local Industry participation	<ul style="list-style-type: none"> <li>i) Failure to develop and implement initiatives to increase local industry participation</li> <li>ii) Monopoly of foreign firms' participation in the local industry</li> </ul>	5	4	20	<ul style="list-style-type: none"> <li>i) Develop sound and cost-effective initiatives to increase local industry participation</li> </ul>
3	Unharmonized and uncoordinated industry	<ul style="list-style-type: none"> <li>i) Increased construction industry players working in Silos.</li> <li>ii) Poor initiatives to improve collaboration among the players in the industry</li> </ul>	5	5	25	<ul style="list-style-type: none"> <li>i) Develop sound and cost-effective initiatives to strengthen the coordination and harmonization</li> <li>ii) Adequate budget this activity</li> <li>iii) Develop Regulations with heavy fines and enforce them to non-complying industry players</li> </ul>
4	Revenue decrease	<ul style="list-style-type: none"> <li>i) Reliance on a single revenue stream (levy)</li> <li>ii) Increase on govt imposed levy wavers on donor funded projects</li> <li>iii) Failure to diversify into new Revenue streams e.g. charging fees on due diligence on new and category upgrading applications,</li> <li>iv) Poor outstanding revenue collection efforts</li> <li>v) Poor cost effectiveness controls</li> </ul>	4	5	20	<ul style="list-style-type: none"> <li>i) Diversify into other Revenue streams e.g. fines for non-compliance, scrutiny fees for due diligence</li> <li>ii) Develop Revenue collection initiatives</li> <li>iii) Lobby with government to comply with the court judgement not to waive levy on donor funded projects as this levied on the contractor's income</li> </ul>

Risk No	Risk description	Causes	Likelihood (1 - 5)	Impact (1-5)	Severity	Mitigating Plan
5	Poor governance	i) Unethical practices such as corruption, collusion among contractors, undue influence due to moral decay. ii) Poor initiatives to stamp out unethical practices iii) Poor response to sound initiatives designed to increase maturity levels	5	5	25	i) Develop initiatives to improve the prevention of unethical practices ii) Develop and enforce punitive regulatory measures against unethical conduct
6	Poor Quality Infrastructure	i) Lack of or ineffective Quality Regulations ii) Increased non-compliance by industry players iii) Lack or ineffective enforcement of quality standards iv) Corrupt practices	5	5	25	i) Develop and implement Effective Quality Regulations ii) Increase monitoring and enforcement of compliance of quality standards iii) Establish punitive measures against unethical and corrupt practices
7	Adverse Environmental changes affecting the infrastructure	i) Adverse Climate changes ii) Inability to formulate climate change mitigation measures iii) Inability to formulate adaptation measures	5	5	25	i) Formulate strategies for environmental mitigation and adaptation ii) Ensure adherence to quality standards
8	Poor Quality and Inefficient Services	i) Unqualified, incompetent and poor attitude human capital ii) Poor communication iii) Unintegrated systems and processes iv) Poor organizational structure and functions v) Lapses in staff discipline vi) Poor remuneration and staff motivation	4	4	16	i) Improve recruitment procedures in order to hire the rightful people ii) Improve communication iii) Intergrade systems and processes using ICT iv) Review of organizational structure and functions v) Enforcement of conditions of service on discipline vi) Improve remuneration to market related standards

Risk No	Risk description	Causes	Likelihood (1 - 5)	Impact (1-5)	Severity	Mitigating Plan
9	Reduced uptake of research findings	i) Failure to adopt research findings. ii) Failure to utilize research reports already available e.g. universities iii) Failure to implement the research agenda already in place	4	4	16	i) Adopt research findings. ii) Partner with universities and other research experts to utilize the research reports already available e.g. universities i) Strengthen and implement the research agenda already in place
10	Disengaged staff	i) Failure to build the relevant skills and competencies ii) Strengthen the establishment register iii) Failure to strengthen work spirit	4	5	20	i) Develop and implement cost-effective measures to improve staff skills and motivation
11	Poor organisational culture	) Failure to enhance the appropriate intra and inter departmental collaboration, organisation culture and work environment, a performance oriented culture	4	5	20	i) Enhance team work and inter departmental collaborations ii) Review and promote open communication and governance polices iii) Ensure appropriate leadership and management practices
12	Poor service delivery	i) Failure to modernise the infrastructure including office space and other relevant equipment ii) Failure to enhance utilisation of the available assets	4	4	16	i) Modernise the infrastructure including office space and other relevant equipment ii) Enhance utilisation of the available assets
13	Low uptake of technology	Failure to upgrade and enhance the utilisation of technology	4	5	20	Upgrade and enhance the utilisation of technology

Table 13 Risk Management plan

Annex 3 M&E framework

Perspective/Objective	KPI	Baseline	Target	Data source	Frequency	Strategic Initiative
<b>Stakeholder</b>						
Improve stakeholder satisfaction	% Stakeholder satisfaction level (NCIC, Industry firms)	55%	90%	Stakeholder engagement and coordination project Report	Quarterly	Stakeholder engagement and coordination project
Increase local industry participation and contribution	% Malawian firms market share (Contractors)	18.60%	50%	Local industry capacity development program Report	Quarterly	Local industry capacity development program
	% Malawian firms market share (Consultants)	51%	80%			
Strengthen coordination and harmonisation	% Joint initiatives planned and implemented		70%	Stakeholder engagement and coordination project Report	Quarterly	Stakeholder engagement and coordination project
	% Industry players carrying out joint initiatives		70%			
	% Reported disputes among industry players resolved		80%			
<b>Stewardship</b>						
Increase revenue	% Revenue generated from new sources annually		5.0%	Revenue diversification and budget management project Report	Quarterly	Revenue diversification and budget management project
	% Revenue increase annually		5%			

Perspective/Objective	KPI	Baseline	Target	Data source	Frequency	Strategic Initiative
Strengthen governance and accountability	Corruption perception index for construction		30%	Stakeholder engagement and coordination project Report	Quarterly	Stakeholder engagement and coordination project
<b>Internal Business Process</b>						
Improve regulatory quality	% Noncompliant projects		10%	Regulatory environment and Compliance improvement project Report	Quarterly	Regulatory environment and Compliance improvement project
	% Reduction of complaints		90%			
Improve processes	% Of processes optimized		60%	Process re-engineering and automation project Report	Quarterly	Process re-engineering and automation project
						Organizational restructuring and functional review project
Strengthen research	% Research findings promoted into practical solutions		50%	Research development and innovation project Report	Quarterly	Research development and innovation project
	% Policies and Best practices emanating from research findings		50%			
<b>Organisational capacity</b>						
Improve employees skills and organisational culture	% Employees satisfaction levels		95%	(Employee Satisfaction Report) Staff	Annually) Quarterly	Staff capacity development and organizational culture change project

Perspective/Objective	KPI	Baseline	Target	Data source	Frequency	Strategic Initiative
	% Of inter departmental initiatives completed on time		80%	capacity development and organizational culture change project Report		
	% Of staff who have acquired professional certification		60%			
Improve infrastructure and technology uptake	% Of processes optimized and automated		70%	Process re-engineering and automation project Report	Quarterly	Process re-engineering and automation project
	Return on Assets		20%	Asset development and improvement project Report	Quarterly	Asset development and improvement project
	% Asset Management Plan implemented		100%			

Table 14 M&E framework



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