



# **CONSTRUCTION INDUSTRY POLICY OF JAMAICA**

**DECEMBER 2014**

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## ACRONYMS

ACP	African Caribbean Pacific
BOT	Build-Own-Transfer
CAES	Construction, Architectural and Engineering Sector
CPD	Continuing Professional Development
CER	Contractor's Environment Requirements
DDA	Doha Development Agenda
EPA	Economic Partnership Agreement
EU	European Union
GDP	Gross Domestic Product
HRD	Human Resource Development
HEART/NTA	Human Employment and Resources Training/National Training Agency
ISO	International Organisation for Standardisation
IMAJ	Incorporated Masterbuilders Association of Jamaica
IT	Information Technology
JIA	Jamaica Institute of Architects
JIE	Jamaica Institution of Engineers
JIQS	Jamaica Institute of Quantity Surveyors
NCC	National Contracts Commission
NCTVET	National Council on Technical Vocational Education and Training
NEPA	National Environment and Planning Agency
NIP	National Industrial Policy
NGO	Non-governmental Organization
NVQJ	National Vocational Qualification, Jamaica
PAMCO	Project Analysis Monitoring Company Ltd.
PIOJ	Planning Institute of Jamaica
PMBOK	Project Management Body of Knowledge
PMI	Project Management Institute
PPPs	Public Private Partnerships
SME	Small and Micro Enterprises
TACIP	Towards a Construction Industry Policy
UTech	University of Technology, Jamaica
UWI	University of the West Indies
VTDI	Vocational Training Development Institute
WC	Working Committee
WTO	World Trade Organization

## **PREAMBLE**

The Construction Industry Policy (CIP) is the result of individual and collective efforts to bring a formal and effective degree of organization to public infrastructure construction initiatives in Jamaica.

The issue first emerged at an Infrastructure Sub-Committee meeting of Cabinet in 1998, where it was noted that “consideration should be given as to how the construction industry could be made more cost effective and competitive, both domestically and internationally, and the kind of regulatory framework needed.”

The issues affecting the local construction industry have also stimulated interest and study by participants in the private sector. In this regard, the four main participants in the construction industry –the Incorporated Masterbuilders Association of Jamaica (IMAJ), the Jamaica Institution of Engineers (JIE), the Jamaica Institute of Quantity Surveyors (JIQS) and the Jamaica Institute of Architects (JIA), collectively known as the Joint Consultative Committee, submitted in January 2001 proposals for the revival of the sector .

In January 2002, a Committee comprising of representatives from the Joint Consultative Council, the Trade Union Congress, the Cabinet Office and other stakeholder Ministries, Department and Agencies was mandated by the Rt. Hon. Prime Minister to produce a document that would eventually evolve into the Construction Industry Policy of Jamaica. The document entitled “Towards a Construction Industry Policy” was produced in June 2004 and the resulting Construction Industry Policy document (CIP) was circulated extensively as a Green Paper in November 2004.

Over the years, the Ministry with responsibility for Works has revised the Construction Industry Policy document in keeping with the comments received during its circulation as a Green Paper, and from Ministries and Departments formed from changes in Administration in 2007 and 2011. The CIP also benefited from feedback received from member associations of the Joint Consultative Committee and the Vision 2030 Construction Sector Task Force which met between 2007 and 2008.

This Policy seeks to address the anomalies that have hampered the growth of the nation’s construction industry.

The Policy also addresses a range of pertinent issues in the construction industry. These include:

- Safety and security issues including extortion;
- Quality of inputs and outputs;
- Environmental factors including climate change;
- Research and development
- The registration of professionals and enterprises;
- The refinement of procurement rules and guidelines; and
- The development of skill levels within the construction industry, with special emphasis on training and certification.

It is expected that this Policy will facilitate the development of the construction industry in Jamaica, while ensuring its optimal and secure contribution to nation building.

## EXECUTIVE SUMMARY

The Government recognizes the contribution made by the construction industry towards sustainable economic development and is committed to the pursuance of policies that encourage and facilitate the advancement of the construction sector. There is however, a need for a comprehensive policy that links all the various elements, and expresses clearly the government's policies for the industry. The Policy initiatives include:

- Providing support for human resource development through the HEART/National Training Agency (NTA), University of Technology (UTECH), University of the West Indies (UWI) and on-the-job training;
- Supporting the objectives of human resource development through appropriate partnering arrangements such as expanding the pool of skilled workers by offering structured entry-level training such as apprenticeships, traineeships;
- Targeting the sector for special employment generation and poverty alleviation programmes;
- Ensuring the availability of materials, plant and equipment through the growth of the local materials and aggregates industry, and through a liberalized trade regime;
- Creating an enabling regulatory framework;
- Enabling fair competition for Government contracts through the establishment of clear procurement guidelines and laws administered by the National Contracts Commission (NCC);
- The establishment of the National register of contractors through the NCC;
- Direct policy development and implementation within the industry, *inter alia*, the Infrastructure Sub-Committee of the Cabinet;
- Encouraging scientific research into the development of new technologies/approaches in climate change, energy, and construction practices; and
- Putting Jamaica in the position to achieving and sustaining Developed Country status for 2030 and beyond.

The Construction Industry Policy seeks to outline the Government's vision for the sustained growth and development of Jamaica's construction industry. In 2013, this industry contributed 7.1% to the Gross Domestic Product in Jamaica as well as provided employment for 83,025 persons (Planning Institute of Jamaica, 2013).

While playing a critical role in Jamaica's economic development, the industry has faced a number of challenges in terms of human resource advancement, improving industry performance and competitiveness, initiatives aimed at public sector coordination, utilization of advances in information technology (IT) and other technologies and the adoption of measures to promote sustainable development.

The Government is resolute that deliberate steps must be taken towards the achievement of greater international competitiveness and the commitment to international best practices.

## VISION STATEMENT

A dynamic construction industry that fosters sustainable economic growth and international competitiveness, that affords for the improvement of the quality of life for all citizens, while creating employment through growth and the generation of new industry capacity.

## GOALS

The industry must pursue certain goals in its quest to create a quality service sector, the foundations of which are to be built and maintained by its development and growth. These goals include:

- i) Facilitating strategic national development objectives
- ii) Improving coordination

- iii) Enabling and facilitating the appropriate legislative and regulatory environment
- iv) Encouraging wider participation in the industry
- v) Promoting advancements in Human Resource Development and Labour Relations
- vi) Enabling sustainable economic growth and competitiveness of the sector
- vii) Promoting programmes that will lead to improved construction management and greater competitiveness
- viii) Encouraging and facilitating innovation in, and the modernisation of, the construction industry
- ix) Encouraging regional cooperation
- x) Improving monitoring, appraisal and evaluation procedures, in line with established 'best practices'
- xi) Developing overarching policies that encourage sustainable development approaches to construction
- xii) Incorporating the informal sector into formal sector activities
- xiii) Providing the mechanisms for customer service inquiries; and
- xiv) Promoting the use of environmentally sound technology.

## Guiding Principles

The development of this Policy is guided by a number of principles which include, *inter alia*:

- Facilitating strategic national development consistent with the objectives of the National Development Plan of Jamaica- Vision 2030
- Facilitating and advancing Public Private Partnerships (PPPs)
- Ensuring adequate co-ordination through appropriate institutional arrangements
- Enabling effective monitoring, appraisal and evaluation of industry performance
- Promoting compliance and adherence to established guidelines, codes of practice and standards locally, regionally and internationally
- Having regard for the environment and sustainable development
- Enhancing the competitiveness of the local sector
- Creating the social and economic conditions that will facilitate true private sector investments and entrepreneurship
- Articulating clearly what the core functions and priorities of Government should be in the industry
- Promoting training to bring industry players to international certification levels

This Policy applies to the construction industry in general, and is therefore pertinent in all areas including the public and private sectors and academia.

## Roles and Responsibilities of Ministries

The key roles and responsibilities of the stakeholder Ministries are as follows:

- The Ministry with responsibility for the works and housing portfolios would have the mandate of coordinating the development and implementation of policies and guidelines for the construction industry, for developing mechanisms for monitoring the achievement of the objectives, and more importantly, the

expected outcomes of the policy. This Ministry would also be responsible for making policies and standards and ensuring their compatibility with the Disabilities Act and other relevant pieces of legislation;

- The Ministry with responsibility for labour would be charged with all aspects of labour policies;
- The Ministry with responsibility for finance would be responsible for procurement and other financial/economic policies;
- The Ministries with responsibility for land and the environment would be responsible for physical planning, climate change and environmental policies;
- The Ministry with responsibility for industry and commerce would have responsibility for trade and commercial development including the greater use of IT and the eventual thrust into the wider global market;
- The Ministry with responsibility for education would be charged with training and research development;
- The Ministry responsible for national security would have responsibility for security concerns within the industry;
- The Ministry with responsibility for science and technology, would address the issue of research and development of new technologies in partnership with the Ministries with responsibility for Education and Works;
- The Ministry with responsibility for local government to address areas of development approvals and parochial roads rehabilitation and maintenance; and
- The Ministry with oversight responsibility for the National Housing Trust to assist in the development and implementation of policies and guidelines for the construction industry.

### **KEY ISSUES ADDRESSED IN POLICY**

Through consultation with industry partners and based on locally established traditions, a number of policy issues have been identified and agreed on as essential to the growth and development of the sector. Some of these areas will require greater attention from the public sector, while others will be the main province of the private sector. This dichotomy is recognised, but there must be acceptance by all that collaboration is critical, and that some areas are of joint responsibility.

In addressing public sector apprehensions, the following areas will be of primary concern:

- Creation of an enabling environment;
- Development and application of adequate procurement procedures;
- Expansion of opportunities;
- Promotion of regional cooperation;
- Enhancement of competitiveness;
- Integration of industry activities;
- Development and application of Performance incentive;
- Development of quality specifications;
- Occupational safety and health;
- Development of effective monitoring, appraisal and evaluation systems;
- Creation, management and maintenance of a register of enterprises;
- Planning, energy environmental and climate change considerations; and
- Harmonization of the legislation related to the construction sector.



Complementary to Government responsibilities, the private sector members of the industry will have responsibilities in the following areas of concern:

- Policy Advice;
- Project Management;
- Codes of Conduct;
- Use of Information Technology.

Human Resource Development initiatives will be implemented with respect to:

- Improving public sector capacity;
- Improving project management skills;
- Encouraging a stable industrial relations climate through social partnerships;
- Achieving gender equity in all aspects of the industry;
- Facilitating the structured development of skilled labour and the training of the industry's unskilled workforce;
- Exploring the possibility of making it mandatory for 20% of workers on Government construction projects to be certified with at least a level 1 NVQ-J Certificate by 2018;
- Nurturing a pool of local workers in selected areas by suitable promotion and training programmes;
- Developing a system of recognition and certification of skilled and trained workers;
- Providing opportunities for Special Needs Group.

In addition to Human Resource Development, the following specific Industry concerns will be addressed:

- Security considerations;
- Energy considerations;
- Environmental considerations; and
- Climate change.

This Policy adopts a comprehensive approach by integrating all the various issues and stakeholders. This Policy expresses clearly the Government's policies for the industry. Accelerated delivery of infrastructure is critical to the nation's objectives for development. It is in the interest of the government, the industry and the public that industry competitiveness, efficiency and effectiveness are raised together with those of public sector delivery agencies.

## INTRODUCTION

There has been general acceptance of the role played by the construction industry being a significant contributor to Jamaica's Gross Domestic Product (GDP), as well as its central role in facilitating economic and social development by way of its impact on areas of national development including: housing, transport, urban and regional planning, environment, mining and quarrying, tourism and manufacturing. In recognition of this role, the Government is committed to pursuing policies that encourage and facilitate the growth of the sector. The Government will provide an enabling environment which will encourage the expansion of viable and sustainable construction activity quantitatively and qualitatively.

The Government envisages that its role will encompass, principally, the establishment of the appropriate legal and regulatory framework for the industry, the provision and improvement of the Human Resource capacity and strategic project interventions. In the main, however, it is expected that the implementation of the Policy will depend largely on private sector initiatives, and on Public-Private Partnerships (PPPs).

Public policy instruments will be aimed at enhancing service delivery, creating greater stability in the industry, improving industry performance, encouraging cooperation among all the partners, and ensuring the protection of the environment.

In formulating the Policy approaches, the Government will place the highest priority on consultation, and will proceed in a way that ensures that in the event of significant related shifts, nationally or internationally, the necessary adjustments can be made to the Policy.

The Construction Industry Policy will reflect cognizance of Jamaica's increasing association in the Caribbean Single Market and Economy (CSME), and its treaty obligations with other regional and international bodies. In this wider international context, it will be necessary to pay greater attention to issues relating to competitiveness, innovation, performance and productivity measurement, recognizing that the cost and quality of construction does influence investment potential, and affects the performance of all sectors of the Jamaican society.

Given its centrality, range and diversity, construction perhaps more than any other major set of economic activities, has an overarching macro impact, but equally affects the lives of people in virtually every Jamaican community. It is clear that the construction industry has great prospects of providing meaningful employment for a range of persons with the requisite skills needed in the industry. Human Resource considerations are therefore of paramount concern. The Construction Industry Policy will take account of this fact, ensuring that gender concerns are addressed, and that through adequate programmes of training and certification, a variety of skills are made available to the industry.

At the level of investment, this Policy will seek to encourage the entrance of new participants, and new service offerings, as well as the integration of traditional players.

This Policy is a direct result of the fundamental vision and goals of 'Vision 2030' as articulated in the Construction Sector Plan which gave recognition of the impact of the construction industry on Jamaica's development. In response to a perceived need for concerted action by the Government,

the policy proposals contained in this Policy may be deemed as the first step in efforts to achieve the development and sustained growth of the Jamaican construction industry and by large the Jamaican economy.

## **SECTION I: UNDERSTANDING THE CONTEXT**

### **1.1 THE NATIONAL CONTEXT**

The construction industry is a vital part of the Jamaican economy, contributing 7.1% to Gross Domestic Product in 2013. It employs a large labour force, with a reported annual average of 83,025 persons in 2013, with a large share being low skilled workers (Planning Institute of Jamaica, 2013). This industry promotes investment through its own activities, as a discrete economic sector, and generates further investment in the broader economy. It provides the physical infrastructure that underpins the economy and the built environment that more directly influences the quality of our lives. Its strong linkage with other areas of the economy has a significant impact on the efficiency and productivity of other industries.

Following the negative growth rate of -1.3% in 2010, the sector recorded positive growth of 0.8% in 2011 and then dipped again by -3.8% in 2012 and subsequently rebounded in 2013 by 1.9%; this performance was fuelled by a lack of construction activity due to the effects of the global recession. (Planning Institute of Jamaica, 2013)

While the figures indicate the importance of the industry to the Jamaican economy, they may be largely understating the magnitude of that contribution. The traditional definition of the industry is narrow and is based on its most obvious components, which include residential buildings (houses, apartments, studios etc.), non-residential buildings (offices, shops, hotels etc.), and engineering construction (roads, bridges, water, sewerage etc.). This segmentation however does not fully reflect the significance of the other facets of the industry such as client services, commercial property operators, developers and financiers, suppliers and producers of building products and materials, machinery and equipment sectors providing items such as construction equipment, and professional and consulting services. Similarly, inadequate attention is given to the institutional arrangements that shape the industry, such as the regulatory framework and the institutions which educate and train the participants as well as undertake research and development.

### **1.2 STATUS OF THE CONSTRUCTION INDUSTRY IN JAMAICA**

The Jamaican construction industry is fairly well established, comprising a wide range of service offerings, with skills spanning virtually every area of construction activity.

Though established, the potential of the industry for growth remains unrealized. There are significant advances to be made to the level of educational and vocational certification in the sector. In its efforts to achieve continued growth and development, the industry has yet to fully maximize the use of Information Technology to manage information flows, to take full advantage of technological advancements, and to adequately respond to the environmental factors and changes in the structure of the Jamaican economy.

While Jamaica's construction industry has played an important role in its economic development, as one of the pillars of the domestic economy and an important contributor to Jamaica's GDP, it faces challenges.

The persistence of these challenges has affected the image of the industry, leading to sub-optimal use of resources and limiting its potential to contribute to social and economic development. The Construction Industry Policy is intended to focus the activities of the key stakeholders in the industry towards the resolution of these problems.

### **1.3 KEY PARTICIPANTS**

The key participants in the construction industry are:

- Government as client, regulator and implementer
- Private Sector
- Industry/ Professional Associations/Joint Industrial Council
- Civil Society including Community Based Organizations (CBO's), NGO's and the ordinary Consumer
- Trade Unions/Workforce
- Suppliers/Manufacturers
- Contractors
- Practitioners, such as Developers, Architects, Engineers, Planners, Environmental Professionals, Quantity Surveyors, Land Surveyors, Project Managers, etc.
- Protective and Security Organisations
- Financiers
- Research and Development Institutions
- Training Institutions

## 1.4 THE INTERNATIONAL CONTEXT

The construction industry plays an important role in global economic development. As part of the framework, the Policy recognizes that a key deficiency, not just within the context of the construction industry, but the society as a whole, is the limited awareness of the international context. The traditional view of the international context as a means of obtaining supplies and services has to be changed, to one that is attuned to the wider opportunities that are available to the sector.

The international context must therefore become the normal framework within which the industry operates.

The development of the construction industry as envisioned by the Policy takes into account the limitations rendered by the size of the local market. As such, the industry must out of necessity, develop with a view to tapping into external markets. In this regard, the understanding and knowledge of the wider international context for the expansion of the local industry becomes more vital. Advanced economies such as Germany, Australia, the USA, the UK, China and Singapore, are working to increase construction productivity through human resource development, technical guidance, mechanisation and support for research and development<sup>1</sup>. These countries see competitiveness in the industry as crucial and are pursuing policies with this objective.

There is increasing recognition in the developed countries of the value of using Build-Own-Transfer (BOT), Build-Own-Operate-Transfer (BOOT), and Build-Own-Lease-Transfer (BOLT) projects or other forms of private sector involvement to develop power plants and other types of infrastructure<sup>2</sup>. This approach is projected to attract direct investments from abroad and facilitate the formulation of Public Private Partnerships (PPPs).

An analysis of the international and strategic policy directions of other governments around the globe was undertaken by Australia<sup>3</sup>. This analysis showed that the issues that face the industry and present policy dilemmas for these governments are surprisingly similar, although policy approaches vary. It was found that the core issues confronting policymakers internationally were related to:

- Strategies for improving industry competitiveness;
- Skills Enhancement;
- Increasing the impact of Information Technology;
- Environmental factors;
- Advances in materials technology and application;
- Promoting and encouraging Research and Development (R&D) and Innovation;
- Reducing fragmentation and increasing collaboration among industry players;

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<sup>1</sup> Department of Industry, and Science Resources. (1999). Building for Growth: An Analysis of the Australian Building and Construction Industries. Retrieved from <http://www.tececo.com/files/sustainability%20documents/BuildingsForGrowth06122001.pdf>

<sup>2</sup> Department of Industry, and Science Resources. (1999). Building for Growth: An Analysis of the Australian Building and Construction Industries. Retrieved from <http://www.tececo.com/files/sustainability%20documents/BuildingsForGrowth06122001.pdf>

<sup>3</sup> Department of Industry, and Science Resources. (1999). Building for Growth: An Analysis of the Australian Building and Construction Industries. Retrieved from <http://www.tececo.com/files/sustainability%20documents/BuildingsForGrowth06122001.pdf>

- Improving regulatory regimes; and,
- Finding new approaches to investment packaging and attraction.

Government responses to these issues are varied, however, they use both generic and specific sectoral policies. To improve the industry's output, most of these countries analyses tended to use a mix of research (both technical and trends), best practice projects and dissemination activities<sup>4</sup>. The strategies and policies being developed were also influenced by the nature and history of the construction industry in each country and the government's approach and philosophy to economic policy<sup>5</sup>.

For example, Finland, like most other Scandinavian countries, appears to have a strong cultural appreciation for innovation and design as a tool for development<sup>6</sup>. Coupled with the local geographic and climatic conditions, it is not surprising that Finland is committing a great deal of research to issues associated with energy efficiency and its application in building construction and operations.

In the UK, on the other hand, where the cultural attitude to the industry is similar to Australia, the Government created a Construction Industry Advisory Board which acts as the focus for best practice and business process re-engineering activities<sup>7</sup>. Integrating information technology in the construction process is a significant interest.

## **1.5 THE CARIBBEAN SINGLE MARKET AND ECONOMY (CSME)**

Since Jamaica is a member state, of the CSME it will be a major area to be targeted for the export of services, and cooperation between regional industry partners which will provide a valuable mechanism for promoting regional cooperation.

It is envisaged that within the context of CARICOM and the CSME, a wider policy and regulatory framework will be provided for the operation of the local construction industry in particular through the finalization of a regional Public Procurement regime.

Through the CSME, options for the development of Jamaica's Human Resource skills, and for accessing skills for the local construction industry, will be widened.

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<sup>4</sup> Department of Industry, and Science Resources. (1999). Building for Growth: An Analysis of the Australian Building and Construction Industries. Retrieved from <http://www.tececo.com/files/sustainability%20documents/BuildingsForGrowth06122001.pdf>

<sup>5</sup> Department of Industry, and Science Resources. (1999). Building for Growth: An Analysis of the Australian Building and Construction Industries. Retrieved from <http://www.tececo.com/files/sustainability%20documents/BuildingsForGrowth06122001.pdf>

<sup>6</sup> Department of Industry, and Science Resources. (1999). Building for Growth: An Analysis of the Australian Building and Construction Industries. Retrieved from <http://www.tececo.com/files/sustainability%20documents/BuildingsForGrowth06122001.pdf>

<sup>7</sup> Department of Industry, and Science Resources. (1999). Building for Growth: An Analysis of the Australian Building and Construction Industries. Retrieved from <http://www.tececo.com/files/sustainability%20documents/BuildingsForGrowth06122001.pdf>

Already, the movement of skilled labour is expanding, and the GOJ is committed to advancing local and regional mechanisms to facilitate a more deepened integration in respect of the free movement of people in general. The Caribbean Vocational Qualification (CVQ) launched in October 2007 is important to this process and other initiatives will be implemented to ensure technical skills sharing for the benefit of the construction industry.

## **1.6 WORLD TRADE ORGANISATION (WTO)**

The objectives of the Policy are in keeping with the benefits to be derived from being a member of the WTO. This includes the anticipated benefits to be realised from the conclusion of the Doha Development Agenda (DDA) negotiations currently underway, such as, inter alia, enhanced access by Jamaican construction service professionals to the markets of the 160 Members of the WTO; and increased foreign direct investment in the sector leading to its development and positive results in human resource development.

## **1.7 ECONOMIC PARTNERSHIP AGREEMENT (EPA)<sup>8</sup>**

Caribbean countries and the Dominican Republic (referred to as CARIFORUM), could benefit from the impact that the EPA, which was signed in 2008, will have on the restructuring and retooling of the construction sector to improve its competitiveness.

Of particular importance are the Public Procurement Provisions of the EPA which will also impact on the policy and regulatory framework within which the Jamaican construction industry operates.

The Policy recognises the potential long term benefits to be gained by being party to the EPA and therefore it is anticipated that the Government, along with the private sector, will take full advantage of the opportunities that arise for the benefit of the construction industry.

## **SECTION II: OBJECTIVES OF THE POLICY**

### **2.1 POLICY OBJECTIVE**

The objective of the Construction Industry Policy is to outline a framework that will assist the construction industry in Jamaica to meet the challenges and take advantage of opportunities in the short (0-3 years) and medium term (3-5 years), setting the stage for the ultimate entrance of the industry in the long term (over 5 years), into the international arena on a meaningful scale. It affirms Government's commitment to facilitate economic growth and to assist key industries to maximise their contribution to the growth of an internationally competitive economy.

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<sup>8</sup> The Economic Partnership Agreement (EPA) between the African, Caribbean and Pacific (ACP) and the European Union (EU) is intended as a reciprocal, albeit asymmetrical free trade arrangement, which has as its core objective, to achieve and contribute to the economic development of the former colonies of Europe.

## **2.2 VISION STATEMENT**

A dynamic construction industry that fosters sustainable economic growth and international competitiveness, affords for the improvement of the quality of life for all citizens, while creating employment through growth and the generation of new industry capacity.

## **2.3 DEVELOPING A MODERN ENVIRONMENT FOR INDUSTRY GROWTH**

A consequence of the unevenness in construction demand is that the industry has experienced phases of both considerable growth and rapid decline in recent years, which has forced firms to adopt more flexible production strategies, often at the expense of efficiency.

In keeping with its strategy for economic growth and development, the Government aims to work in collaboration with its private sector partners to promote more efficient construction activity.

## **2.4 GOALS**

The Government of Jamaica in its pledge to facilitate the creation of a quality society has identified a number of goals and priorities that will contribute to the continued development and growth of the construction industry.

Within the policy framework, these goals have been identified as follows:

1. Facilitating strategic national development objectives:
  - a. Articulating the core functions and priorities of Government in the industry and pursuing policies which will facilitate private sector investments and entrepreneurship.
  - b. Facilitating and advancing public private partnerships.
  - c. Reducing the extent of informal sector activity in the construction sector.
2. Improved local and regional coordination:
  - a. Promote the development of suitable instruments for industry-wide collaboration to advise on policy and to ensure implementation of the programmes envisaged.
  - b. Ensure adequate co-ordination through appropriate institutional arrangements.
  - c. Accommodate changing priorities through ongoing policy development, and the refinement of policy and its further development through constant monitoring and evaluation.
  - d. Promote regional cooperation generally, and collaboration in areas relating specifically to the construction industry.
3. Creating an enabling and facilitating regulatory environment:
  - a. Enhance Government's role in promoting an enabling environment for industry development.
  - b. Promote compliance and adherence to established guidelines, codes of practice and



standards at the local, regional and international levels.

- c. Harmonize construction policies of the members of CARICOM within the context of the CSME and the EPA, to provide a wider policy and regulatory framework and thus facilitate the operation of the local construction industry within the region.
4. Encourage wider participation in the industry:
    - a. Promote New Industry Capacity.
    - b. Actively promote small and micro enterprises (SMEs) and provide assistance in improving their viability and competitiveness.
    - c. Play a decisive role in the promotion of gender equity.
    - d. Facilitate and promote capacity building for the greater inclusion of persons with disabilities at all levels of the industry.
  5. Support advancements in Human Resource Development and Labour Relations:
    - a. Create sustainable employment and a human resource development strategy that is holistic, and accessible.
    - b. Foster a culture of productivity and efficiency (with the application of the relevant certification and selection process).
    - c. Stabilize labour relations within the framework of current labour regulations, and ongoing labour market reform.
    - d. Increase skill and qualification levels of workers in the industry.
  6. Explore avenues for the sustainable economic growth and productivity of the sector which includes encouraging:
    - a. Rapid and efficient delivery of quality assets to the public and,
    - b. Improved coordination between the public and private sector within the industry.
  7. Promote programmes which lead to improved construction management and greater competitiveness; these will target:
    - a. Achievement and maintenance of competitiveness in a Jamaican market open to regional and international business and,
    - b. Enabling effective monitoring and evaluation of programme performance.
  8. Promoting regional cooperation:
    - a. Encourage collaboration among the construction industries of the region.
    - b. Develop linkages between the professionals of the region.
  9. Encourage innovation in, and modernization of, the industry:

- a. Allow for greater Information Technology penetration, and openness to R&D and innovation initiatives.
  - b. Establish codes of conduct and 'Best Practice Standards'.
  - c. Develop quality specifications.
  - d. Establish occupational safety and health systems.
10. Formulate policies which encourage sustainable development approaches to construction:
- a. Create sustainable physical infrastructure and enhance environmental considerations.
11. Develop the public sector capacity to manage the service delivery process;
- a. Develop and review of procurement guidelines through consultations throughout the sector.
  - b. Develop effective monitoring, appraisal and evaluation systems.
  - c. Increase the number of enterprises that are registered.
12. Encourage the registration of contractors and other informal operators within the sector by:
- a. Simplifying the approval process for relevant categories of projects.
  - b. Developing public education campaigns to advise informal enterprises on formal requirements for carrying out construction activities.
13. Provide the mechanisms for client inquiries to:
- a. Facilitate complaints from clients.
  - b. Assist in devising solutions to client problems.
14. Achieve Value for Money by:
- a. Promoting efficiency in the planning and implementation of construction projects.
  - b. Encouraging the creation of incentive mechanisms that will ensure that projects are completed on time and within budget.
  - c. Improving the selection criteria used to produce the priority listing of construction projects for implementation.
  - d. Promoting the use of emerging technologies that will reduce the cost of construction projects.

The Policy document will apply to all segments of the construction industry. The successful implementation of the Policy and the achievement of the goals will depend on the support and collaboration of all the Industry participants.

Consistent with the model of economic growth that it has committed to, the Government's primary role in the construction industry will be that of enabler and facilitator, providing the framework within which the private sector might act as the main engine of growth.

Given the centrality of construction outputs on the quality of life, and on supporting all economic and social activities, the Government will pay particular attention to the regulatory aspects of the industry.

### **SECTION III: RESPONSIBILITIES OF THE GOVERNMENT**

Key stakeholders in the departments, local authorities and public sector corporations (enterprises) will be encouraged to ensure that industry policy incorporates stakeholders' concerns and that construction industry programmes are understood and effectively co-ordinated through all levels of government.

Co-operative arrangements between national departments/ministries/agencies (MDAs) will be set up to maximize the benefit of selected programmes and pilot projects.

The Ministry with responsibility for the works portfolio will enter into consultative agreements with private sector organisations to augment its capacity for the development of policy and guidelines.

The Government will continue to overhaul and constantly update its procurement policy, with special emphasis on the system of tendering which will constantly be reviewed to maximize efficiency. This will be achieved through the provision of a more open system of information sharing among all stakeholders.

The Government will facilitate an improvement in contractors' capacity to finance contracts by encouraging or enabling financial institutions to provide financing and contract-related guarantees on more favourable terms.

The Government will take a lead role in the execution of flagship demonstration projects that employ construction best practices.

#### **3.1 CREATING AN ENABLING ENVIRONMENT**

The Government recognizes that the construction industry requires a facilitating environment, and that the approval processes for development, subdivisions and building applications has for some time been in need of improvement. The removal of regulatory impediments and the streamlining of the regulatory framework are necessary measures for increasing competitiveness and reducing costs to both industry and clients.

There are a number of critical areas in which reforms are pivotal to the competitiveness of the industry. These comprise expediting development approvals and labour market reform.

### **3.1.1 EXPEDITING DEVELOPMENT APPROVALS**

The Government recognises that the delays in the granting of approvals for the construction of development projects can have a negative impact on the viability of such projects.

In association with the relevant agencies in the Ministry with responsibility for planning approvals all attempts are being made to:

- Provide baseline reference documentation (e.g. Development Orders and Development Manuals) to guide construction industry participants;
- Map and streamline development approvals and permits processes;
- Institute tracking systems to provide information on the progress of particular applications.
- Generally reorganise the work of agencies involved in the development approval process in an effort to minimize overlapping functions of the state.

In this context, the updating of Development Orders, the Building Code and a new Zoning Code for the entire country is critical.

### **3.1.2 LABOUR MARKET REFORM**

The Government recognizes and endorses the need to ensure that workers' rights are protected. At the same time the Government is committed to a review of the present regime to ensure that there is competitiveness and that it is suited to the modern day requirements of the construction industry. In particular, the Government is committed to reviewing the present regime to ensure that there is fairness in the treatment of all workers.

The removal of regulatory impediments will go a far way in attracting investments, and giving construction employers increased flexibility in the scheduling of work and meeting of contract deadlines, while still protecting the interests of employees in receiving compensation commensurate with their skills and efforts.

### **3.2 EXPEDITING PAYMENT OF SECURITY AND PERFORMANCE GUARANTEES**

The Government will seek to remove impediments in the form of undue delays and length of time in which contractor's security and performance guarantees are withheld after completion of a project.

### **3.3 PUBLIC SECTOR IMPLEMENTATION MECHANISM**

The Ministry with responsibility for the works portfolio has the onus of coordinating the development and implementation of policies and guidelines for the construction industry, including facilitating job creation, emerging enterprise development and an enabling environment policy. The Ministry also has responsibility for developing mechanisms for monitoring the achievement of the objectives, and more importantly, the expected outcomes of the Policy. In light of this, the Works

Ministry must of necessity collaborate with other Ministries within whose portfolio various aspects of the industry resides. Among the more prominent are those Ministries Department and Agencies (MDAs), professional bodies and technical training institutions with responsibility for the following portfolio areas:

- Labour policies;
- Financial/Economic policies and procurement;
- Physical planning and environmental policies;
- Specifications and standards;
- Human Resource Development;
- Certification and licensing; and
- Development of commerce.

Within the framework of transformation, the Ministry of Transport, Works and Housing is currently reinforcing its policy development capacity to enable cross-sectoral co-operation at a macro-economic level, a focus on industry development, labour market issues and emerging construction enterprise development. Related capacity includes monitoring and evaluation and the development of new procurement techniques aimed at public / private sector partnerships.

The Ministry with responsibility for finance sets out government's procurement policy which seeks to promote competition among contractors, provide for the fair treatment of contractors and transparency and openness in the procurement process.

The National Contracts Commission, established as an independent government authority, regulates the procurement of goods and services through the prescription of public sector procurement procedures. The Handbook of Public Sector Procurement Procedures (Handbook) is published for the guidance of officers and consultants engaged in planning and managing the procurement of goods, works and services on behalf of the Government of Jamaica.

Importantly, the Ministry with responsibility for Works will seek to engender greater coordination with the Ministry with responsibility for the minerals industry (mining, quarrying and related activities) as a key partner in the construction industry. The Ministry will also seek to ensure that there is conformity with the National Minerals Policy 2010 – 2030.

The Government is committed to optimising the current arrangements for implementation, monitoring and auditing of projects across sectors, by exploring the imperatives of, and opportunities for, consolidation.

### **3.4 CORPORATE GOVERNANCE**

The Government of Jamaica is seeking to improve the accountability, probity and transparency among public bodies, in an effort to achieve a more compliant, responsive, efficient and effective public service. The policies and procedures of the construction industry should also be underpinned by the same principles. The construction industry consists of different public, private and non-governmental stakeholders who are faced with related issues of governance. In this regard, corporate governance is now a critical element of business management and economic growth.

To improve the level of confidence in the construction industry the following mechanisms will be employed:

- Promoting the operation and effectiveness of corporate boards in line with international corporate governance best practices and emerging trends;
- Building awareness and promoting adherence to principles of corporate governance in the construction sector;
- Enacting specific practices to ensure the fulfillment of social responsibilities;
- Promoting the provision of a more reasonable salary calculation base for managers and employees; and
- Providing customers with a more transparent and fair consumer protection environment.

### **3.5 EXPANDING OPPORTUNITIES**

Government will work with industry groupings to establish a programme to ensure the development of emerging professionals and entrepreneurs within the industry, recognizing that such an initiative will keep the industry responsive to dynamism, competitiveness and innovation.

Government will enter into partnerships that promote development initiatives aimed at emerging enterprises, job creation and capacity building, and will, where possible, give local contractors a reasonable opportunity to bid on whole or sections of assignments which otherwise could only have been bid on by international contractors.

In creating new industry capacity, the participation and growth of small and micro enterprises (SMEs) will be encouraged. The policy will seek to influence a transformation of the construction industry in a manner that purposefully encourages the development and growth of small and emerging enterprises to meet new capacity requirements. Measures relating to financing, technical capacity, project management, and other areas of technical assistance will be formulated to meet the special needs of SMEs.

Agreements between public sector and private sector organisations (e.g. research organisations, universities, training institutions, consulting firms, financial institutions), will be entered into to obtain support for the planning and implementation of programmes that enable construction activity, and facilitate the development of the industry.

### **3.6 PROMOTING REGIONAL COOPERATION**

A common framework for the construction industries of the region will be developed to the mutual benefit of all participating countries and entrepreneurs. Project sponsors and their financiers should be urged to standardise the procedures for funding development projects in the region.

The competitive position of the Jamaican construction industry depends on relevant sections of the industry aggressively embracing an export culture over the next decade. The opportunities existing for increased exports, especially in the areas of professional services, such as architectural and consulting engineering services, will be vigorously explored.

### **3.7 COMPETITIVENESS**

The Government will focus on facilitating measures to enhance the competitiveness of the industry, which will result in reduced construction costs, improved technologies and shorter delivery times.

The Government will also, as far as possible, through project formulation and design, and in negotiation with overseas funding sources, give local industry players an opportunity to bid on whole or sections of assignments which otherwise could only have been bid on by international contractors.

The Government will negotiate the inclusion of technology transfer to local professionals and institutional strengthening in the award of contracts to international companies.

The usual requirement of prior international experience will no longer apply to local industry players in procurement opportunities.

### **3.8 INTEGRATION OF INDUSTRY ACTIVITIES AND THE ENHANCEMENT OF INDUSTRY PERFORMANCE**

Utility companies and other entities in the construction sector will be encouraged to collaborate on projects where necessary to facilitate greater use of resources and eliminate waste. This could be achieved through some established communication system.

The activities across the construction value chain will be integrated in order to increase the productivity rates and facilitate the adoption of best practices, design, construction and other downstream processes.

In the interest of promoting a healthy and competitive industry in line with international best practice, "Best Practice Standards" based on the work-process practices exemplified by leading Jamaican and international firms will be established and promoted.

These best practice standards will not only promote the long-term development of the industry, but may begin to address many of the present problems.

The construction companies will be encouraged to hire workers based on their requisite skills and certification in the various areas of construction. A target for hiring certified workers will be established, with the target being raised each time it is met.

### **3.9 PUBLIC SECTOR COORDINATION**

Given that a range of public sector agencies are involved in the delivery of regulatory mechanisms, there is a need for co-operation to ensure consultation in the development of policy and to co-ordinate programme implementation.

The key coordination arrangements will include:

- An Inter-Ministerial Committee comprised of the main Ministries engaged in infrastructure delivery which has been set up to ensure policy coordination.
- A co-coordinating structure with public sector departments and enterprises, and local authorities will be set up to provide policy advice, and dissemination of policy information.
- Co-operation between national Ministries, Departments and Agencies will be set up to maximise the benefit of selected programmes and pilot projects.
- The Ministry with responsibility for the works portfolio will establish formal structures to procure policy advice from the private sector.

### **3.10 PROCUREMENT OPPORTUNITIES**

Tenders for Government construction projects will only be accepted from service providers with appropriate accreditation, and will be in accordance with the Government's established procurement guidelines.

The Government will keep under constant review its procurement policy, and associated guidelines, to ensure that they remain current and relevant. The procurement policy will have the aim of preventing corrupt practices, promoting transparency in the award of contracts, and holding public agencies and private sector entities to which contracts are awarded, more accountable.

These reviews will seek also to ensure that CSME and other agreements are utilized in the most advantageous way possible to benefit the local construction industry.

The Government will explore the option of negotiating with multinational donor agencies the application of a domestic margin of preference in the evaluation of bids conducted under the International Competitive Bid method of procurement to goods manufactured and works in Jamaica.

The Government will be moving to institute greater coordination between the relevant agencies to provide information on procurement policies, accreditation requirements, pending/upcoming projects, and all relevant project information to benefit the local construction industry.



The Government will encourage smaller contractors to form consortia or joint ventures in order to bid for larger contracts.

A system of set-asides in line with standards that prevail internationally will be pursued. These include programs that typically designate a percentage of government contracts or funds (either for services or construction of public works) for monitoring owned businesses.

The Government will seek to encourage green procurement by listing green procurement as an alternative in tenders for Government funded projects. The Government will also explore the option of providing special incentives to Contractors who offer green supplies.

### **3.11 FUNDING**

The stakeholders in the construction industry will be encouraged to look at new and innovative ways of accessing funds through Public-Private Partnerships (PPPs), Bilateral Agreements, Multilateral lending agencies and lending institutions established by the government that will provide the best funding options to suit the construction industry and the wider economy.

In addition to the Road Maintenance Fund, the Housing Fund and budgetary support through loans and grants from the IDB, CDB, China EXIM and the EU, the Government will continue to explore user-pay systems which will allow citizens to share in the cost of providing public construction services.

### **3.12 RISKS AND RISK MANAGEMENT**

The Construction Industry is prone to high levels of risk due to various socio-political, technical, business and environmental factors. Risks in the Construction Industry impact on project activities, time, cost, scope and quality. In order to effectively manage risks, the Government will develop and maintain a risk management framework.

The development of the risk management framework will consider the design of the framework, documentation of the framework, risk management governance and risk management data collection. In the implementation of the framework key risk management processes, risk and risk management reporting and the development of a risk management culture will be considered. The framework will be monitored and evaluated through a verification process and through continuous learning and improvement.

The Government will employ various strategies which include risk: identification, quantification, response development and response control. In responding to risks, the Government will seek to transfer risks to third parties through the acquisition of effective insurance, contracting out, sub-contracting. The Government will also seek to share risks through Build and Design and Public Private Partnerships. The Government will also seek to mitigate risks by employing all measures available to curtail the effects of the risk. In a bid to improve risk management the Government

will in partnership with the various educational institutions educate construction professionals about effective risk management.

## **SECTION IV: INDUSTRY RESPONSIBILITIES**

The Government will encourage the private sector to assume more responsibility in the following areas:

- Achievement of cohesion among the constituent parts of the industry;
- Supporting the agreed objectives of human resource development through appropriate partnering arrangements;
- To improve the existing industry techniques and practices that affects construction productivity and cost efficiency;
- Review management practices to enhance the image of the industry;
- Cooperate in the setting and maintenance of health, safety and welfare practices;
- Application of lifecycle costing, value engineering and other methodologies;
- Application of national standards: adherence to specifications, process management, adoption of best practices and skills;
- Increasing Research and Development activity;
- Improving construction management;
- Improving tendering practices;
- Enhancing environmental standards through compliance with contractor's environment requirements (CER);
- Ensure that participants in any aspect of the industry including suppliers and contractors are fully compliant with the laws;
- Get support of sector representatives in the Industry Training Lead Groups that define occupational standards and qualifications to be recognized by the NCTVET, and on the Management Advisory Committees of institutions that offer construction training.

### **4.1 EFFECTIVE PROJECT MANAGEMENT**

A universal definition of project management will be adopted in terms of the role and responsibilities with respect to various industry functions.

Improved effectiveness in the application of project management will be facilitated by the promotion of the adoption of the principles, methods, processes and tools promulgated by the Project Management Body of Knowledge (ANSI/PMI Standard No. 99-001-2000) and promoted by the Project Management Institute (PMI).

The appropriate sanctions for the contravention of rules will be included in the adoption of project management regulations and standards.

## **4.2 CODES OF CONDUCT**

Contractors, project managers and developers will be encouraged to develop standard contractual practices and procedures relating to their counterparts and clients. An industry-wide code of conduct detailing industry standards with regard to the working relationships among the various players should be established and promoted thereafter.

## **4.3 QUALITY SPECIFICATIONS**

A set of national quality specifications will be established which should heighten the awareness and use of quality products and goods. The use of cost effective and safe designs should be cultivated among professionals, contractors and end-users.

To improve quality and production as well as regional and international competitiveness, firms will be encouraged to acquire appropriate standards and quality certification (like the ISO Certification), which will assist in developing cost reduction measures and introducing environmental considerations in their operations.

Agencies will be mandated to establish performance management standards. The Government's procurement procedures will give favourable recognition of compliance with these standards.

In this regard, a collaborative regime will be established with the Ministry responsible for energy and mining with a view to establishing a grading scheme for quarries, which will be based on the quality of materials used.

The Mines and Geology Division (MGD) of the Ministry of Science, Technology, Energy and Mining will be required to publish and maintain a list of Licensed Quarry Operators. This list will be linked to various websites connected with the construction industry, including the Ministry of Transport, Works and Housing. This will improve the quality of construction aggregates and by extension the integrity of the structures in which they are used. Publishing a list of Licensed Quarry Operators will ensure that construction aggregates are not obtained from illicit sources.

## **4.4 OCCUPATIONAL SAFETY AND HEALTH**

The Government of Jamaica recognizes that various risks and hazardous conditions are inherent in the construction environment and that systems must be implemented to reduce or eliminate these risks and hazards. For all Government construction projects a condition of any contract awarded will be the preparation and submission of an acceptable Site-specific Safety Management Plan or Safe Work Method Statement. This plan should address:

- Humanitarian concerns;
- Professional, institutional and social concerns;
- Legal and regulatory concerns; and

- Economic concerns.

Public order concerns on construction sites will be addressed under prevailing legal arrangements.

#### **4.5 USE OF INFORMATION TECHNOLOGY**

The wider use of Information Technology will be encouraged. An industry-wide database will be established with information on a wide range of local and international construction industry related data. Industry associations will be encouraged to apply the use of communications technology software to:

- Monitor construction activities;
- Measure the industry's performance;
- Advance lean principles;
- Manage projects and associated data;
- Facilitate smart thinking;
- Facilitate the capturing of opportunities ;
- Limit planning errors; and
- Improve accuracy and efficiency.

The effective use of communication technology will help to keep construction data and information current and relevant. To achieve greater efficiency and coordination in design, the industry should seek to utilise the Build Information Modeling (BIM). The industry should also increase its use of electronic measurement and quantification of building construction components for increased accuracy in the preparation of estimates and Bills of Quantities, *inter alia*.

### **SECTION V: HUMAN RESOURCE DEVELOPMENT**

The Policy aims to eliminate any disparities in the professional standards of industry players that may exist or arise, ensuring that the capabilities of each grouping measure up to world class standards. By raising the level of professionalism and competence among industry players, the performance and image of the industry will be significantly enhanced.

To achieve advanced professionalism, it will be necessary to upgrade education and training of professionals by developing tertiary curriculum for construction-related studies and promoting Continuing Professional Development Programmes; promoting the use of IT in the industry to enhance efficiency and image; and encouraging good practices and standards through codes of conduct.

To increase the supply of appropriate artisanal skills for the construction industry, priority attention will be given to the establishment or upgrade of institutions to specialise in the training of construction workers up to the Master Craftsman's level.

The Policy recognizes that presently, the construction industry does not possess the capacity to provide employment for all trained industry personnel. The result is that the industry has a lost a wealth of professionals through migration, as they seek employment in other countries. To address this issue it is necessary for the construction industry to grow and hence accommodate the number of trained personnel being produced by the nation's educational institutions. The construction industry will also need to find innovative ways to attract, retain and reward its trained personnel.

To respond to the needs of the industry the following HRD initiatives are necessary:

- Human resource development at all tiers of government;
- Cross-fertilization of project management skills through a policy on private sector secondment to (and from) the public sector;
- The development of multi-disciplinary skills particularly among engineering and architectural students;
- Continuing Professional Development (CPD) programmes to be mandatory for the renewal of professional and trade membership by professional and trade groups in the construction industry;
- Service providers to be required to achieve effective industrial relations focus which will lead to continual improvement in industrial relations management at the enterprise and project levels, and in the industry generally;
- A new focus on gender issues within the industry;
- Development of health and safety regulations and compensation mechanisms;
- Development of protective and security measures for projects;
- Overseas contractors doing work in Jamaica will be encouraged, and in some instances, required, to pass on 'knowledge and expertise' to local industry employees at all levels of their organization, i.e. Management, technical and skilled personnel, with whom they work.

## **5.1 EDUCATION, TRAINING AND CERTIFICATION**

The standardization of work practices will be achieved to a great extent through effective training and certification for those operating at all levels of the industry. Working through the established training institutions and systems, training at all levels of competencies will be continued. The National Council on Technical Vocational Education and Training (NCTVET) and the University of Technology will provide certification for workers who have demonstrated mastery at the different levels.

Where training and certification does not exist for particular industry players such as heavy duty equipment operators, the Government will seek to establish formal training opportunities through collaboration with the HEART TRUST/NTA and other educational bodies. Heavy duty equipment operators will be targeted for training and certification in this instance as a move towards improving the industry's capabilities and performance.

The improvement of worker attitudes will form an integral part of any programme of training designed for construction workers.

Other policy initiatives include:

- Increasing the supply of appropriate artisanal skills for the construction industry by continuing to give priority attention to the upgrading of construction skills institutions such as the HEART TRUST/NTA.
- Collaboration between the institutions of higher learning and the professional bodies to design courses that meet the needs of the industry. Specialized project management training at the tertiary level already exists in Construction Management at VTDI and other tertiary institutions have begun offering a range of project management options. This will further be developed, facilitating the incorporating of soft skills in the tertiary curriculum.
- Setting a target for a percentage of construction workers to be certified and raising the proportion as the target is met. This will facilitate the training of both men and women.
- Explore the possibility of making it mandatory for 20% of workers on government construction projects to be certified with at least a level 1 NVQ-J Certificate by 2018.
- Encouraging the industry to devise appropriate incentive schemes for training workers.
- Overseas contractors doing work in Jamaica will be encouraged, and in some instances, required, to pass on 'knowledge and expertise' to local industry employees at all levels of their organization, i.e., management, technical and skilled personnel, with whom they work.
- Exploring opportunities within Jamaica and the other territories of the CSME, primarily, for the training of personnel for the local industry through internships and other means.

With the upgrade of the construction skills institutions, consideration will be given for the system of accreditation to be expanded to include the varying levels of National Council on Technical Vocational Education and Training (NCTVET) certification being recognized as a professional qualification.

## **5.2 GENDER CONSIDERATIONS**

For the construction industry to achieve its fullest potential, it will be necessary to ensure that no capable person is excluded. The Government will provide equal access to opportunities in the industry regardless of gender.

To address the gender imbalance in the industry, from the secondary school level all youths will be introduced to construction jobs in a gender-neutral way.

Gender main-streaming practices will be applied to effect changes to existing education and training policies and other areas of public policy with a dominant influence on the structure of the construction industry.

The Government will seek to work with industry associations and groupings to address the issue, through the encouragement of the cooperation amongst women in the industry with particular emphasis on ensuring that the appropriate support mechanisms are in place.

## **SECTION VI: RESEARCH AND DEVELOPMENT**

Research and Development will be encouraged by the use of applicable incentives, and through collaboration among industry participants, the universities and other related institutions, international organisations, government entities and NGOs.

Members of the industry will be encouraged to incorporate improved technologies in their developments, designs and construction practices, including the application of lifecycle costing analysis, value engineering and other methods designed to combat the effect of climate change and encouraging energy efficiency.

## **SECTION VII: SPECIFIC INDUSTRY CONCERNS**

### **7.1 SECURITY CONSIDERATIONS**

Security is a source of concern for all participants in the construction industry. While comments have been made in the public domain about security, and particularly about the threat to personal and industry security generated by the practice of extortion, no-one has ever been charged with the practice.

Legislative provisions exist for the treatment of the offence of extortion under various circumstances. Sections 3 to 17 of the Malicious Injuries to Property Act, and Section 57 of the Larceny Act identify extortionist practices, and provide punishments for the offences.

The provision under the latter Act (Section 57) applies to those who facilitate the advances of extortionists. This would include legitimate participants in the industry, such as contractors, who supply the demands of extortionists.

In addition to acknowledging these legislative realities, and joining the call for offenders to be reported to the police, the Construction Industry Policy will formally establish other measures, which will affect the professional standing of individuals or institutions within the construction industry that facilitate the demands of extortionists.

The activities of suppliers of illegally obtained materials ranging from stolen goods to illegally mined aggregates, poses a major threat to the wider community, to legitimate commerce and to the environment. Through the Advisory Board, and existing mechanisms elsewhere in the public sector, measures will be explored to eliminate these activities.

Industry participants found to be engaged in activities that compromise the viability of the sector will be reported to the National Contracts Commission (NCC) with a view to having them struck from the list of contractors, and thereby be barred from future consideration for implementing public projects.

The contractual arrangements between the Government of Jamaica and such industry participants should be terminated without the prospect of compensation, once the culpability of the participant is established.

## **7.2 ENERGY CONSERVATION ISSUES**

The country's fuel consumption has been steadily increasing over the last few years resulting in an increase in demand for foreign exchange.

The construction industry has an integral role to play in ensuring that energy conservation is of primary consideration in the planning, design and implementation of all construction projects.

Therefore, with this assurance, the Government will set targets and standards for the reduction in energy usage in the transport, commercial and domestic areas.

All participants in the industry should demonstrate good sustainable development practices by employing strategies that will advance the increased use of energy efficient fuels in the operation of vehicles and equipment, designing energy efficient buildings and promoting the use of energy efficient materials in the construction process.

## **7.3 ENVIRONMENTAL CONSIDERATIONS**

In consideration of Jamaica's vulnerability to natural hazards (hurricane, earthquake, and floods), and of its extensive coastline and peculiar geomorphology, it is necessary to minimize economic and social dislocation from possible hazards by reducing their damaging impact on the built environment.

Therefore, with a growing understanding of the inter-linkages between national social, economic and ecological objectives, there is need for the development of an industry culture committed to improving and achieving high standards in environmental management.

Extensive hazard mapping (already in progress) will be combined with regulations, physical planning and approval process and public regulation to manage building activities in hazard zones.

An approach that integrates environmental issues into the development, design and construction processes also will be encouraged. Going beyond efficient use of energy by encouraging the adoption of green building techniques which includes:

- Use of resources that will have limited impact on the environment;
- Development of systems that will decide if the product's impact on the environment outweighs the product's performance;
- Wastes where possible should be reused or recycled within the sector. Hazardous wastes generated within the sector should be dealt with in accordance with recognized national and international norms and standards as well as the applicable domestic environment legislation.

The Government will also seek to establish and enforce standards for the management of quarrying and also enforce standards for the transportation of construction materials and waste.



One of the goals of these guidelines is making environmental management a part of the culture of organisations in the construction industry. Sound environmental practices above and beyond mere compliance with regulatory requirements will thus become integrated with day-to-day work practices. In this way, organisations can be recognised for their environmental performance.

As part of the effort to achieve this, the government will explore the idea of reformulating contract tendering and evaluation procedures towards including a component which 'rewards' contractors who demonstrate good environmental management practices, based on internationally accepted standards.

While NEPA will have a key role to play in ensuring that the Industry pays due respect to the environment, each Ministry is expected to ensure that within its own framework, these considerations figure prominently from the policy stage through the conceptualization of projects and into the review of outputs and outcomes.

## **7.4 CLIMATE CHANGE**

Jamaica is a small island developing state (SIDS), which is particularly vulnerable to the impact of climate change. Climate change has a direct impact on the construction industry and thus the industry has to adapt as well as build resilience to its impact through innovative means, the use of technology and proper planning.

Under the general guidance of the Ministry with responsibility for climate Change through the Climate Change Policy Framework and Action Plan and other relevant national and international policies and legislation, the Government will seek to influence the practices of the construction industry through risk and vulnerability profiling.

The Ministry with responsibility for climate Change will provide technical support and guidance to facilitate the development of sectoral adaptation and mitigation strategies and plans.

The use of alternative energy sources will be encouraged through incentives for industry players. The Government will aim to reduce the number of informal settlements and also ensure that planning and building standards are met.

## **SECTION VIII: LEGISLATIVE AND POLICY FRAMEWORK**

### **8.1 OTHER GOVERNMENT POLICIES**

This policy supports other related policies of the Government including the National Industrial Policy (NIP), the Government's Procurement Policy as well as related legislation, regulations and standards relevant to the construction industry. The Construction Industry Policy acknowledges the Vision 2030 Jamaica National Development Plan and the role which this Policy will play within the development framework.

## 8.2 LEGISLATIVE FRAMEWORK

The following pieces of legislation which in various ways relate to the activities of the sector will come under review and where appropriate new legislation will be considered:

The Architects Registration Act	Labour Relations and Industrial Disputes Act
The Beach Control Act	The Land Development and Utilization Act
The Caribbean Community (Free Movement of Skilled Persons) Act	Local Industries (Safeguarding) Act
The Caribbean Community and Common Market Act	Natural Resources Conservation Authority Act
The Carriage of Goods Act	The Professional Engineers Registration Act
The Cement Industry (Encouragement and Control) Act	The Parish Council Act
The Companies Act	Parishes Water Supply Act
The Contractors Levy Act	The Professional Engineers Registration Act
The Foreign Nationals and Commonwealth Citizens (Employment) Act	The Quarries Control Act
The Design Act	The Town and Country Planning Act
The Factories Act (Health and Safety)	The Watershed Act
The Fair Competition Act	The Wildlife Protection Act
The Foreign Sales Corporation Act	The Women (Employment of) Act
The Housing Act	The Workmen's Compensation Act
The Information Act	The General Consumption Tax Act
The Kingston and St. Andrew Building Act	The Land Surveyors Act
Local Improvement Act	The Corruption Prevention Act
	Other relevant acts

The Government will consider, in response to the changing demands on, and needs of the construction industry, the promulgation of several new pieces of legislation including, *inter alia*:

- Building Act;
- Quantity Surveyors Registration Act;
- Physical Planners Registration Act;
- Registration of Contractors Act;
- Lien Law; and
- National Building Code.

The Government recognises the importance of giving consideration to the provisions of the (Draft) National Housing Policy and the (Draft) Housing Public/Private Partnership Policy (formerly the Joint Venture Policy) in responding to the need for an integrated approach to housing development within the construction industry.

The Government recognises the importance of the JIC Labour Management Agreement in the smooth and efficient running of the construction industry, by which all contractors, both foreign and local, should be guided.

#### 8.2.1 THE NATIONAL BUILDING CODE

The Jamaica Building Code Application Documents will set the rules that specify the minimum standards for constructed objects such as buildings and non-building structures. The eleven (11) Jamaica Application documents were adapted from the International Code Council Documents. The main purpose of the Building Codes is to protect public health, safety and general welfare as they relate to the construction and occupancy of buildings and structures. The Jamaican climate, soil types, terrains and geology were carefully considered in the preparation of these Application Documents to ensure consistency with the best practices, safety, health and environmental considerations of the country and the people. These Application documents are to be used in conjunction with the International Codes which together, will be known as the National Building Code of Jamaica. The drafting of the new Building Act, By-Laws and Application Documents (Guideline documents for use of the International Code in Jamaica) and the subsequent enactment, will cause the International Codes to become legally binding in Jamaica. Once the National Building Code becomes law, then the appropriate Government or private authority should apply measures to regulate and maintain the practice. Also of importance to the Construction Industry is the Development Order for each parish's sustainable development plan which will eventually be aligned to zoning. This will be the guide to determine where specific structures should or should not be constructed.

#### 8.2.2 PERSONS WITH DISABILITIES

In respect of persons with disabilities, the Government will continue to partner with the Jamaica Council for Persons with Disabilities and the private sector to ensure that persons with disabilities have access on an equitable basis to public facilities both in urban and rural areas through the implementation of appropriate measures. The Government will ensure that buildings and facilities are designed and constructed to be accessible to persons with disabilities in accordance with the International Building Code Chapter 11, Accessibility. One general rule taken from the American Standard for Buildings and Facilities in Providing Accessibility and Usability for Physically Handicapped People states that, "Ground and floor surfaces along accessible routes and in accessible rooms and spaces including floors, walks, ramps, stairs and curb ramps shall be stable, firm and slip resistant". This standard is intended for adoption by government agencies. The Government will continue to dialogue with concerned Bodies in providing infrastructure that is accessible and usable on an equitable basis to persons with disabilities in accordance with the Disabilities Bill when it becomes law.

## **SECTION IX: POLICY IMPLEMENTATION**

### **9.1 CONSTRUCTION INDUSTRY DEVELOPMENT ADVISORY BOARD (CIDAB)**

The Government will establish a Construction Industry Development Advisory Board (CIDAB), to be comprised of representatives of key stakeholders in the construction industry, and other associated industries such as education and training, to advise on existing or proposed policies and legislation that have an impact on the industry, and on measures to provide regulatory and enabling mechanisms for the industry. The Advisory Board will advise on performance measurements, improvement targets and the adoption of best practices.

The Key Performance Indicators that will be monitored by the CIDAB include: cost, schedule, change management, safety, quality, productivity and client satisfaction. These Key Performance Indicators will be used to assess the Industry's progress towards the adoption of best practices in areas such as procurement, risk management, health and safety, *inter alia*, which will ultimately be used as benchmarks for the Industry.

In advising on the regulatory framework for the industry, the Board will consider the need for legislation to regulate specific aspects of the industry as required. This will involve, *inter alia*, the registration of professional and trade groups, and the regulation of accounting and project-management procedures. The Board will also be required to advise on appropriate punitive measures and sanctions for contravention of laws and regulations.

The Board will also provide guidance in the implementation of the agreed policy.

### **9.2 POLICY REVIEWS AND UPDATES**

In recognition of the importance of the proper implementation of the Construction Industry Policy, the Ministry with responsibility for works will conduct periodic reviews of the Policy. The Policy will be reviewed every five (5) years with a view towards updating the Policy to ensure alignment/congruence with international trends, new standards, procedures and legislation. The review will also seek to establish the extent to which the Policy has achieved its stated goals and objectives.

### **9.3 REPORT ON POLICY COMPLIANCE AND PERFORMANCE**

After every year of the CIDAB's sitting, the Board will submit an Annual Report to Parliament which will report on the Policy's performance and levels of compliance.

## **SECTION X: EFFECTIVE MONITORING, APPRAISAL AND EVALUATION SYSTEM**

### **10.1 MONITORING, APPRAISAL AND EVALUATION SYSTEM**

A monitoring and evaluation system will be developed by the Ministry with responsibility for Works to support the effective implementation of the Construction Industry Policy's goals and objectives and will be consistent with the Performance Monitoring and Evaluation System.

The Cabinet, as the primary body with responsibility for policy will exercise oversight functions for the Construction Industry Policy. The Construction Industry Development Advisory Board under the general oversight of the Ministry with responsibility for works will have responsibility for monitoring of the Construction Industry Policy. The monitoring and evaluation system will incorporate existing national systems, infrastructure and human resources allotted for construction related matters. For greater effectiveness, there will be a need for greater collaboration between those public entities involved in monitoring and evaluation within the industry, most notably the Contractor General's Office, the National Contracts Commission (NCC) and its various sector committees, the National Environment and Planning Agency (NEPA), the PIOJ and the Ministries with major infrastructure components within their portfolio as well as stakeholders.

Within the ambit of its own activities, the Ministry with responsibility for Works will establish project reporting procedures aimed at capturing data on direct construction activities, job creation, training and existing and new enterprises.

A monitoring and evaluation system which continuously gathers information nationally will serve several purposes including analysis focusing on:

- Policy and programme effectiveness;
- The registration and categorization of contractors and enterprises;
- Socio-economic and geographic comparisons;
- Best practice standards;
- Environmental guidelines;
- The use of local materials and construction technologies;
- Identification of delivery bottlenecks;
- Corrective measures and the adjustment of policy, guidelines and programmes as well as the re-direction of resources;
- Performance monitoring to enable appropriate action where standards are violated and to promote best practice; and

- The targeting of resources to emerging enterprises which are demonstrating progress and the withdrawal of support to those that have graduated or have failed to progress.

## **10.2 REGISTRATION OF ENTERPRISES**

The Government has established and will continue to update its register of all contractors and construction enterprises. In addition to the monitoring of performance it is in the long-term public interest that no construction work be undertaken by any enterprise not registered as a contractor.

The immediate purpose is to establish a register which accredits enterprises for public sector contracts and which captures data on the activities of these enterprises.

Ultimately, it is anticipated that the register will comprise a set of sub-directories for all contractors, sub-contractors, consultants, training and support providers. These subdirectories will be separated in terms of identified capacity and performance criteria in a manner that would enable the public sector to 'prequalify' firms for potential work opportunities. This will constitute an extension of the Government's existing practice.

The register will be used for the following purposes:

- To monitor the development of emerging contractors and reward improved performance through the allocation of resources for training and business support;
- To allocate contracts to emerging contractors who can perform at the required level;
- To determine at what stage successful contractors should graduate from support programmes; and
- To act in the case of non-performance of emerging and established contractors by limiting access to future public sector construction contracts.

It is envisaged that the register be lodged and maintained by the NCC and that monitoring and evaluation on behalf of government be co-ordinated by the Policy Development Unit of the Ministry with responsibility for the works portfolio in collaboration with the NCC. Procuring departments would be requested to provide feedback data on performance. Analyses and recommendations would be presented to the NCC for deliberation, action and further recommendation to the Minister as appropriate.

This co-management of a public sector capacity and performance register would accomplish several objectives:

- To ensure that performance standards are appropriate to changing industry circumstances.
- To enhance integrity of the register and database.
- To ensure that punitive action against delinquent firms are not seen as subjective or arbitrary.

It is proposed that the performance criteria be defined in terms of the proposals outlined in this document. These would include performance standards on the following:

- Compliance with labour regulation.
- Nature and magnitude of work undertaken, and corresponding performance.
- Work-process transformation including health and safety, productivity, quality and environmental standards.
- Promotion of emerging enterprises.
- Training and human resource development including standards identifying levels of training provided and certification received, employee participation in the selection of trainees and evidence of clear career development paths.

It is further proposed that the above framework of standards are introduced over a period of time to allow the government, in consultation with the NCC, to formulate appropriate standards and to give firms sufficient time to put in place the appropriate procedures. During this period, the standards will be applied progressively, until the complete set of 'best practice' standards are in force. After a period of time to be determined by the NCC, it is proposed that all public sector projects should be given only to construction enterprises that are accredited in terms of established standards.

It is also proposed that interim guidelines include that certain minimum standards apply to avoid serious breaches and sidestepping practices. The performance criteria should become progressively more rigorous as the value of contracts increases, on the assumption that the larger contracts will be performed by the more competitive firms. Since performance and capacity is regarded as an indicator of competitiveness, the same performance criteria will be applied to both established and emerging enterprises on contracts beyond a value, which is to be established.

In addition to contractors and construction enterprises, it is anticipated that all players within the industry who wish to compete for contracts to procure goods, works and services will eventually have to register with the appropriate registry. These registries will serve to verify that a particular entity is eligible to conduct the business that it seeks.

This will also include the registration of sole proprietors who offer services as a 'master craftsman,' (carpenter, mason etc.), with the capabilities to manage small repairs, maintenance or extensions capped at a specified dollar value.

## SECTION XI: CONCLUSION

The Government of Jamaica acknowledges the importance of the local construction industry to the achievement of its social and economic goals as outlined in Vision 2030. The goals of the Construction Industry Policy are aligned to the long term development plans for the construction industry as outlined in the Vision 2030 Construction Sector Plan. These development plans include enhancing competitiveness, utilization of best practices and refinement of procurement rules and guidelines. Issues such as funding, quality specifications and security as outlined in the Vision 2030 Construction Sector Plan will also be addressed by the Construction Industry Policy.

In recognition of the role of the industry in facilitating economic and social development, the Government through the Construction Industry Policy is demonstrating its commitment to the development and growth of the industry locally and internationally.

This commitment to facilitate the growth and development of the industry is directed towards issues of procurement, funding, corporate governance, quality specifications, occupational safety and health, human resource development, training and certification, the environment and climate change among others. In addressing these issues, the Government recognizes its central role of enabler, coordinator and implementer. Addressing these issues will thus allow the Jamaican industry to become more competitive in an increasingly global market through the exportation of construction services abroad.

Increased efficiency and effectiveness in the delivery of goods and services will be a primary concern of the industry going forward. Innovation through research, the use of Information Technology, use of environmentally sound practices, techniques and materials, adherence to the relevant Development Orders, Building and Zoning Codes will be crucial to the achievement of efficiency and effectiveness. This will ensure that Jamaicans benefit from improved quality of goods and service while maintaining value for money.