

ETHIOPIA 2050

GRAND CHALLENGES & OPPORTUNITIES

THE CONSTRUCTION INDUSTRY

CHALLENGES | OPPORTUNITIES | WAY FORWARD

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CONSTRUCTION INDUSTRY

Growth
Sustainability

Development
Resilience

Productivity
Adaptability



Holistic Industry Transformation

CONSTRUCTION INDUSTRY BEHAVIOR

a. **Sensitivity to economic scenarios**

USA 2008 ...

b. **Exteremy influenced by local and regional disturbances**

Election 2005

c. **Liquidity and Hard currency**

Last year steel and other construction inputs

** Largest direct employer in the local context.

CONSTRUCTION INDUSTRY CHALLENGES

- a. The reality on ground for **rent-seeking** thinking and practice.
- b. Shortage of **trained and certified** human resource
- c. Inefficiency in **construction project management** and technology transfer
- d. Inability to create an **enabling environment** for the strengthening of construction industry competency
- e. Inexistence of **delivery chain process** that would enhance quality of construction inputs and their sustainable delivery chain

CONSTRUCTION INDUSTRY CHALLENGES (cont'd)

- f. Inefficient process of **financial and machinery supply** for construction industry development and strengthening**
- g. Unavailability of directives for **synchronized joint operation** by construction industry stakeholders for accelerated sector development**
- h. Shortcomings of service delivery for **building construction** and **utilization permit as well as inspection service****
- i. Inexistent process for **synchronized activities** between and among various services and the construction industry.**
- j. Failure to prepare and subsequently implement Construction Industry Development Program.**

**** Quality of Construction industry leadership and management.**

CONSTRUCTION INDUSTRY CHALLENGES (cont'd)

Beyond those outlined in the Policy Document

- a. Organizational setup of the construction industry itself**
- b. Operational concepts and frameworks in construction-related firms**
- c. Width and depth of the already existing regulatory framework and their implementation**
- d. The day-to-day management of the Industry and the quality of personnel to undertake this**
- e. The chronic lack of professionalism (or even misunderstanding of the word itself)**

**** Quality of Construction industry leadership and management.**

CONSTRUCTION INDUSTRY DEVELOPMENT

- a. Design a well-documented strategic master plan for the Industry development**

Overall local, sub-regional and regional operations and relationships as well as potential partnerships

- b. Create the corresponding roadmat that will help implement the master plan.**

CONSTRUCTION INDUSTRY DEVELOPMENT

a. Capacity Building

Training

Technology transfer

Mentoring

Experience exchange

In-house discussion

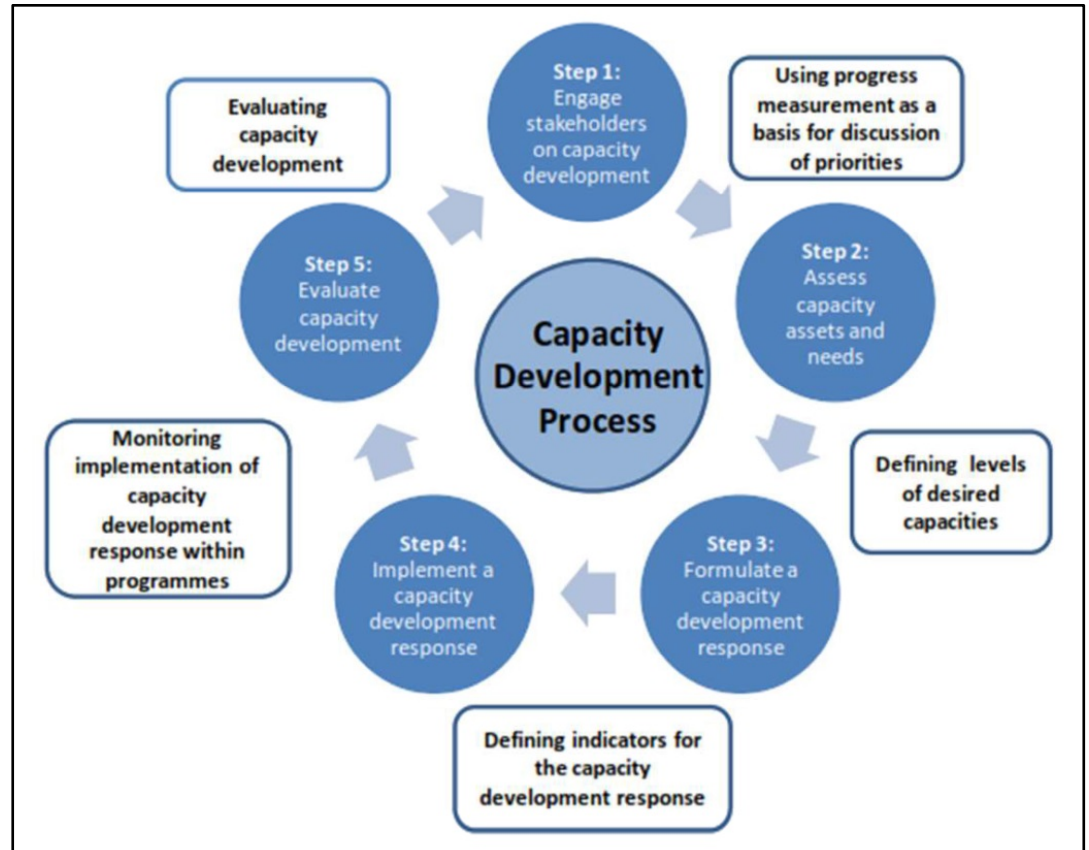
Private effort

Workshops and seminars

Improved work environment

Facilitation

Tweaking other operations



CONSTRUCTION INDUSTRY DEVELOPMENT (cont'd)

- a. Putting appropriate legal and procedural frameworks in place**
- b. Informed professional certification and registration**
- c. Creating a self-monitoring and self-correcting construction industry**
 - Construction Audit (supported by Research)**
 - Separating duties and responsibilities of construction actors**
 - Professional certification and registration**

CONSTRUCTION AUDIT

a. Industry / System-level

– Stakeholders' - and Partners' policies and practice audit

- **Construction firms**
- **Financial Institutions / Financiers**
- **Insurers**
- **Customes and Revenues**
- **Institutions of higher learning**
- **Global industry practices**

– Construction Industry Policy Framework

- **Policies, laws, procedures, common practices**

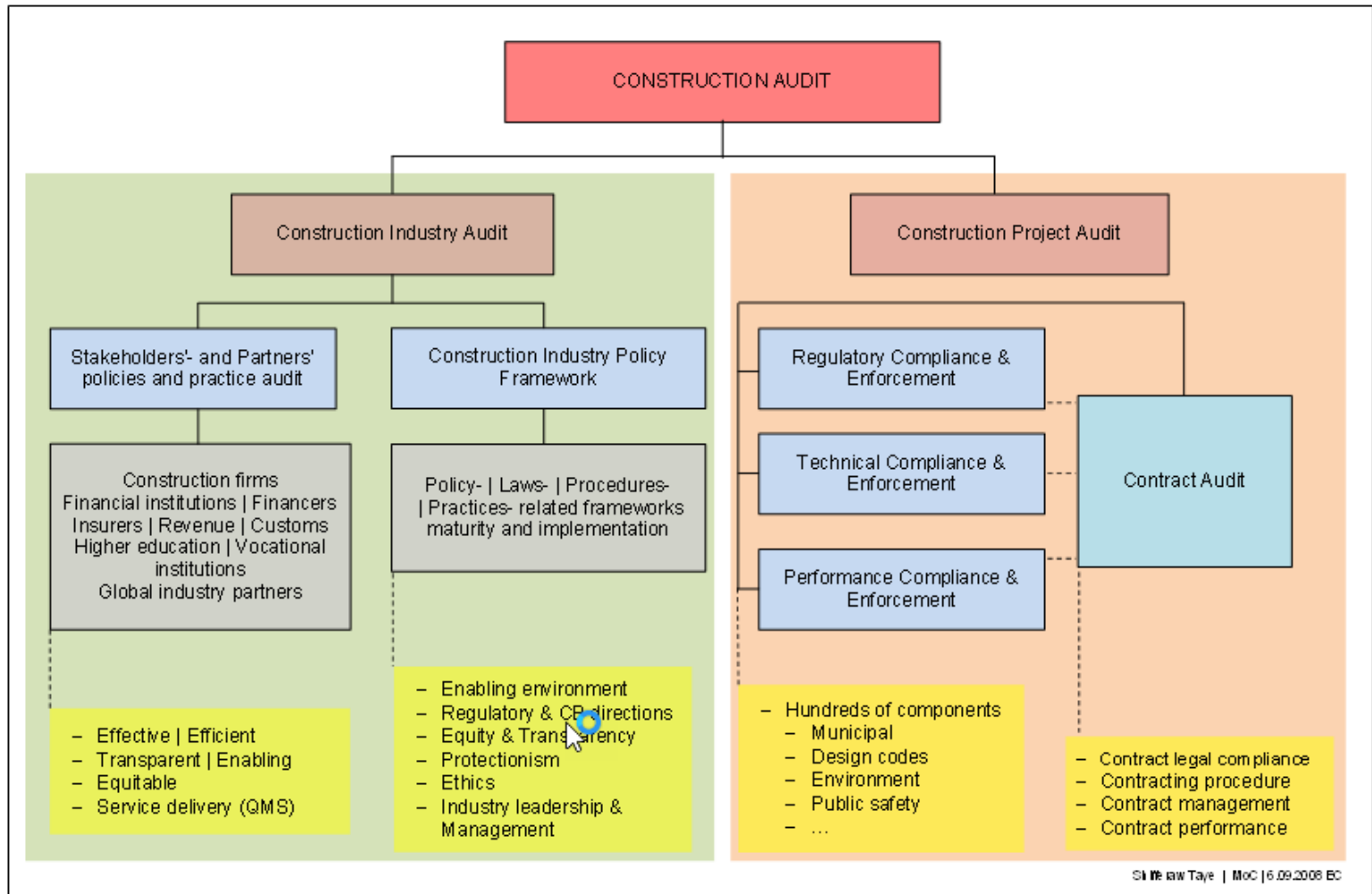
CONSTRUCTION AUDIT (cont'd)

b. Construction project-level

- Regulatory compliance and enforcement**
- Technical compliance and enforcement**
- Performance compliance and enforcement**

*** Contract audit**

THE CONSTRUCTION INDUSTRY: CHALLENGES | OPPORTUNITIES | WAY FORWARD



SEPARATING DUTIES AND RESPONSIBILITIES OF CONSTRUCTION ACTORS

– AEC and Construction Management operations

Conflict of interest

Incomplete design outputs

(Free design service if supervision granted | legal issue)

– Architectural and Engineering firms

Check-and-balance

Complete and verified design outputs before submissions

PROFESSIONAL CERTIFICATION AND REGISTRATION

- **Establish independent:**

 - qualification assessment**

 - certification process, and**

 - registration processes**

 - Professionally accepted undertakings**

 - Clean and accountable process**

ETHIOPIA in 2050

CONSTRUCTION INDUSTRY

A construction industry:

- that is led and managed through relevant and informed knowledge per the master plan and roadmap established for the purpose; not through instinct alone!**
- where all actors and stakeholders work positively towards the development of the Industry and where they are accountable.**
- that is lead and managed fully and completely based on a well-established master plan and roadmap.**
- that takes care of the human capital, green and environmentally friendly, employs appropriate technological developments of the time**

THANK YOU!