



**ANALYSIS OF THE COMPLETION RATE OF CONSTRUCTION
PROJECTS IN RWANDA: A CASE STUDY OF RWANDA
DEVELOPMENT BANK FUNDED
PROJECTS**

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Reg. No. 2012/HD06/4570X

**A RESEARCH PROJECT REPORT SUBMITTED TO THE COLLEGE OF BUSINESS
AND MANAGEMENT SCIENCES IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE AWARD OF MASTERS OF PUBLIC
INFRASTRUCTURE MANAGEMENT DEGREE OF
MAKERERE UNIVERSITY**

OCTOBER, 2014

ABSTRACT

The study sought to analyze the completion rate of construction projects funded by Rwanda Development Bank. The major objectives which guided the whole study were; to identify the main factors responsible for the delay in completion of Rwanda Development Bank funded construction projects, to analyze the effects of delay in completion of construction projects and to design strategies that can improve the completion rate of construction projects in Rwanda. The study was limited to the construction projects in the Republic of Rwanda focusing on the construction projects financed by BRD during the period of 2009 to 2013.

The total population in this study is 120 people including project analysts, contractors/engineers, and project owners/clients. 23 project analysts of Rwanda Development Bank in three Departments of Investment, Credit and Risk, 43 contractors and engineers from the construction companies registered in Rwanda Development Board and 34 project owners or clients from the projects financed by Rwanda Development Bank.

It was discovered that the owner-related group of delay factors was most important to contractors and engineers. This is mainly due to financing issues and owner interference, which are considered very important by both parties. It is interesting to note that slow decision-making by owners and unrealistic contract duration are more important to engineers than to contractors. It was also discovered that inadequate contractor planning was the most important factor in this group. This can be attributed to the contract awarding procedure in Rwanda, where most projects are awarded to the lowest bidder.

It was concluded based on the findings of this study that the owner-related group of delay factors was most important to contractors and engineers. This is mainly due to financing issues and owner interference, which are considered very important by both parties. It is interesting to note that slow decision-making by owners and unrealistic contract duration are more important to engineers than to contractors. It was also concluded that the time overrun is the most important effect of delays in completion of construction projects as funded by Rwanda Development Bank with results time overrun ($RIR=0.288$). It was further known that the main causes for the time overrun are financial problems, late payments for the completed work and ongoing work, change

orders, organizational changes. It was concluded that planning, monitoring and control, communication and managers' decision making abilities were considered as the most important strategies for achieving project success in construction industry in Rwanda.

It was also recommended that there is need to improve contractor planning and easy the contract awarding procedure in Rwanda, where most projects are awarded to the lowest bidder. Moreover, local contractors, solely or through joint ventures, are being awarded large and complex projects for which they have little experience, because access to such projects was generally limited to international contractors in the past.