

# Effectiveness of regulatory and institutional frameworks governing public construction projects' contract management in Lesotho

Bohlokoa Cassandrah Mokole, Prof. Titus Kivaa, Dr. James Okaka, Dr Christopher Amoah

<sup>1</sup>Pan African University- Institute for Basic Science, Technology and Innovation. Email:

[bohlokoa.mokole@students.jkuat.ac.ke](mailto:bohlokoa.mokole@students.jkuat.ac.ke); [bcmokole@yahoo.com](mailto:bcmokole@yahoo.com)

ORCID ID: 0009-0002-7067-7546

<sup>2</sup>Jomo Kenyatta University of Agriculture and Technology, Juja, Kenya

[tkivaa@jkuat.ac.ke](mailto:tkivaa@jkuat.ac.ke)

ORCID ID: 0000-0002-0811-1341

<sup>3</sup>Jomo Kenyatta University of Agriculture and Technology, Juja, Kenya

[oumaokaka@gmail.com](mailto:oumaokaka@gmail.com)

ORCID ID: 0000-0002-5854-4364

<sup>4</sup>University of the Free State, Bloemfontein, South Africa

Email: [amokris2003@yahoo.co.uk](mailto:amokris2003@yahoo.co.uk) ; [amoahc@ufs.ac.za](mailto:amoahc@ufs.ac.za)

ORCID ID: 0000-0001-7657-3874

## Abstract

**Introduction:** Effective contract management is crucial for the successful delivery of public construction projects. In Lesotho, despite the enactment of the Public Procurement Act (2023), public sector construction continues to suffer from inefficiencies, contract disputes, and weak regulatory enforcement. This study investigates the effectiveness of Lesotho's regulatory and institutional frameworks governing contract management in the public construction sector.

**Objectives:** The study aims to (1) evaluate the enforcement of procurement and contract management regulations, (2) assess the institutional capacity of regulatory bodies and professionals, and (3) analyze the application of key performance indicators (KPIs) in public construction contract governance in Lesotho

**Methods:** A mixed-methods approach was employed. Quantitative data were collected through surveys of 136 professionals involved in public construction, while qualitative insights were obtained via structured interviews and document analysis. Stratified and purposive sampling techniques ensured broad stakeholder representation. The study is grounded in institutional theory and assesses formal regulations, enforcement mechanisms, and governance capacity.

**Results:** Findings reveal that over 63% of stakeholders perceive regulatory enforcement as ineffective or minimal. Audit practices are inconsistent, with 60% reporting rare or nonexistent audits. Around 30% of participants lack formal training in contract regulations. Cost and time remain the dominant KPIs, while quality and dispute resolution are underemphasized. Political interference, limited digital tools, and low institutional autonomy further weaken governance effectiveness.

**Conclusions:** Lesotho's contract management challenges stem not from a lack of legal frameworks but from their weak implementation. The study recommends institutional reforms, including the establishment of an autonomous Contract Management Authority, mandatory digital procurement systems, continuous professional training, and broader KPIs encompassing quality and dispute resolution. These reforms are vital for enhancing transparency, efficiency, and accountability in Lesotho's public infrastructure projects.

**Keywords** : Contract Management, Construction Industry, Public Procurement, Regulatory Compliance, Institutional Frameworks, Construction Governance, Lesotho

## 1. Introduction

Effective governance in public construction projects is a growing concern in Lesotho. The construction sector plays a pivotal role in Lesotho's socio-economic development by contributing significantly to job creation, infrastructure expansion, and service delivery (Ofori, 2012). Public construction projects, in particular, are vital for improving transportation networks, educational facilities, healthcare services, and overall public infrastructure (Arar et al., 2025; Olusola Babatunde et al., 2012). Despite the crucial role this sector plays, it is plagued by persistent challenges, most notably contract mismanagement, inadequate enforcement of procurement regulations, and inefficiencies in dispute resolution mechanisms (International Monetary Fund, 2023; Jenkins et al., 2024). However, despite their importance, public construction initiatives are often marred by delays, cost overruns, quality deficiencies, and eroded public trust. These issues stem largely from governance shortcomings in contract administration and regulatory enforcement.

In response to these challenges, Lesotho enacted the Public Procurement Act (2023), which was designed to enhance transparency, accountability, and efficiency in public procurement processes (Lesotho Public Procurement Authority, 2023). The Act establishes legal frameworks and guidelines for procurement, contract management, and dispute resolution. However, anecdotal evidence and preliminary assessments suggest that despite its legislative provisions, the practical enforcement and implementation of the Act have been inconsistent and often ineffective (International Monetary Fund, 2023). Regulatory bodies often lack the autonomy and capacity required to enforce compliance, leading to lapses in oversight and governance (Transparency International, 2024).

The effectiveness of contract management frameworks is essential for ensuring that public construction projects are delivered within their scheduled timeframes, remain within budget, and

meet the required quality standards (Fédération Internationale des Ingénieurs-Conseils (FIDIC), 2017). Regulatory and institutional frameworks are designed to provide governance mechanisms that facilitate transparency, fairness, and accountability in the procurement and management of contracts (World Bank, 2023)

Globally, contract management in the public sector has been subject to extensive research, with scholars such as Oluka & Basheka (2014) identifying institutional capacity, regulatory frameworks, and accountability mechanisms as critical determinants of efficiency. In the context of Sub-Saharan Africa, studies have highlighted challenges such as political interference, corruption, and limited technical capacity (Damoah & Kumi, 2018). However, in Lesotho, institutional weaknesses, limited human resource capacity, political interference, and a lack of robust digital systems have undermined the efficacy of these frameworks (Mokole et al., 2025; Phakoa & Amoah, 2022).

This study seeks to evaluate the effectiveness of regulatory and institutional frameworks governing contract management in Lesotho's public construction projects. It assesses the degree of compliance with procurement regulations, identifies key enforcement challenges, and examines how institutional weaknesses impact project performance. The research is intended to provide evidence-based recommendations for reforming contract management practices in Lesotho to enhance efficiency, transparency, and accountability in public sector construction projects.

## 2. LITERATURE REVIEW

### Project Management: Theoretical and Regional Perspectives

Project management has evolved beyond technical execution to include governance, institutional dynamics, and stakeholder coordination (Project Management Institute, 2024). While conventional frameworks such as PMBOK emphasize planning

and control, recent scholarship highlights the need to align project methodologies with the institutional environments in which they are applied (Joslin & Müller, 2015). This is especially important in public sector projects, where multiple actors and bureaucratic layers increase complexity. As Biesenthal & Wilden (2014) argue, successful project management depends on multi-level governance systems that account for both organizational and policy-level interactions.

Lesotho reflects these theoretical challenges in practical terms. Public construction projects in the country are often delayed due to fragmented institutional roles, capacity shortages, and insufficient coordination between stakeholders (Mokole et al., 2025). Despite the presence of formal project management structures, they are inconsistently applied across ministries and procurement units. As Phakoa & Amoah (2022) point out, limited monitoring tools and unclear lines of responsibility reduce project accountability and weaken oversight. These issues hinder timely decision-making and obstruct the delivery of planned infrastructure outcomes.

Improving project management in Lesotho requires not only technical enhancements but also institutional reforms that strengthen inter-agency collaboration and build professional competence. Governance-focused project management models offer a useful lens for understanding these constraints and designing locally relevant interventions. Adopting context-sensitive approaches that account for Lesotho's administrative realities and political economy can lead to more coherent implementation and better infrastructure performance over time.

### **Regulatory and Institutional Frameworks in Project Environments**

Regulatory and institutional frameworks establish the rules and structures that govern public procurement and contract management (Schapper et al., 2006; World Bank, 2023). These frameworks include formal laws, agencies, and oversight bodies as well as informal practices and norms (Scott, 2008). Institutional theory suggests that effective regulation depends not only on legal design but on the capacity and autonomy of institutions to enforce rules consistently (Jenkins & Scott, 2025). In

fragile governance settings, such enforcement is often weak or inconsistent.

Lesotho exemplifies the gap between formal procurement laws and actual enforcement. Although the Public Procurement Act (2023) represents a progressive step, its effectiveness is constrained by regulatory fragmentation, political interference, and limited institutional capacity (International Monetary Fund, 2023). Oversight bodies often lack the technical resources and independence required to monitor compliance rigorously. Furthermore, the absence of integrated digital platforms hampers transparency, making it difficult to track procurement activities across government departments in real time.

To address these shortcomings, Lesotho must invest in institutional strengthening, staff training, and technological upgrades. Enhanced inter-agency communication, automated compliance tracking, and a professionalized procurement workforce are essential to realizing the goals of regulatory reform. As Mokole et al. (2025) argue, aligning procurement regulations with enforceable institutional frameworks is critical to building a culture of accountability and restoring public trust in infrastructure governance.

### **Contract Management in Construction Projects**

Contract management involves the planning, execution, and oversight of obligations defined in construction contracts (Bunni, 2013; Fédération Internationale des Ingénieurs-Conseils (FIDIC), 2017). In public infrastructure, sound contract management is vital to ensuring timely delivery, cost control, and quality standards (World Bank, 2023). Yet, in many developing countries, contract enforcement remains weak due to institutional fragmentation and procedural inefficiencies (Damoah & Kumi, 2018; Oluka & Basheka, 2014). Poor documentation, political interference, and skill shortages undermine accountability and performance.

Lesotho's public construction sector faces similar difficulties. While legal provisions for contract administration exist, implementation is hindered by low enforcement capacity and the dominance of manual processes (Mokole et al., 2025). Project files are often stored in physical formats without digital

backup, limiting the ability to monitor compliance or resolve disputes efficiently. Phakoa & Amoah (2022) emphasize that this operational lag contributes directly to delays and budget overruns, eroding the reliability of public infrastructure delivery.

Efforts to improve contract management in Lesotho must focus on both structural reforms and capacity development. Digitizing contract workflows, training procurement officers, and clarifying enforcement protocols can significantly enhance project accountability. Moreover, fostering an institutional culture that values compliance and performance tracking will help mitigate recurring risks. These reforms should be tailored to Lesotho's context, drawing on international best practices while acknowledging local implementation realities

### 3. Objectives

Although public procurement and governance inefficiencies have been widely studied in developing countries, there remains a notable lack of empirical research that directly evaluates the functionality of regulatory and institutional frameworks specific to Lesotho (Kabanda et al., 2019). Most existing literature focuses on generalized procurement challenges across Africa or globally, often overlooking the local implementation realities and the unique administrative, legal, and institutional characteristics of Lesotho's public sector.

In the context of Lesotho, public construction projects continue to experience significant inefficiencies, including persistent delays, cost overruns, poor quality outcomes, and contractual disputes (International Monetary Fund, 2023). These problems are not merely technical or financial in nature but stem from weaknesses in governance frameworks, particularly those governing contract enforcement, audit integrity, and institutional coordination.

However, empirical research that critically examines how Lesotho's governance frameworks and contract management practices influence these outcomes is scarce. A key gap lies in the limited understanding of how stakeholders perceive the enforcement of regulations, the consistency of audits, and the effectiveness of

institutional mechanisms for managing disputes and ensuring compliance. Without this context-specific evidence, policy reforms risk being misaligned with the realities on the ground, thus undermining their effectiveness.

This study directly addresses that gap by offering an empirical investigation into the governance structures and contract management systems operating in Lesotho's public construction sector. It focuses on stakeholder perceptions, regulatory compliance, institutional capacity, and the effectiveness of dispute resolution processes. By narrowing the lens to Lesotho, the study aims to provide actionable insights that are grounded in the country's specific governance landscape.

The objectives of this research are to:

- i. Evaluate the effectiveness of regulatory enforcement and institutional oversight in ensuring compliance with procurement and contract management regulations in Lesotho.
- ii. Assess the capacity of public institutions and procurement professionals in managing and enforcing contract obligations.
- iii. Analyze the use and relevance of key performance indicators (KPIs) in evaluating contract success in public construction projects.

### 4. Methods

This study adopted a mixed-methods research design, combining qualitative and quantitative approaches to evaluate the effectiveness of regulatory and institutional frameworks in contract management. The rationale for this approach lies in its ability to offer both numerical insights into compliance trends and deeper contextual understanding of institutional practices (reference). The study is grounded in institutional theory, which conceptualizes institutions as systems of formal rules and informal norms shaping procurement behaviour (reference). Key institutional variables such as regulations, enforcement mechanisms, and governance capacity were translated into measurable indicators.

for the surveys, participants were selected using a method called stratified sampling. The researcher grouped people based on their job roles (such as engineers, contractors, or government officers) This helped ensure that the sample included a fair

mix of perspectives. A total of 136 people responded to the survey, which was considered a good number based on a formula used in research to calculate reliable sample sizes. For the interviews, the researcher used a method called purposive sampling. This means that participants were deliberately chosen because of their experience and the important roles they play in contract

All participants met the following conditions:

They were actively involved with at least one of the 27 projects active in public construction projects in Lesotho during the duration of the study, either as contractors, consultants, government officials, or procurement professionals.

They possessed relevant knowledge or direct experience with contract management, procurement regulations, or institutional oversight.

They held roles that enabled them to contribute informed perspectives on the effectiveness of regulatory frameworks and contract governance.

**5. Results**

**Nature of the Participants’ Organization**

Out of the 136 participants, most (44.85%) were contractors, followed by an equal percentage (25%) of Project Managers and Consulting Engineers. The

remaining 5.15% were Government Procurement Officers and Policy Makers.

**Work Experience of the Participants**

The participants in the study represented a broad range of professional experience. Approximately 50% had over six years of experience in the field, with 27.21% reporting more than 10 years and 22.79% having between 6 and 10 years. Meanwhile, 27.94% of participants had 3 to 5 years of experience, and 22.06% had 0 to 2 years. This distribution indicates that the study captured insights from both early-career professionals and highly experienced practitioners, providing a balanced perspective on contract management practices in Lesotho’s public construction sector

**Effectiveness of Regulatory and Institutional Frameworks in Ensuring Compliance**

The study highlights that while regulatory and institutional frameworks exist to guide public contract management, their effectiveness is limited by several factors. The findings from Table 1. provide a critical assessment of how regulatory enforcement is perceived in the public contract management sector. The data suggests that a significant portion of respondents view the current regulatory enforcement mechanisms as ineffective or minimally effective, highlighting major concerns regarding compliance and governance in Lesotho’s public construction sector.

Table 1. Effectiveness of Regulatory Enforcement

Regulatory Effectiveness	Frequency	Percentage
Not Effective	47	34.56%
Minimal	39	28.68%
Moderate	32	23.53%
Effective	13	9.56%
Very Effective	5	3.68%

The majority of respondents (34.56%) rated regulatory enforcement as "Not Effective," while another (28.68%) described it as "Minimal." Together, these figures indicate that over 63% of stakeholders believe that regulatory enforcement mechanisms are weak. This suggests persistent

challenges such as poor oversight, inadequate institutional capacity, and possibly corruption, which hinder proper enforcement of public contract regulations. Only (23.53%) of respondents considered regulatory enforcement to be "Moderate," implying that while some frameworks

and enforcement mechanisms exist, they are not consistently applied or lack the necessary resources for full effectiveness. This aligns with the broader challenges of inconsistent policy implementation and institutional inefficiencies in public contract management. A much smaller proportion of respondents (9.56%) categorized enforcement as "Effective" and (3.68%) as "Very Effective." This indicates that while there are some cases where enforcement has been successful, these instances are rare and not widespread across the sector. The relatively low percentage suggests that regulatory agencies and institutions may need substantial reforms, including increased accountability, better monitoring, and stricter penalties for non-compliance.

The overall findings suggest that weak regulatory enforcement could be a key contributor to poor contract compliance, inefficiencies, and delays in public construction projects. If enforcement mechanisms are perceived as ineffective by most stakeholders, it may lead to increased cases of non-compliance among contractors and government agencies, reduced investor confidence in the public procurement system, and higher risks of corruption, mismanagement, and project failures. Given the predominance of negative perceptions regarding regulatory enforcement, reforms should focus on strengthening regulatory institutions by improving funding and capacity, enhancing oversight mechanisms to ensure stricter compliance with contract regulations, implementing digital monitoring tools to track contract performance and enforcement in real time, and establishing clearer legal frameworks with stringent consequences for violations. The data in Table 1 paints a concerning picture of regulatory enforcement in Lesotho's public construction sector. With more than 63% of respondents rating enforcement as weak, it is evident that significant improvements are needed.

#### **Formal Training on Contract Management Regulations**

The survey results regarding formal training on contract management regulations in Lesotho indicate that while a majority of respondents (69.85%) have received formal training, a significant proportion (30.15%) have not. This suggests that

while efforts have been made to equip individuals involved in contract management with the necessary regulatory knowledge, there is still a notable gap in capacity building.

The 69.85% of trained individuals imply that many stakeholders understand the legal frameworks governing contracts, which is essential for compliance, efficiency, and transparency in contract execution. Formal training enhances the ability of professionals to navigate regulatory requirements, mitigate risks, and ensure adherence to best practices. This can contribute to improved governance and reduced incidences of mismanagement.

However, the 30.15% who lack formal training present a challenge to effective contract governance. Without proper education on contract regulations, individuals may unknowingly violate compliance standards, misinterpret legal provisions, or fail to enforce accountability mechanisms. This gap may contribute to irregularities, inefficiencies, and contract disputes, ultimately affecting project outcomes.

The findings suggest the need for continuous professional development and structured training programs to ensure that all individuals involved in contract management are well-equipped with regulatory knowledge. Expanding access to training, integrating contract management courses into public sector development programs, and implementing mandatory refresher courses can help close this gap. Additionally, the adoption of digital learning platforms and workshops can provide flexible learning opportunities to reach a wider audience.

While a majority of contract management professionals in Lesotho's public construction sector have received formal training, the 30.15% gap highlights a need for further investment in capacity building. Ensuring that all relevant personnel are adequately trained will enhance compliance, strengthen contract governance, and contribute to the overall effectiveness of public sector projects.

#### **Frequency of Regulatory Audits**

To improve contract governance, strategic reforms are necessary to strengthen legal frameworks,

enhance institutional capacity, and promote transparency. Expected reforms include legal amendments, increased oversight mechanisms,

adoption of technology, and better financial management practices

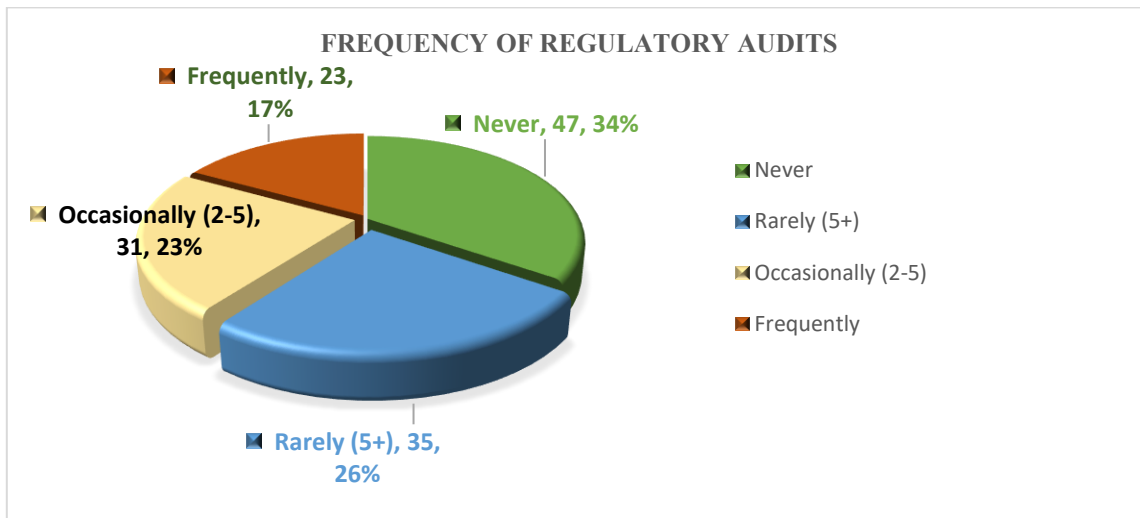


Figure 1. Frequency of Regulatory Audits

The survey results on the frequency of regulatory audits for contract compliance reveal significant gaps in monitoring practices within Lesotho’s public construction sector. A substantial 34% of respondents indicated that their organizations never undergo regulatory audits, while 26% reported that audits are conducted rarely. This suggests that contract management processes often lack systematic oversight, increasing the risk of non-compliance, inefficiencies, and potential corruption. The absence of regular audits means that contract violations, financial mismanagement, and project delays may go undetected, weakening overall contract governance.

In Lesotho, the Companies Act of 2011 and the Financial Institutions Act of 2012 outline audit requirements of institutions. The Companies Act mandates that companies appoint auditors at their annual meetings, unless they meet specific criteria for exemption. However, this provision may not be sufficiently enforced in the public construction sector, leading to inconsistencies in audit practices. For financial institutions, audits are required annually and must be conducted by independent auditors approved by the Commissioner. While

these regulations exist, they are not always adhered to in practice, as highlighted by the survey findings. Additionally, 29% of respondents stated that audits occur occasionally, which implies that while some level of oversight exists, it is inconsistent and potentially ineffective in ensuring continuous compliance. Only 17% of respondents reported that audits are conducted frequently, indicating that in a minority of cases, organizations actively monitor and enforce contract regulations. In line with the existing laws, frequent audits are essential for reinforcing accountability, improving transparency, and ensuring that public funds are used effectively.

The implications of these findings suggest an urgent need for reforms in regulatory oversight mechanisms. Strengthening audit practices through mandatory periodic reviews can help detect contract irregularities early, allowing corrective actions to be taken before issues escalate. This aligns with the provisions of the Financial Institutions Act, which requires annual audits for financial institutions, and the Companies Act, which enforces regular audits for companies. Implementing automated auditing systems and requiring independent assessments can further enhance the effectiveness of contract monitoring.

Additionally, improving the capacity of regulatory institutions to conduct regular audits through increased funding, personnel training, and technological support will ensure that compliance becomes a fundamental aspect of contract governance.

These results highlight a weak enforcement culture that must be addressed through policy reforms, institutional strengthening, and enhanced transparency measures to improve contract governance in Lesotho’s public construction sector. The incorporation of regular audits, in line with the

existing laws, could be the key to ensuring stronger oversight and more effective management of public construction contracts.

**Key Performance Indicators for Contract Management in Public Construction Projects to evaluate project success.**

The survey results on key performance indicators (KPIs) used in contract management to evaluate project success in Lesotho highlight the primary metrics that organizations rely on to monitor contract execution and ensure compliance.

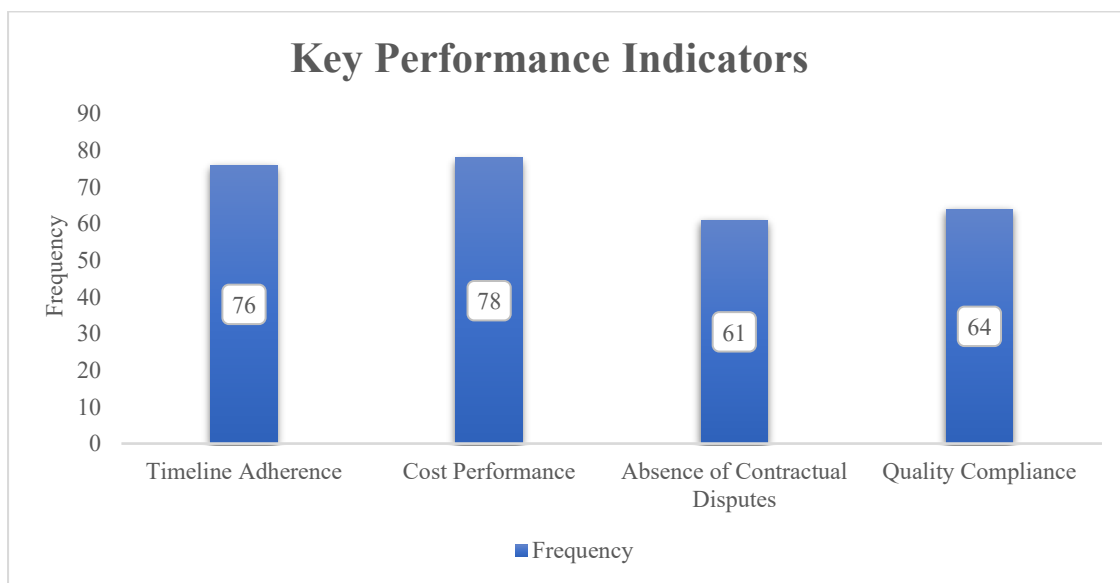


Figure 2. Key Performance Indicators in contract management

The most commonly applied KPIs include cost performance (57.35%) and timeline adherence (55.88%), followed by quality compliance (47.06%) and absence of disputes (44.85%). These findings suggest that while financial and scheduling aspects are prioritized in contract evaluation, other critical factors such as quality and dispute resolution receive comparatively less attention.

The emphasis on cost performance (57.35%) indicates that budget control is a significant concern in public contract management. Cost overruns are common in large-scale projects, and monitoring financial performance helps organizations identify inefficiencies, manage resources effectively, and prevent financial mismanagement. However, focusing too much on

cost without considering other aspects, such as quality and long-term project sustainability, could lead to compromises in construction standards.

Similarly, timeline adherence (55.88%) is a crucial KPI, as delays in public projects often result in increased costs, contract disputes, and negative socio-economic impacts. Ensuring that projects are completed on time reflects efficient planning and execution. However, prioritizing speed over quality may result in poor workmanship and structural failures, emphasizing the need for a balanced approach.

The lower ranking of quality compliance (47.06%) suggests that while organizations recognize its importance, it is not the dominant factor in contract performance evaluation. Quality assurance

mechanisms, including regular inspections and adherence to industry standards, are essential to ensure the durability and safety of infrastructure projects. Strengthening quality assessment frameworks can help mitigate long-term risks and enhance public trust in government-managed contracts.

The absence of disputes (44.85%) as a KPI indicates that fewer organizations use dispute resolution efficiency as a performance measure. Contract disputes can lead to costly legal battles, project delays, and reputational damage. Proactively addressing contract enforcement challenges, improving communication among stakeholders, and implementing alternative dispute resolution mechanisms can enhance contract governance and minimize conflicts.

In conclusion, while cost performance and timeline adherence are the most widely used KPIs in Lesotho's public contract management, there is a need to strengthen quality compliance and dispute resolution as critical evaluation metrics. A well-rounded contract management approach should integrate financial, scheduling, quality, and legal performance indicators to ensure successful project execution and long-term sustainability

## 6. Discussion

The results of this study affirmatively demonstrate that Lesotho's public construction sector suffers not from an absence of regulatory and institutional frameworks, but from their ineffective implementation. While legislative instruments like the Public Procurement Act (2023) are in place, enforcement remains limited in scope and inconsistent in practice. This is consistent with the findings of Damoah & Kumi (2018) and Oluka & Basheka (2014), who contend that institutional enforcement, not legislative presence, is the decisive factor in procurement outcomes across Sub-Saharan Africa.

The high percentage of professionals rating enforcement mechanisms as ineffective underscores a critical implementation gap. This reflects a broader trend in developing countries where regulatory design outpaces enforcement capability. Like findings from Ghana (Famiyeh et al., 2017) and Uganda (Oluka & Basheka, 2014), the

Lesotho case confirms that procurement systems struggle to move from paper compliance to functional governance, due in large part to weak oversight structures.

Audit practices further validate these concerns. The study's revelation that over 60% of respondents operate in environments with rare or nonexistent audits illustrates the systemic erosion of compliance culture. This parallels Transparency International (2024) observations of regulatory capture and audit evasion in weak institutional contexts. It also supports Jenkins et al. (2024), who argue that audit frequency is one of the strongest predictors of contract transparency and performance in low-income countries.

Institutional capacity emerged as another limiting factor. While formal training has reached a majority of professionals, the significant portion that remains untrained reflects fragmented human resource development. The lack of institutionalized, continuous training—as echoed by Baynesagn (2017) perpetuates inconsistency in legal interpretation, procedural execution, and enforcement application. This uneven knowledge base undermines the professionalization of procurement practices and contributes to governance failures during project implementation.

The findings also confirm that Lesotho's contract performance evaluation metrics are overly narrow. With KPIs focused predominantly on cost and time, broader dimensions such as quality assurance and dispute resolution are marginalized. This performance logic risks incentivizing superficial compliance while masking deeper structural inefficiencies. Similar critiques have been raised by Amoah & Steyn (2022), who warn that performance metrics in African infrastructure projects often neglect the institutional factors that determine project sustainability.

The presence of political interference and bureaucratic inertia, highlighted during interviews further affirms institutional theory's central thesis: formal rules are only as effective as the informal norms and power structures that support or undermine them (Scott, 2008). In this light, Lesotho's enforcement mechanisms are weakened not only by underfunding or skill gaps, but by the absence of political autonomy and operational

independence among regulatory bodies. These governance bottlenecks are consistent with studies by Oppong (2022) who emphasize that political insulation of procurement institutions is a prerequisite for accountability in fragile states.

Moreover, the study's qualitative insights show that public entities in Lesotho continue to rely heavily on manual systems, lacking digital tools or specialized units for compliance tracking and risk management. This operational stagnation places Lesotho behind its regional peers such as Rwanda and Kenya who have made strides in e-procurement reforms. As Maepa et al. (2023) observe, digital procurement tools not only improve efficiency but also reduce opportunities for discretion-based corruption and procedural ambiguity.

### Implications of the findings

Taken together, these findings provide robust evidence that Lesotho's challenges are systemic and not isolated. This study demonstrates that the limitations affecting contract management in Lesotho's public construction sector are not primarily due to a lack of regulatory frameworks, but rather stem from ineffective implementation and enforcement. Although the Public Procurement Act of 2023 provides a comprehensive legislative foundation, its operational impact has been undermined by weak oversight, inadequate institutional capacity, and fragmented administrative practices. The data reveal that more than 63 percent of respondents consider current regulatory enforcement mechanisms to be ineffective or minimally effective. This widespread perception reflects significant deficiencies in monitoring systems, where regulatory audits are reported to be infrequent or entirely absent in many public institutions. Such findings are consistent with broader evidence from developing countries, where a lack of systematic oversight undermines accountability and exposes infrastructure projects to inefficiency, corruption, and performance failures.

Further analysis shows that institutional capacity deficits remain a critical concern. Approximately 30 percent of stakeholders engaged in public construction contract management in Lesotho have not received formal training on regulatory frameworks. This training gap weakens procedural

consistency, hampers regulatory compliance, and reduces the ability of institutions to interpret and apply procurement law effectively. Even among those who have undergone training, the absence of ongoing professional development contributes to stagnation in institutional knowledge and reduces adaptability to changing regulatory contexts. In environments where human capital is underdeveloped, implementation of even well-designed legal frameworks tends to be uneven and ineffective.

Another notable finding concerns the performance indicators used to evaluate contract success. While cost containment and adherence to project timelines are widely applied as key metrics, other important dimensions such as quality compliance and effective dispute resolution receive comparatively less attention. This narrow focus encourages a short-term orientation in project delivery that prioritizes cost savings and speed over durability, safety, and long-term value. As a result, the full impact of public infrastructure investments may be compromised by quality defects and unresolved contractual disputes that undermine public trust.

Qualitative data from interviews further reveal that the continued reliance on manual, paper-based systems in contract administration hinders transparency and responsiveness. The lack of digital platforms for monitoring contract performance and compliance contributes to inefficiencies, delays, and an increased risk of procedural manipulation. While neighboring countries such as Rwanda and Kenya have made significant strides in adopting e-procurement systems, Lesotho lags behind in this area, limiting its capacity to benefit from real-time oversight and data-driven decision-making. The absence of digital infrastructure remains a major operational barrier to effective contract governance.

In addition, the study finds that political interference and limited institutional autonomy constrain the functioning of procurement bodies. Informal power dynamics, patronage, and selective enforcement of rules weaken the integrity of contract management processes. The inability of oversight institutions to function independently from political influence significantly reduces their

capacity to enforce accountability, ensure compliance, and prevent misallocation of resources. These challenges affirm the importance of institutional theory in explaining how formal rules are shaped and sometimes undermined by informal practices and political interests.

## 7. CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

The Lesotho case study reinforces the argument that effective contract management in public construction is not simply a technical or administrative issue it is fundamentally a governance issue. The convergence of weak enforcement, insufficient training, and political interference reflects structural weaknesses that demand policy, operational, and institutional recalibration. These findings not only deepen theoretical understanding within project management and institutional theory but also provide practical insights for policymakers and development practitioners working to strengthen public procurement systems across Africa.

The findings indicate that while regulations exist, their effectiveness is often compromised by weak enforcement mechanisms, limited institutional capacity, and inconsistent auditing practices. The survey results show that a considerable proportion of respondents perceive regulatory enforcement as ineffective, with many organizations rarely or never undergoing compliance audits. This lack of oversight increases the risk of mismanagement, corruption, and inefficiencies in public construction projects.

Additionally, challenges such as inadequate training in contract management, limited adoption of digital tools, and an overemphasis on cost and timelines rather than quality and dispute resolution hinder effective contract governance. While most professionals have received formal training, a notable percentage still lack the necessary regulatory knowledge, which impacts compliance levels. The low adoption rate of contract management software further exacerbates inefficiencies, as manual processes increase the likelihood of errors and corruption risks. The analysis of key performance indicators highlights the need for a more balanced approach that

integrates financial, scheduling, quality, and legal performance metrics to enhance contract execution and governance.

### Recommendations

To enhance the effectiveness of these frameworks, the study proposes a set of integrated, evidence-based recommendations. First, enforcement mechanisms must be strengthened through increased funding, clearer regulatory mandates, and the institutionalization of mandatory compliance audits. Regulatory bodies must be empowered with sufficient authority and autonomy to carry out their functions without political interference. Second, capacity development should be prioritized by embedding continuous training programs into public service structures. These programs should be tailored to address procurement law, contract negotiation, performance evaluation, and risk management to ensure that all stakeholders possess the knowledge and skills required to manage public contracts effectively.

Additionally, government institutions should adopt digital procurement and contract management systems to enhance transparency, reduce administrative delays, and support real-time monitoring. Digital tools not only improve operational efficiency but also reduce opportunities for corruption and facilitate the creation of reliable audit trails. Moreover, performance evaluation frameworks should be expanded to incorporate a broader set of key indicators beyond cost and time. These should include quality benchmarks, stakeholder satisfaction, and dispute resolution effectiveness to promote more balanced and sustainable infrastructure outcomes.

Finally, there is a need to establish safeguards that limit political interference in procurement decisions. Independent oversight bodies, merit-based appointments, and legal protections for procurement officers are essential measures for improving transparency and insulating technical processes from political manipulation. The creation of an autonomous contract management authority could further support these efforts by standardizing oversight and ensuring consistency in regulatory enforcement.

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