



**28TH ANNUAL  
FIDIC AFRICA  
INFRASTRUCTURE  
CONFERENCE**

Lagos, Nigeria  
15-17 May, 2022  
Eko Hotels & Suites



**T H E M E : \_\_\_\_\_  
INFRASTRUCTURE  
DEVELOPMENT  
IN AFRICA**

**Presentation:**

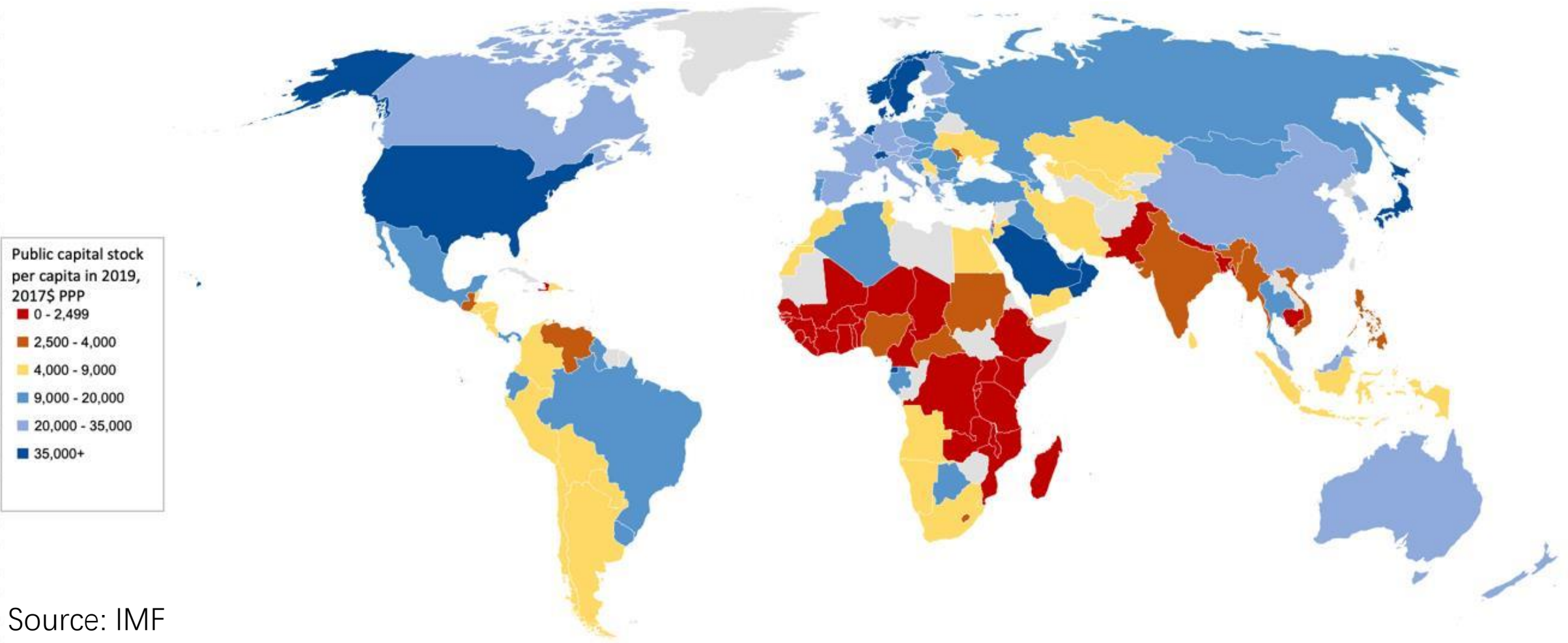
**A Look at Enforcing Infrastructure Contracts from  
the Perspective of Ease of Doing Business Score:  
Case Study on a Rural Road Project in Kenya**

**- Ms Yun Wei**



- International Engineering Contracting
- International Engineering Consulting
- Mineral Investment and Management
- Agricultural Investment and Management

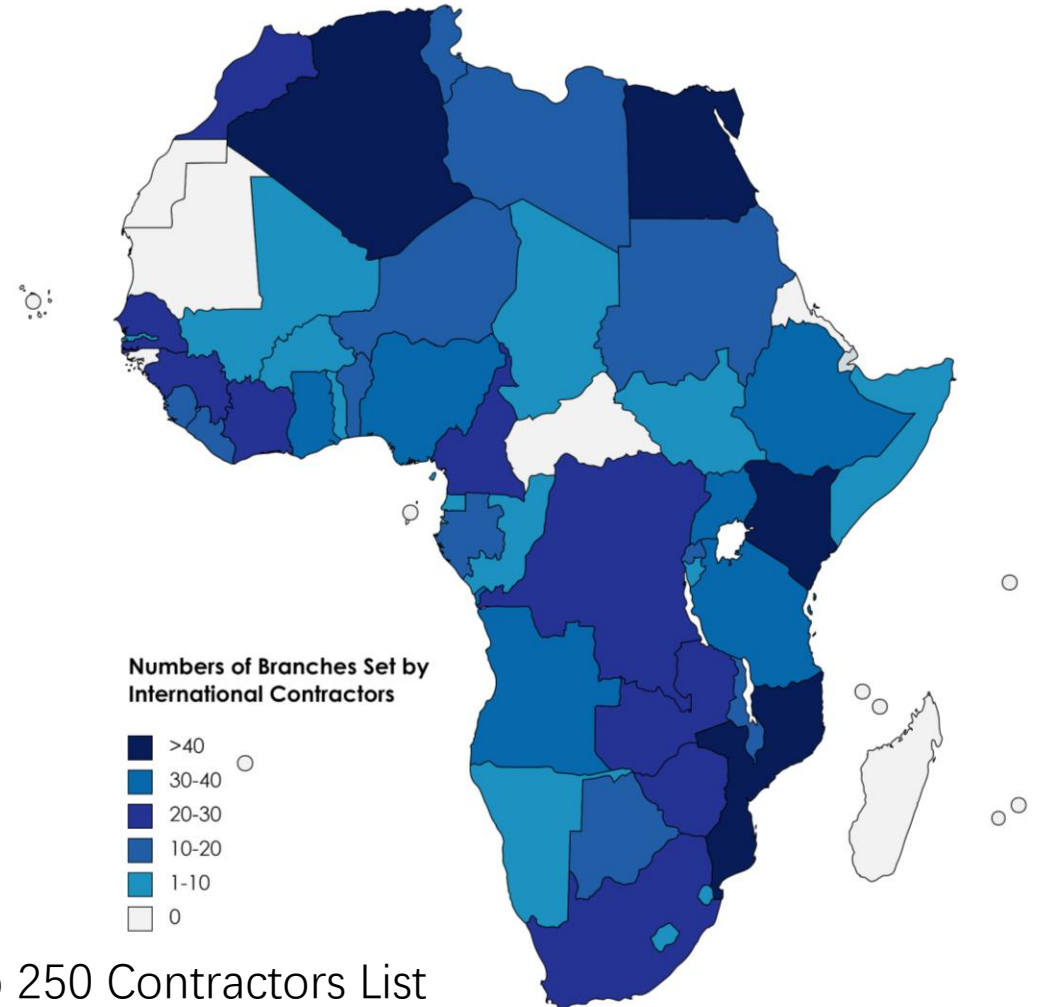
# Africa's Infrastructure Gap



Source: IMF

# Role on post COVID Economic Recovery

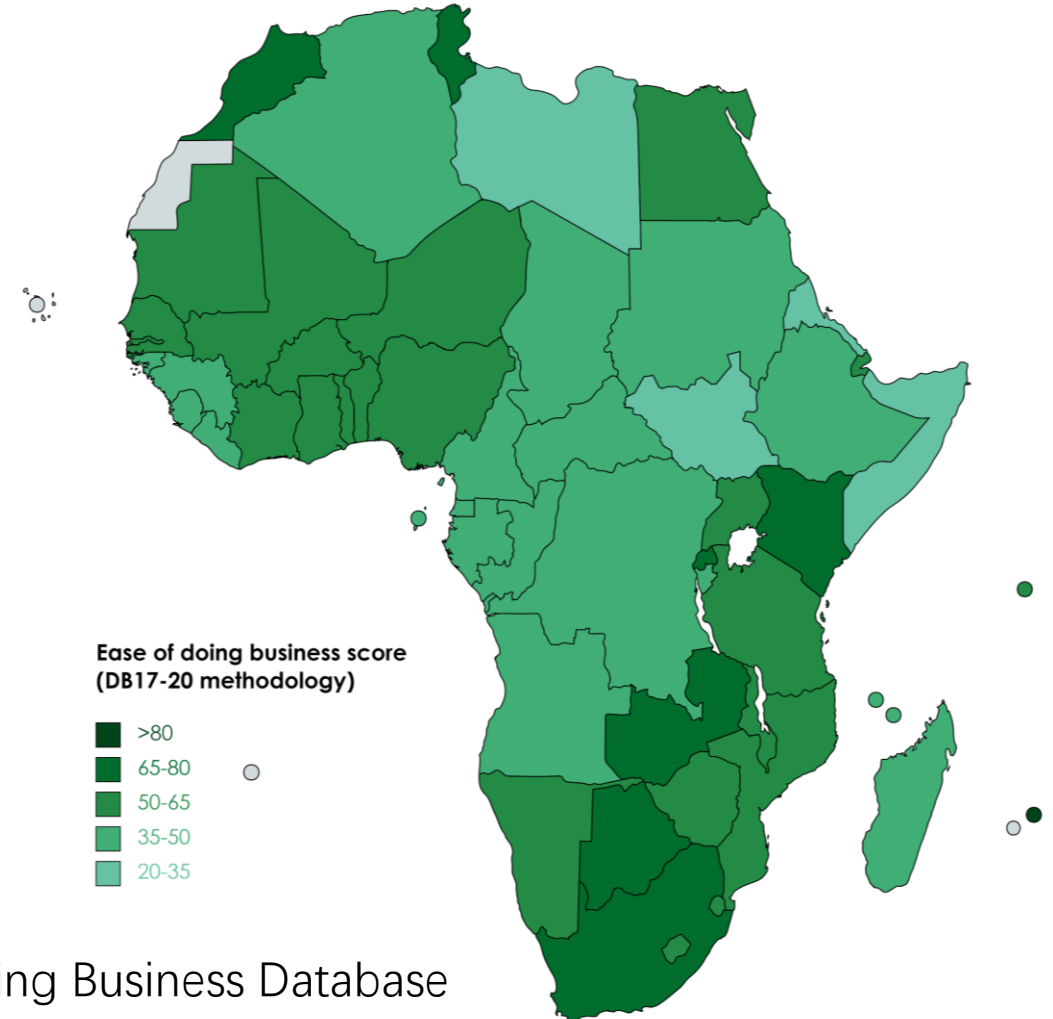
- **the Second Biennial Report on the Implementation of Agenda 2063 (February 2022)**
  - Goal 10: World Class Infrastructure Criss-Crosses Africa
  - Programme for Infrastructure Development (PIDA)
  - African Development Bank (AfDB)
- **Kenya Government's FY 2021/22 budget statement**
- **878 branches or subsidiaries of top 250 International Contractors working in 53 economies in Africa**



Source: ENR Top 250 Contractors List

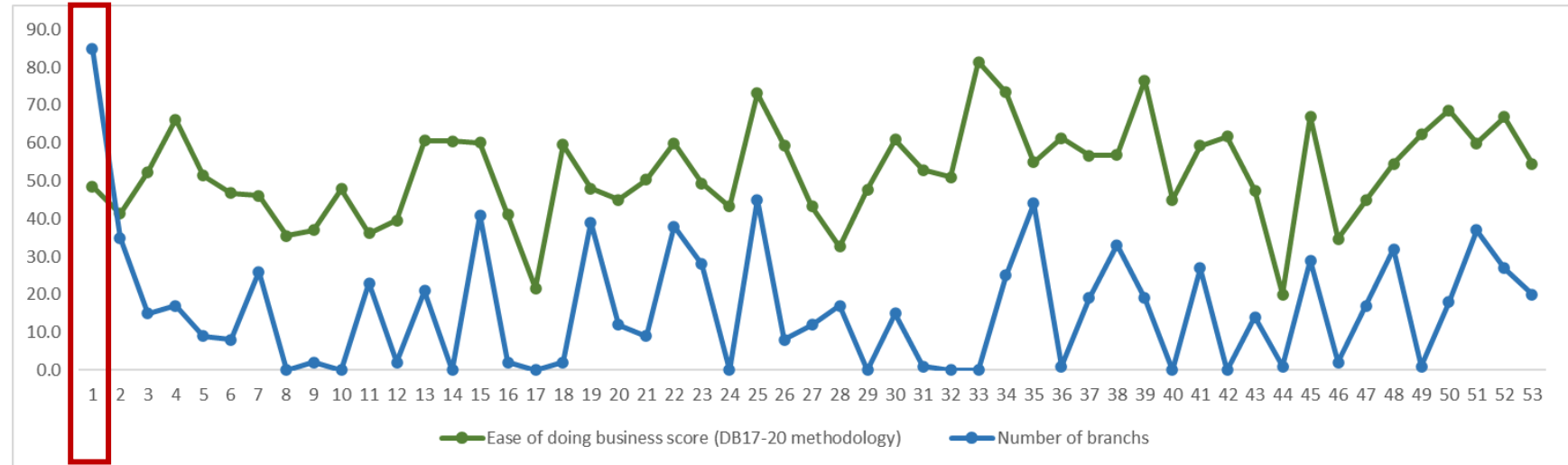
# Business Regulation Environment for Infrastructure Contracting

- **Ease of Doing Business Score (World Bank)**
  - starting a business
  - dealing with construction permits
  - getting electricity, registering property
  - getting credit
  - protecting minority investors, paying taxes
  - trading across borders
  - enforcing contracts
  - resolving insolvency

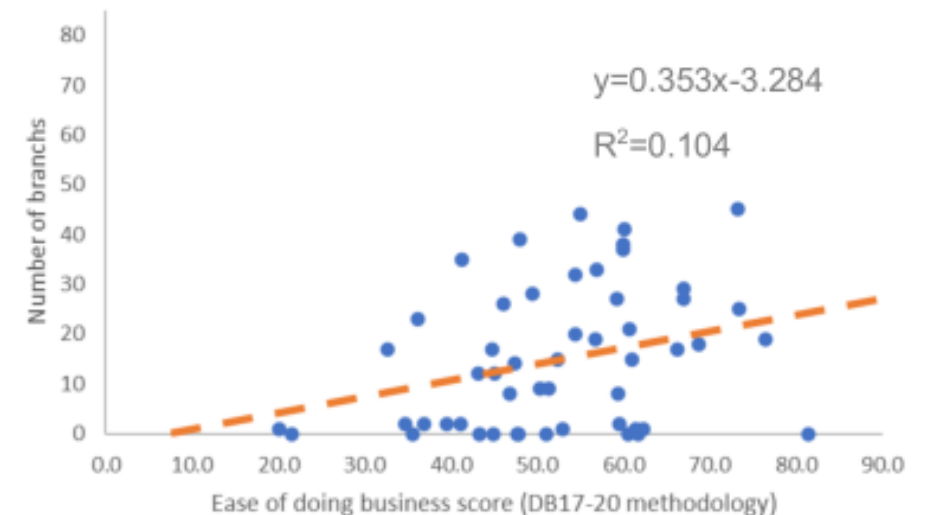


Source: WB, Doing Business Database

# Business Regulation Environment for Infrastructure Contracting



- Correlation between the Number of Branches of Contractor and Ease of Doing Business Score
  - SPSS 19.0
  - positive correlation ( $p= 0.020 < 0.050$ )
  - $y=0.353x-3.284$



# Case Study: A Rural Road Project in Kenya

- a rolling/hilly terrain with dense forest cover midstream on both sections
- Main economic activities are scale farming and quarrying
- Existing alignment consist of earth/ gravel road

Item	Content
Location	Elgeyo Marakwet County
Scope of works	Upgrading to bitumen standard and maintenance of Tenden- Kibigos market-Jnct B77 & Kokwongoi-Chebororwa road
Contract No.	RWC 571
Length	28Km
Contractor	China Henan International Cooperation Group Co. Ltd.
Supervision	Director (Development), Kenya Rural Roads Authority
Contract Sum (Ksh)	1,193,793,555.00 (Upgrading works)
Contract Sum (Ksh)	106,320,472.80 (PBRM)
Contract Sum (Ksh)	1,300,114,027.80 (Total Bid price)
Source of Funds	Government of Kenya
Commencement Date	1 <sup>st</sup> September, 2020
Contract Period	24 months
Date of completion	31 <sup>st</sup> August, 2022
Amount Certified to date (Ksh)	119,379,355.50 (Advance Payment)
Defects Liability period	12 months
PBRM period	30 months

# Case Study: A Rural Road Project in Kenya

- **Enforcing Contract**

- Kenya Forestry Services
- Kenya Rural Roads Authority
- Presidential Delivery Unit
- Contractor issued 12 notices as per the Contract for lack of possession of and access to site
- Extension of Time (EOT) Claim

Affected milestone	Affected section	Programmed started date	Programmed finished date	Duration (months)
Construction for the second milestone K2+800- K5+600	Site clearance and top soil stripping	2021/01/12	2021/02/26	1.5
	Earth works	2021/05/11	2021/06/24	1.5
	Lime improved Subbase Layer	2021/07/14	2021/07/26	0.3
	Prime Coat	2021/07/26	2021/08/05	0.3
	Tack Coat	2021/08/03	2021/08/11	0.3
	Asphalt Concrete work	2021/08/06	2021/08/16	0.3
	Single Surface Dressing	2021/08/06	2021/08/16	0.3
	Tack Coat	2021/08/24	2021/09/02	0.3
Construction for the third milestone K5+600- K8+400	Site clearance and top soil stripping	2021/02/26	2021/04/14	1.5
	Earth works	2021/06/25	2021/08/10	1.5
	Lime improved Subbase Layer	2021/09/16	2021/09/27	0.3
	Cement& Lime Improved Base Layer	2021/09/27	2021/10/07	0.3
	Prime Coat	2021/10/05	2021/10/14	0.3
Tack Coat	2021/10/08	2021/10/19	0.3	



# Discussion & Conclusion

- **Huge development space of African infrastructure**
- **Significant role of infrastructure construction in economic recovery after Covid-19**
- **Attract world-class Contractor to participate in the African infrastructure construction process**
  - Top-level policy design & Business Regulation Environment
- **Enforcing Infrastructure Contract**
  - Related to the remit of multiple government departments & respective responsibilities are parallel
  - Necessary of strengthening the coordination and cooperation of different government departments



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