THE ROADS AUTHORITY

FIVE YEAR STRATEGIC AND BUSINESS PLAN

2011 - 2016

VOLUME I
PREFACE

The Five Year Strategic and Business Plan (2011 -2016) is aimed at fulfilling Roads Authority’s mission of a developed and maintained public road network to a standard where all motorized and non-motorized traffic can reach every society of the country in adequate, safe, reliable, efficient and economic manner. This Five Year Strategic and Business Plan articulates the strategic issues, road programmes and resource requirements for road construction, maintenance and rehabilitation over the planned period. The Five Year Strategic and Business Plan is contributing towards the attainment of the objectives of the Transport Sector Investment Programme (TSIP).

The main objective of the Transport Sector Investment Programme is to guide selection, prioritisation and ranking of programme and projects for investment in the transport sector among the various modes of transport. More specifically the TSIP will assist in road programmes selection, prioritisation and ranking including financing. The TSIP builds on achieving the objectives of the National Transport Policy. The National Transport Policy goal is to ensure the provision of a coordinated transport environment that fosters a safe and competitive operation of commercially viable, financially sustainable, and environmentally friendly transport services and enterprises.

Furthermore, the National Transport Policy builds on the Malawi Growth and Development Strategy II (MGDS II) whose main objective is to create wealth through sustainable economic growth and infrastructure development as a means of achieving poverty reduction. This is expected to transform the country from being a predominantly importing and consuming economy to a predominantly manufacturing and exporting economy.

The goals and objectives of the RA would be realised by building an institution that has highly skilled management and professional staff guided by a Board that draws most of its members from the private sector and main road users in Malawi. The RA has had a positive impact on the road conditions over the years of its existence. The Authority will strengthen strategic linkages with other stakeholders including consulting engineers and contractors and other roads authorities in other countries, in order to enhance its capacity in the development and management of the public road network in Malawi.

It is my sincere hope that the cooperation that prevailed during the development of this Five-Year Business and Strategic Plan will continue during the implementation phase in order to make the condition of the public road network safe, reliable and efficient.

Inkosi Ya Makhosi M’mbelwa IV
BOARD CHAIRMAN
FOREWORD

The government recognizes the significant role played by the roads transport sub sector in the attainment of sustainable economic and social development of the country. It is through the realization of this fact that the Roads Authority formulated a comprehensive Five-Year Business and Strategic Plan to contribute towards the achievement of these goals and objectives. The scope of the Five-Year Business and Strategic Plan covers both the roads programmes and requisite funding over the planning period.

The Five Year Strategic and Business Plan development process started in early 2011 with funding from local resources (Roads Fund). The Roads Board provided the necessary guidance that ensured that policy proposals, road programmes and funding proposals were taken through the traditional public policy making process that includes consultation and interaction with significant role players regarding strategic issues and critical programmes to be included in the Five Year Strategic and Business Plan. Thus the policies and programmes contained in the Five Year Strategic and Business Plan were developed and agreed by stakeholders in line with the government policies and regulations, as well as SADC Region Protocols on Communications and Meteorology.

This business plan articulates the five year rolling road programme involving routine maintenance, periodic maintenance, rehabilitation, construction and upgrading of roads and bridges. All routine maintenance works will be funded from the Roads Fund from the first to the fifth year and part of periodic maintenance will be funded from the Roads Fund and development partners funding. The intention is to phase out development partners’ funding on periodic maintenance in the fifth year (2015/16). Rehabilitation will be funded from development partners’ finances and Government of Malawi (GoM) contributing not less than 35% of the rehabilitation budget. Construction and upgrading of roads and bridges will be funded from development partners and GoM.

The Business Plan has been prepared in accordance with GoM programmes and estimated resources provided by the funding agents. However, the RA needs additional funds to realise its mandate of managing the country’s road network. The additional funding is crucial for RA to be on a sustainable path to realising its vision and development of a better road network.

The Five Year Strategic and Business Plan will be reviewed periodically to be in line with the socio economic developments of the country and the region. It is expected that the first major revision will be carried out after two years. Hence stakeholders are urged to use this document as a guiding tool to implement the policies and programmes during this period. The RA would welcome any comments and constructive criticism road users may wish to submit for further development of the roads sub-sector.

Eng. Paul J. Kulemeka
CHIEF EXECUTIVE OFFICER
ACKNOWLEDGEMENT

The Roads Authority acknowledges with appreciation the contributions of all individuals and organizations that participated in the review, development and production of this Five Year Strategic and Business Plan. The contributions to this important document came from government ministries and departments, development partners statutory bodies, private sector institutions, civil society, and non-governmental organizations.

In-depth and substantive inputs came from the Ministry of Transport and Public Infrastructure, Ministry of Local Government and Rural Development, Ministry of Development Planning and Cooperation, Ministry of Finance, The Office of the President and Cabinet, Roads Fund Administration, National Construction Industry Council (NCIC), and Road Transport Operators Association (RTOA) among others.

The Roads Authority is thankful to the African Development Bank (AfDB), European Union (EU), the Government of Japan through JICA, World Bank among others for their contributions during the consultations.
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### ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AfDB</td>
<td>African Development Bank</td>
</tr>
<tr>
<td>BADEA</td>
<td>Arab Bank for Economic Development in Africa</td>
</tr>
<tr>
<td>COMESA</td>
<td>Common Market of Eastern and Southern Africa</td>
</tr>
<tr>
<td>DfID</td>
<td>Department for International Development</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FYSBP</td>
<td>Five Year Strategic and Business Plan (The Plan)</td>
</tr>
<tr>
<td>GoM</td>
<td>Government of Malawi</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>Human Immuno-deficiency Virus/Acquired Immuno-deficiency Syndrome</td>
</tr>
<tr>
<td>JICA</td>
<td>Japan International Cooperation Agency</td>
</tr>
<tr>
<td>KFID</td>
<td>Kuwait Fund for International Development</td>
</tr>
<tr>
<td>LA</td>
<td>Local Authorities</td>
</tr>
<tr>
<td>MGDS</td>
<td>Malawi Growth and Development Strategy</td>
</tr>
<tr>
<td>MoF</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>MoG</td>
<td>Government of Malawi</td>
</tr>
<tr>
<td>MPRS</td>
<td>Malawi Poverty Reduction Strategy</td>
</tr>
<tr>
<td>NCIC</td>
<td>National Construction Industry Council</td>
</tr>
<tr>
<td>NGO</td>
<td>Non Governmental Organization</td>
</tr>
<tr>
<td>ODPP</td>
<td>Office of the Director of Public Procurement</td>
</tr>
<tr>
<td>OFID</td>
<td>OPEC Fund for International Development</td>
</tr>
<tr>
<td>PVHO</td>
<td>Plant and Vehicle Hire Organisation</td>
</tr>
<tr>
<td>RA</td>
<td>Roads Authority</td>
</tr>
<tr>
<td>RF</td>
<td>Roads Fund</td>
</tr>
<tr>
<td>RFA</td>
<td>Roads Fund Administration</td>
</tr>
<tr>
<td>RSP</td>
<td>Road Sector Programme</td>
</tr>
<tr>
<td>RTOA</td>
<td>Road Transport Operators Association</td>
</tr>
<tr>
<td>RTD</td>
<td>Road Traffic Directorate</td>
</tr>
<tr>
<td>SADC</td>
<td>Southern Africa Development Community</td>
</tr>
<tr>
<td>TSIP</td>
<td>Transport Sector Investment Programme</td>
</tr>
<tr>
<td>VAT</td>
<td>Value Added Tax</td>
</tr>
</tbody>
</table>
1 INTRODUCTION

1.1 Background

1.1.1 RA Establishment

The Roads Authority (RA) was established in 2006 through an Act of Parliament. The RA falls under the Ministry of Transport and Public Infrastructure and comprises a Board with a Secretariat. A Board of Directors composed of ten members representing the private and public sectors governs the Roads Authority. The Board defines the overall policy of the Authority and sets the general conditions for its operations.

The main objectives of the RA are to ensure that public roads are constructed, maintained or rehabilitated at all times and advise the Minister and, where appropriate, the Minister responsible for Local Government on the preparation and the efficient and effective implementation of the annual national roads programme.

In executing its mandate RA coordinates with the Ministry of Local Government and Rural Development as the Local Government Act of 1998 gives the Local Authorities the responsibility for provision and maintenance of transport infrastructure in areas of their jurisdiction. RA also works in liaison with the Roads Fund Administration which is responsible for funding road programmes as per RFA Act No. 4 of 2006.

The Roads Authority plays a very crucial role in the realisation of the goals as spelled out in the Malawi Growth and Development Strategy. The RA’s role is specifically spelled out by Theme Five: Infrastructure Development and Sub-Theme one - roads, which states that in medium term, efforts will be made in improving mobility and accessibility of the population to key road corridors within and out of Malawi, while facilitating the improved mobility and accessibility of rural communities to goods and services at low cost.

1.1.2 The Five Year Strategic and Business Plan 2006 - 2011

In order to reduce transport costs and improve access, the RA prepared a Five Year Strategic and Business Plan for the period 2006 – 2011, the implementation of which came to an end in June 2011. By implementing the Plan, RA made great improvement to the road infrastructure condition through construction, maintenance and rehabilitation.

While fulfilling its mandate, the Authority continued to face a number of challenges. The challenges included: lack of adequate funding for road maintenance, high construction costs, limited availability of skilled technicians and inadequate capacity of the construction industry among others.

1.2 The Five Year Strategic and Business Plan 2011-2016

This Plan has been developed based on the vision, mission and core values that guide the operations of the Roads Authority. The Roads Authority will use this plan to consolidate its achievements and strengthen its impact on improving the road infrastructure network as spelt out in the MGDS II. The Plan has been developed with an implementation framework, under a separate cover (Volume 1), which details the specific action plan that will operationalise this Plan.
1.2.1 The Outcomes of the 5 Year Business and Strategic Plan

RA will implement the Plan to attain the following strategic outcomes:

(i) Improved accessibility;
(ii) Improved mobility on the road network;
(iii) Mainstreamed cross cutting issues in the transport sector;
(iv) Improved stakeholder collaboration and coordination; and
(v) Improved and sustainable institutional capacity.
2 MALAWI PUBLIC ROAD NETWORK

The Malawi road network is currently classified into five categories, namely main roads, secondary roads, tertiary roads, urban roads and district roads. The Public Roads Act enacted in 1962, the Local Government Act enacted in 1998 and the Urban (Public and Private Streets) Act enacted in 1956 define the five categories of roads as follows:

- **Main roads**: Inter-territorial roads outside cities or towns unilaterally designated by Government providing high degree of mobility connecting provincial capitals and/or serving as international corridors;
- **Secondary roads**: Roads outside cities or towns unilaterally designated by government providing a high degree of mobility linking main centres of production and connecting to the main road network;
- **Tertiary roads**: Roads outside cities or towns unilaterally designated by government linking collector roads to arterial roads accommodating the shorter trips and feeding the arterial road network;
- **District roads**: Roads outside cities or towns designated by Government after consultation with the District Authorities providing intermediate level of service connecting local centres of population and linking districts, local centres of population and developed areas with the principal arterial system; and
- **Urban roads**: Any other road in an urban area other than a designated road including arterial and collector roads crossing city boundaries. Main function is provision of accessibility over relatively short trip lengths at low speeds and providing services to smaller communities.

2.1 Road Network Coverage

The designated road network is composed of 15,451 km of which about 26% are paved. The rest of the road network (74%) is of earth/gravel surface. Roads are the country’s most dominant mode of transport, which handles more than 70% of the internal freight traffic and 99% of passenger traffic (Source: Economic Report, 2010). The road transport is also important for international trade as it handles more than 90% of freight and passenger traffic (Source: Economic Report, 2010). Studies carried out in 2005 identified about 9,500 km of undesignated road network that serve the rural communities. Table 2.1 below details the road network classification.

<table>
<thead>
<tr>
<th>Road Class</th>
<th>Pavement Type</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Paved</td>
<td>Unpaved</td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Km</td>
<td>% Share</td>
<td>Km</td>
<td>% Share</td>
<td>Km</td>
<td>% Share</td>
</tr>
<tr>
<td>Main</td>
<td>2,809</td>
<td>70</td>
<td>548</td>
<td>3</td>
<td>3,357</td>
<td>13</td>
</tr>
<tr>
<td>Secondary</td>
<td>442</td>
<td>10</td>
<td>2,683</td>
<td>13</td>
<td>3,125</td>
<td>13</td>
</tr>
<tr>
<td>Tertiary</td>
<td>44</td>
<td>1</td>
<td>4,077</td>
<td>20</td>
<td>4,121</td>
<td>17</td>
</tr>
<tr>
<td>District</td>
<td>8</td>
<td>0</td>
<td>3,492</td>
<td>14</td>
<td>3,500</td>
<td>14</td>
</tr>
<tr>
<td>Urban</td>
<td>770</td>
<td>19</td>
<td>578</td>
<td>3</td>
<td>1,348</td>
<td>5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4,073</td>
<td>100</td>
<td>11,378</td>
<td>55</td>
<td>15,451</td>
<td>62</td>
</tr>
<tr>
<td>Community Roads</td>
<td></td>
<td></td>
<td>9,478</td>
<td>45</td>
<td>9,478</td>
<td>38</td>
</tr>
<tr>
<td>(Undesignated)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Road Network</td>
<td>4,073</td>
<td>100</td>
<td>20,856</td>
<td>100</td>
<td>24,929</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Roads Authority
2.2 Road Condition

The condition of the road network as presented in Table 2.2 below is such that for paved roads 60%, 33%, and 7% are in good, fair and poor conditions, respectively. On the other hand, 44%, 23% and 33% of unpaved roads are in good, fair and poor condition respectively. Thus the total network condition is 48% good, 26% fair and 26% poor.

Table 2.2: Road Condition 2009

<table>
<thead>
<tr>
<th>Condition</th>
<th>Paved Km</th>
<th>Paved %</th>
<th>Unpaved Km</th>
<th>Unpaved %</th>
<th>Totals Km</th>
<th>Totals %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good</td>
<td>2,426</td>
<td>60</td>
<td>5,000</td>
<td>44</td>
<td>7,426</td>
<td>48</td>
</tr>
<tr>
<td>Fair</td>
<td>1,361</td>
<td>33</td>
<td>2,654</td>
<td>23</td>
<td>4,015</td>
<td>26</td>
</tr>
<tr>
<td>Poor</td>
<td>286</td>
<td>7</td>
<td>3,724</td>
<td>33</td>
<td>4,010</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>4,073</td>
<td>100</td>
<td>11,378</td>
<td>100</td>
<td>15,451</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Roads Authority

2.3 Management of the Public Road Network

Management of the public road network is done by a number of players in the road sector through various legislations. In accordance with Section 25 of the Roads Authority Act, the Roads Authority is responsible for the trunk (main, secondary and tertiary) roads as delegated by the Ministry of Transport and Public Infrastructure.

On the other hand, in accordance with Section 9 of the Local Government Act of 1998 and the Public Roads Act, Local Authorities (LA) are responsible for management of districts and urban roads in their jurisdiction.

Currently management of the public road network is as summarised in Table 2.3 below.

Table 2.3: Road Network Management Responsibility

<table>
<thead>
<tr>
<th>Road Class</th>
<th>Current Road Network (km)</th>
<th>Reclassified Road Network – Ungazetted (km)</th>
<th>Responsible Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main</td>
<td>3,357</td>
<td>4,004</td>
<td>RA</td>
</tr>
<tr>
<td>Secondary</td>
<td>3,125</td>
<td>4,249</td>
<td>RA</td>
</tr>
<tr>
<td>Tertiary</td>
<td>4,121</td>
<td>0</td>
<td>RA</td>
</tr>
<tr>
<td>District</td>
<td>3,500</td>
<td>8,085</td>
<td>LA*</td>
</tr>
<tr>
<td>Urban</td>
<td>1,348</td>
<td>1,580</td>
<td>LA*</td>
</tr>
<tr>
<td>Community</td>
<td>0</td>
<td>7,019</td>
<td>LA*</td>
</tr>
<tr>
<td>TOTAL</td>
<td>15,451</td>
<td>24,929</td>
<td></td>
</tr>
</tbody>
</table>

* Due to capacity challenges under Local Authorities, RA provides support in the management of district, urban and community road network.
2.4 Procurement of Works and Services

All procurement of works and services, for maintenance, rehabilitation, upgrading and construction of roads funded by Roads Fund Administration and Government of Malawi is undertaken by the Roads Authority in accordance with the Public Procurement Act and Guidelines provided by the Office of the Director of Public Procurement (ODPP). Projects funded by development partners are procured in accordance with their specific procurement guidelines.

In order to ensure value for money, the Ministry of Justice reviews and vets all draft Government funded development contracts before signing. The MoF also confirms availability of funding before the contracts are signed.
3 THE ROADS AUTHORITY

3.1 Mandate

The main objectives of the RA are to:

(i) ensure that public roads are constructed, maintained or rehabilitated at all times;
(ii) advise the Minister responsible for public roads and, where appropriate, the Minister responsible for local government on the preparation and the efficient and effective implementation of the annual national roads programme referred to in Section 22 of the Roads Authority Act.

3.2 Board of Directors

A Board of Directors composed of 10 members representing the private and public sectors governs the Roads Authority. Each Board member, other than the ex-officio members, has a three-year term of office. The members are appointed from the following institutions:

(i) Bus and Taxi Operators Association;
(ii) General public (2);
(iii) Malawi Local Government Association;
(iv) National Construction Industry Council (2);
(v) National Road Safety Council;
(vi) Road Transport Operators Association;
(vii) Secretary for Local Government (ex-officio); and
(viii) Secretary for Transport and Public Infrastructure (ex-officio).

The Board has the following functions and responsibilities:

(i) advise the Minister of Transport and Public Infrastructure on the construction, maintenance and rehabilitation of public roads, and the prohibition of any act that may lead to damage to public roads;
(ii) monitor the operations or activities undertaken by any road agency in the construction, maintenance and rehabilitation of public roads;
(iii) advise the Minister of Transport and Public Infrastructure on research and studies necessary for promoting the construction, maintenance and rehabilitation of public roads;
(iv) ensure that all tenders for the construction, maintenance and rehabilitation of public roads are conducted through open and competitive bidding in a transparent and fair manner;
(v) advise the Minister of Transport and Public Infrastructure on the specifications, design standards and classification of public roads;
(vi) advise the Minister of Transport and Public Infrastructure on the development and training of human resources required for the construction, maintenance and rehabilitation of public roads;
(vii) advise the roads agencies on the construction, maintenance and rehabilitation of the different classes of public roads under their responsibility;

(viii) liaise with the road traffic and road safety authorities on matters relating to safety of persons and animals on public roads;

(ix) advise the Minister of Transport and Public Infrastructure on appropriate road signs;

(x) recommend to the Minister of Transport and Public Infrastructure and the Minister responsible for land matters the reservation of land for public roads and for diversions and detours of public roads under construction, maintenance or rehabilitation;

(xi) prescribe measures for preventing damage however caused by any person to any public road or any part thereof and for recovering, in full or in part, the cost of repairing the damage from such person or his insurers;

(xii) advise the road traffic and road safety authorities and road agencies, as the case may be, on appropriate and effective methods of enforcing road traffic legislation for the purposes of preventing damage to public roads and promoting road safety;

(xiii) ensure that roads agencies carry out effective monitoring of the condition of the public roads for the purposes of timely implementation of road construction, maintenance and rehabilitation programmes;

(xiv) publish periodic reports of the activities and achievements of the Authority and make the reports available to the general public; and

(xv) do all such things as are necessary for achieving the purposes for which the Authority is established.

The RA Board has the following powers:

(i) to authorise any or agent of the Authority to enter upon any land and bring thereon vehicles equipment or any other property of the Authority, and erect structures and do such other things as are necessary for which the Authority is established;

(ii) to publish, from time to time, such technical all other information as it deems necessary or expedient for the promotion of the construction, maintenance and rehabilitation, or generally of the condition of public roads;

3.3 Corporate profile

The Board delegates its authority on day to day running of the institution to the Chief Executive Officer. The RA has four key departments namely; Planning and Design which is responsible for the development of short-term and long-term road programmes; Construction which is responsible for the management of periodic maintenance, rehabilitation, upgrading and new road construction projects; Maintenance which is responsible for the day to day management of maintenance activities and Finance and Administration which is responsible for the general administration, human resources and financial management. Other cross cutting functions such as procurement, information and communications technology, internal audit and public relations complement day to day operations. Further to this, the Authority
has three Regional Offices which are project implementing arms of the maintenance activities. The current organisation structure of the Authority is as shown in Appendix I.

3.4 Roads Authority staff

The Authority has a staff establishment of 104. Due to increased workload envisaged in this Five Year Strategic and Business Plan, the establishment has been revised to 122. The revised establishment aims at increased monitoring of road condition and road projects. The revised organisational structure is shown in Appendix II.
PAST PERFORMANCE

4.1 Agreed Performance Indicators

The RA and development partners in preparation of Budget Support Programme have set a number of performance indicators for monitoring the performance of the roads sub sector against planned targets, these are presented in the Table 4.1 below for the year 2009/10:

Table 4.1: Performance Indicators and Achieved targets for 2009/10

<table>
<thead>
<tr>
<th>Key Sector Performance Indicators</th>
<th>Unit of Measure</th>
<th>Baseline 2008/09</th>
<th>Planned 2009/10</th>
<th>Actual 2009/10</th>
<th>% Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads Sub Sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1a Length of Road network</td>
<td>Km</td>
<td>15,451</td>
<td>15,451</td>
<td>15,451</td>
<td>100.0</td>
</tr>
<tr>
<td>1b Share of Paved road network</td>
<td>%</td>
<td>26</td>
<td>27</td>
<td>26</td>
<td>96.7</td>
</tr>
<tr>
<td>2a Paved road network in good to fair condition</td>
<td>%</td>
<td>89</td>
<td>83</td>
<td>98</td>
<td>118.1</td>
</tr>
<tr>
<td>2a1 Paved road network in good to fair condition</td>
<td>Km</td>
<td>3,400</td>
<td>3,262</td>
<td>3,991</td>
<td>122.3</td>
</tr>
<tr>
<td>2b Paved road network in good condition</td>
<td>%</td>
<td>47</td>
<td>50</td>
<td>77</td>
<td>154.0</td>
</tr>
<tr>
<td>2c Unpaved road network in good condition</td>
<td>%</td>
<td>10</td>
<td>11</td>
<td>10</td>
<td>90.9</td>
</tr>
<tr>
<td>2d Unpaved road network in good condition</td>
<td>Km</td>
<td>1,138</td>
<td>1,255</td>
<td>1,141</td>
<td>90.9</td>
</tr>
<tr>
<td>4a Routine maintenance of paved road network</td>
<td>Km</td>
<td>3,500</td>
<td>3,598</td>
<td>3,083</td>
<td>85.7</td>
</tr>
<tr>
<td>4b Routine maintenance of unpaved road network</td>
<td>Km</td>
<td>5,692</td>
<td>5,902</td>
<td>4,957</td>
<td>84.0</td>
</tr>
<tr>
<td>4c Periodic maintenance of paved road network</td>
<td>Km</td>
<td>70</td>
<td>209</td>
<td>116.00</td>
<td>55.5</td>
</tr>
<tr>
<td>5a Rehabilitation of paved road network</td>
<td>Km</td>
<td>82</td>
<td>231</td>
<td>108.00</td>
<td>46.8</td>
</tr>
<tr>
<td>5c Rehabilitation of upaved road network (Grading &amp; Reshaping)</td>
<td>Km</td>
<td>35</td>
<td>2,512</td>
<td>2,649</td>
<td>105.5</td>
</tr>
<tr>
<td>6 Development Budget allocated to backlog maintenance</td>
<td>%</td>
<td>30</td>
<td>35</td>
<td>19.3</td>
<td>55.3</td>
</tr>
</tbody>
</table>

In Table 4.1, above are performance indicators that were agreed between the Government and the development partners. These indicators were monitored closely during implementation of the various road programmes and projects. Column 4 of the table shows the baseline data agreed at the beginning of the Sector Budget Support programme, column 5 contains data for the agreed targets for fiscal year 2009/10, while column 6 contains data indicating what was actually achieved during implementation of the various projects in the fiscal year; and finally column 7 contains data that shows in percentage terms of what was achieved against planned targets. Below is a brief evaluation of the results of the main performance indicators.

4.1.1 Overall Performance

Over the past five years, performance on management of the public road network was relatively good despite challenges such as inadequate capacity of contractors and consultants, shortage of foreign exchange and fuel that impacted negatively on the road sector.
The condition of the paved road network, from fair to good, improved from the planned 83 % to 98 %. Furthermore, the paved road network improved tremendously from the planned 50 % for fiscal year 2009/10 to 77 % achievement for the same planning period. On the other hand there is little change in the quality of good unpaved roads as the type of maintenance activities carried out are easily lost and need to be carried out repeatedly, with resultant higher costs, during any year if any improvements are to be sustained.

4.1.2 Maintenance Programme

With respect to routine maintenance activities of paved road network, 3,083 km, has been achieved compared to planned output of 3,598 km. This performance does not however take into account other un-measurable gains made as a result of works undertaken in the important areas of drainage improvements, grass cutting and bush trimming, pothole patching and edge repairs among others. These works are crucial despite not being taken into account as key indicators and are important activities that lead to improved road network condition.

Performance on routine maintenance for unpaved road network has achieved 4,957 km compared to planned outputs of 5,902 km. In addition, other activities such as drainage improvements, replacement of timber decked bridges were also carried out. The achievements made are despite the fact that some contractors underperformed for various reasons including poor management, late mobilisation and general poor macroeconomic environment.

For historical purposes, the RA over the last five years or so has management to maintain up over 80 % of the classified road network in most of the years as can be seen in Table 4.2 below.

<table>
<thead>
<tr>
<th>Year</th>
<th>2006/07</th>
<th>2007/08</th>
<th>2008/09</th>
<th>2009/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planned (Km)</td>
<td>3,963</td>
<td>3,881</td>
<td>4,957</td>
<td>11,000</td>
</tr>
<tr>
<td>Achieved (Km)</td>
<td>4,034</td>
<td>3,200</td>
<td>4,077</td>
<td>8,040</td>
</tr>
<tr>
<td>% Achieved</td>
<td>102</td>
<td>82</td>
<td>82</td>
<td>73</td>
</tr>
</tbody>
</table>

Source: RA Annual Reports (2006/07 to 2009/10)

With regard to periodic maintenance for paved road network, performance has been below the planned target by 93 km. On the whole performance would have been much better as some of the programmes were delayed due to lack of adequate funding, shortage of fuel and foreign exchange. The Lilongwe - Nsipe road is a specific case in point in this regard. With hindsight, it would appear that the planned target of 209 kms was very ambitious, especially if you compare with the baseline of 70kms per annum for 2008/09 fiscal year. There is a very strong case for revising this target to a more realistic one, as can be seen in Table 4.3 below. The planned target has to be more or less in line with what has been the trend from years 2006 - 10.

Again historical performance for the implementation of periodic maintenance programmes over the last five years has shown that the RA has managed to achieve over 60 percent of the annual targets. This has been achieved under very difficult conditions, such as erratic funding from central government, payment of VAT on meagre resources, rising construction costs among others, which were beyond the control of the Authority. Table 4.3 below shows the performance.
Table 4.3: Physical Performance Periodic Maintenance 2006-2009

<table>
<thead>
<tr>
<th>Year</th>
<th>2006/07</th>
<th>2007/08</th>
<th>2008/09</th>
<th>2009/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planned (Km)</td>
<td>24.4</td>
<td>40</td>
<td>70</td>
<td>209</td>
</tr>
<tr>
<td>Achieved (Km)</td>
<td>18</td>
<td>20</td>
<td>67</td>
<td>116</td>
</tr>
<tr>
<td>% Achieved</td>
<td>74</td>
<td>50</td>
<td>95</td>
<td>56</td>
</tr>
</tbody>
</table>

Source: RA Annual Reports (2006/07 to 2009/10)

4.1.4 Rehabilitation programmes

Implementation of rehabilitation of the paved road network has under-performed due to the overly ambitious target of 231 km compared to the base year target of 82 km. Similarly, there is need to revise the targets to more realistic levels and in line with trends as shown in Table 4.4 below. Rehabilitation of unpaved road network has shown better performance as more kilometres of roads have been graded and reshaped compared to the planned activities. This reaffirms government’s commitment to rehabilitating and maintaining the road network in order to ensure that valuable road assets are preserved.

Table 4.4 below shows the performance for implementation of rehabilitation programmes covering the last five years which is over and above 60 percent on average given the various challenges facing the construction industry.

Table 4.4: Physical Performance Rehabilitation 2006/07-2009/10

<table>
<thead>
<tr>
<th>Year</th>
<th>2006/07</th>
<th>2007/08</th>
<th>2008/09</th>
<th>2009/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planned (Km)</td>
<td>53</td>
<td>164</td>
<td>82</td>
<td>186</td>
</tr>
<tr>
<td>Achieved (Km)</td>
<td>38</td>
<td>85</td>
<td>67</td>
<td>65</td>
</tr>
<tr>
<td>% Achieved</td>
<td>72</td>
<td>52</td>
<td>81</td>
<td>35</td>
</tr>
</tbody>
</table>

Source: RA Annual Reports (2006/07 to 2009/10)

4.1.5 Development Budget Allocation to backlog maintenance

The allocation for backlog maintenance in Development Budget for the 2009/2010 year was 19.3 % as opposed to the planned target of 35 %; hence the achievement is 15.7 % short of the planned target. Worth pointing out is that this could have resulted from the fact that the development budget is mainly funded by donors who are particular about which projects they would like to finance leaving Government with little choice in the matter. However, under the routine maintenance budget funded from the Roads Fund, there is always an allocation for backlog maintenance which underlines the importance the government attaches to clearing the backlog maintenance programme. It is important therefore that Budget Support Programme should allocate more resources to support Government’s goal to preserve its road assets as is exemplified by its commitment to and acceptance of the performance indicators for periodic and rehabilitation projects for the paved road network.

3.5 Challenges

Over the period 2006-2011, the implementation of the Five Year Strategic and Business Plan faced a number of challenges that affected the performance of management of the public road network. These challenges are discussed below;
4.2.1 Inadequate funding for Road Maintenance and Development Projects

Over the years allocations for road maintenance have never been adequate to cover all the requirements as can be seen in Table 5 where during the budgeting process the RA submits to government budget proposals depending on the maintenance and development needs of the road network. However, during the process government imposes budget ceilings which are dictated by macro-economic parameters and conditions of development partners which in turn results into budgets being scaled down hence not meeting the requirements of the road network as was originally intended.

Table 5: RA Budget 2011/12 (MK million)

<table>
<thead>
<tr>
<th>Budget</th>
<th>Proposed Budget</th>
<th>First Revision</th>
<th>Second Revision</th>
<th>Shortfall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurrent</td>
<td>15,200.00</td>
<td>6,862.00</td>
<td>6,862.00</td>
<td>8,338.00</td>
</tr>
<tr>
<td>Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part I</td>
<td>19,259.00</td>
<td>18,409.00</td>
<td>18,409.00</td>
<td>850.00</td>
</tr>
<tr>
<td>Part II</td>
<td>30,769.00</td>
<td>20,235.00</td>
<td>13,730.00</td>
<td>17,039.00</td>
</tr>
<tr>
<td>Total Devbudget</td>
<td>50,028.00</td>
<td>38,644.00</td>
<td>32,139.00</td>
<td>17,889.00</td>
</tr>
<tr>
<td>Grand Total</td>
<td>65,228.00</td>
<td>45,506.00</td>
<td>39,001.00</td>
<td>26,227.00</td>
</tr>
</tbody>
</table>

4.2.2 High construction costs

Construction costs in Malawi are high compared to other regional countries such as Ethiopia, Kenya, Uganda and Tanzania. The comparison showed that generally road construction costs in Malawi are on average 4% higher than the average of the surrounding countries. It was further noted that for Malawi, most of the essential construction materials such as bitumen, fuel, cement, steel, etc are imported from other countries like South Africa and are transported by road transport which is very expensive as compared to rail transport used by other countries. Secondly, most of the projects in Malawi attract an additional cost of 16.5% Value Added Tax (VAT).

4.2.3 Inadequate absorption capacity of road works funds

Inadequate capacity in the construction industry such as design consultants, local contractors in the unlimited category and availability of construction equipment in the country are some of the major reasons for low absorption capacity for road works funds.

4.2.4 Unavailability of qualified and experienced engineers and technicians

The local construction industry is ill-equipped in terms of qualified and experienced engineers and technicians for design, supervision and construction of roads. The main reason is that the training institutions such as the University of Malawi and other institutions of higher learning have stopped offering Diploma certificates. As for the engineers, there is low rate of professional registration with the Malawi Board of Engineers.

4.2.5 Inadequate financial capacity of local contractors and consultants

There are unfavourable financial conditions for small to medium contractors and consultants to secure capital financing.
4.2.6  *Inadequate capacity in Local Authorities*

Most of the Local Authorities have no qualified and experienced personnel to manage road programmes. Slow decentralization process has negatively impacted on the management of road network.

4.3  *Mitigation Measures*

The Authority has included mitigating strategies in this Plan taking cognisance of the challenges identified under the 2006-2011 Five Year Strategic Plan implementation period.
5 THE VISION, MISSION AND CORE VALUES

This Plan presents the vision, mission and core values that will guide the operations of the Roads Authority over the next five years. The Roads Authority will use this Plan to consolidate its achievement and strengthen its impact on improving the road network infrastructure.

5.1 Vision

“To be the best agency and authority in the management of public road network in the SADC Region”

5.2 Mission Statement

“To develop and maintain the public road network infrastructure in a cost effective manner with a view to providing an accessible, reliable, efficient, safe, sustainable, economic and environmentally friendly transport system in Malawi through a highly motivated and professional team.”

5.3 Core Values

- **Stakeholder Focus:** Our stakeholders come first;
- **Corporate Image:** Quality of the road network is our image;
- **Accountability:** We are responsible to our stakeholders for technical and financial undertakings;
- **Transparency:** We conduct our business openly;
- **Excellence:** We are committed to professionalism, innovation, creativity and exemplary leadership;
- **Integrity:** We serve with honesty, fairness and high ethical standards;
- **Teamwork:** We emphasize teamwork within and outside our organisation;
6 SITUATION ANALYSIS

This section considers the Strengths and Weaknesses (internal) and Opportunities and Threats (external) environment of the Roads Authority. The analysis has been prepared on the basis of consultations with management and staff as well as other stakeholders. In addition, the annual reports and other documentations were reviewed.

6.1 Strengths

(i) Roads Authority established by Act of Parliament;
(ii) RA autonomy supported by a clear legal framework;
(iii) Well qualified human resource;
(iv) Dedicated Roads Fund for road maintenance;
(v) High staff commitment;
(vi) The ability to attract and retain human resource;
(vii) Strong teamwork.

6.2 Weaknesses

(i) Inappropriate organisational structure to address the targeted strategic objectives;
(ii) Lack of specialists in some technical fields;
(iii) Inadequate strategic management skills among technical staff;
(iv) Limited monitoring and evaluation activities;
(v) Absence of a fully developed road data management system;
(vi) Lack of regulatory framework to enforce some of the provisions of the RA Act;

6.3 Opportunities

(i) Support from the parent Ministry;
(ii) Availability of institutions to undertake training in the construction industry;
(iii) Existence of a dedicated road fund to support road programmes;
(iv) Political will to support the road sector;
(v) High demand for good road network.

6.4 Threats

(i) Shortage of critical construction inputs and materials impacting on the construction activities;
(ii) Inadequate qualified and experienced engineers and technicians;
(iii) Inadequate financial resources for road programmes;
(iv) Washaways resulting from deforestation and inappropriate land use activities;
(v) Prioritisation of upgrading of roads as opposed to periodic maintenance and rehabilitation;
(vi) Commencement of road projects before completion of designs;
(vii) Limited number of local contractors and consultants with the capacity to undertake medium to large scale contracts;
(viii) Management of the road network under the jurisdiction of the local authorities;
(ix) Inadequate enforcement of axle load control;
(x) Lack of transparency in the allocation of Roads Fund;
(xi) Reduced autonomy;
(xii) Delayed payments of certificates;
(xiii) Risk of corrupt practices in the construction industry;
(xiv) Inadequate resources to run the operations of the Roads Authority efficiently;
(xv) Attrition due to HIV/AIDS pandemic;
(xvi) Vandalism of road furniture;
(xvii) Irregularities in compensation assessment;
(xviii) Irregularities in costing for relocation of services;
(xix) Delays in relocation of services;
STRATEGIC OUTCOMES AND TARGETS

Based on the review and analysis of the 2006 – 2011 Business and Strategic Plan, RA Act, MGDS II, TSIP, the strategic planning workshop and the issues stipulated in the challenges and SWOT analysis, the following strategic outcomes and related targets have been defined for the Roads Authority for the 2011 – 2016 period.

7.1 Strategic Outcomes

The Strategic outcomes defined below are a tangible reflection of RA's mandate, and indicate the impact that the Roads Authority would like to have over the next five year period. The strategic outcomes that Roads Authority endeavours to attain during the period of this Plan are as follows:

**Strategic Outcome 1:** Improved accessibility
**Strategic Outcome 2:** Improved mobility on the road network
**Strategic Outcome 3:** Mainstreamed cross cutting issues in the road sector
**Strategic Outcome 4:** Improved stakeholder collaboration and coordination
**Strategic Outcome 5:** Improved and sustainable institutional capacity

7.2 Strategic Outcome Targets

The targets below define the levels of achievement in specific areas and the indicative time scale that are associated with each strategic outcome.

**Strategic Outcome 1: Improved accessibility**

This outcome aims at constructing new roads and bridges; and spot repairs of designated unpaved roads.
1.1 35km of new roads constructed by 2016;
1.2 3,000 metres of timber decked bridges on designated roads replaced by concrete decks by 2016;
1.3 All temporary Bailey bridges on designated roads replaced with concrete decks by 2016;
1.4 3,300 metres of drainage structures on designated unpaved roads to be constructed by 2016
1.5 900 kilometers of spot repairs on designated unpaved roads to be done by 2016.

**Strategic Outcome 2: Improved mobility on the road network**

This aims at upgrading, maintaining and rehabilitating the existing road network to preserve and improve condition of the paved road network to 85% good condition, 13% fair condition with only 2% poor condition and the unpaved road network to 50% good, 30% fair and 20% poor condition.

2.1 Routine maintenance of the entire road network carried out annually;
2.2 Periodic maintenance of 750 km on paved roads by 2016;
2.3 Rehabilitation of 600 km of paved road network carried out by 2016;
2.4 Rehabilitation of 600 km of unpaved road network carried out by 2016;
2.5 400km of unpaved roads upgraded to paved standards by 2016;
2.6 All known accident prone areas on designated paved roads physically improved by 2016;
2.7 Replace 5 single lane bridges with double lane bridges on paved trunk roads by 2016.
Strategic Outcome 3: Mainstreamed cross cutting issues in the road sector

This outcome aims at incorporating issues of gender, HIV & AIDS, environment, road safety, and health and safety into the road programmes.

3.1 100% of RA members of staff are sensitized in HIV & AIDS issues all the times;
3.2 100% of Contractors and Consultants engaged on RA projects sensitized in HIV & AIDS issues annually;
3.3 100% of the road works sites complying with health and safety guidelines and procedures all times;
3.4 100% of the road works sites complying with certified environmental management plans all times;
3.5 25% of staff employed by RA are female by 2016;
3.6 20% of construction site staff are female by 2016;
3.7 Two district sensitisation meetings on dangers of deforestation and inappropriate land use to the road network conducted by 2016.

Strategic Outcome 4: Improved stakeholder collaboration and coordination

This aims at improved collaboration among stakeholders including Civil Society at local level to enhance participation in project preparation, identification, prioritization, programming, budgeting, implementation, monitoring and evaluation.

4.1 Full and timely involvement of the local authorities and RFA in the formulation and implementation of the annual national roads programme and the budget;
4.2 Continuous consultation with all key stakeholders;
4.3 70% of the public aware of the functions of the RA by 2016;
4.4 Continuous consultation with service providers.

Strategic Outcome 5: Improved and sustainable institutional capacity

This aims at enhancing the capacity of Roads Authority in fulfilling the mandate and meeting stakeholders’ needs.

5.1 Improved operational environment all the time;
5.2 70% of RA’s staff trained in appropriate areas by 2016;
5.3 Resource planning and utilization improved by 2016;
5.4 Upgraded technology all the time;
5.5 Improved management systems and internal controls in place by 2012;
5.6 Ensure compliance with Corporate Governance best practices all times.
8 OUTPUTS FOR ACHIEVING THE TARGETS

8.1 Strategic Outcome 1: Improved accessibility

This strategic outcome aims at improving access to or from and within rural/urban areas for enhanced local economies and social conditions through constructing new roads and bridges; and spot repairs of designated unpaved roads.

8.1.1 35 km of new roads constructed by 2016

RA wants to increase the current road network by constructing 35 km of new roads by 2016 and this includes by-passes in the four cities. This will be achieved through the following outputs:

- Feasibility studies and detailed designs for the targeted roads undertaken;
- Funding identified;
- Consultants and contractors procured;
- Works and services implemented; and
- Monitoring and evaluation done;

8.1.2 3,000 metres of timber decked bridges on designated roads replaced by concrete decks by 2016

There are approximately 2,500 bridges on the designated road network of which 480 are timber found mainly on rural roads. This target will be achieved through the following outputs:

- Prioritisation list produced;
- Detailed designs of the prioritised bridges conducted;
- Funds identified;
- Consultants and contractors procured;
- Works implemented; and
- Monitoring and evaluation done;

8.1.3 All temporary Bailey bridges on designated roads replaced with concrete decks by 2016

There are Bailey bridges on some of the designated road network which are launched in emergencies cases. All these Bailey bridges will be replaced during the planned period and the parts stockpiled for future use. This target will be achieved through the following outputs:

- Prioritisation list produced;
- Detailed designs of the prioritised bridges conducted;
- Funds identified;
- Consultants and contractors procured;
- Works implemented.
- Monitoring and evaluation done;
8.1.4 3,300 metres of drainage structures on designated unpaved roads to be constructed by 2016

There are drainage structures on some of the designated unpaved road network which need to be repaired or replaced. This target will be achieved through the following outputs:

- Prioritisation list produced;
- Detailed designs of the prioritised drainage structures conducted;
- Funds identified;
- Consultants and contractors procured;
- Works implemented.
- Monitoring and evaluation done;

8.1.5 900 kilometers of spot repairs on designated unpaved roads to be done by 2016

- Identification and prioritisation list produced;
- Detailed designs done;
- Funds identified;
- Consultants and contractors procured;
- Works implemented; and
- Monitoring and evaluation done;

8.2 Strategic Outcome 2: Improved mobility on the road network

The 2009 road condition survey, indicated that the paved roads are 60%, 33%, and 7% are in good, fair and poor conditions, respectively. On the other hand, 44%, 23 % and 33% of unpaved roads are in good, fair and poor condition respectively. Thus the total network condition is 46% good, 26% fair and 26 % poor.

The aim of this outcome is to ensure that all paved roads which are in a maintainable condition should be put under routine maintenance contracts. The targets to be achieved are as follows:

8.2.1 Routine maintenance of the entire road network carried out annually;

- Road condition and traffic surveys conducted;
- Projects formulated;
- Funds identified;
- Consultants and contractors procured;
- Works and services implemented; and
- Monitoring and evaluation done;
8.2.2 Periodic maintenance of 750 km on paved roads by 2016;

- Road condition and traffic surveys conducted;
- Project formulated;
- Funding identified;
- Consultants and contractors procured;
- Works and services implemented; and
- Monitoring and evaluation done;

8.2.3 Rehabilitation of 600 km of paved road network carried out by 2016;

- Road condition and traffic surveys conducted;
- Project formulated;
- Funding identified;
- Consultants and contractors procured;
- Works and services implemented; and
- Monitoring and evaluation done;

8.2.4 Rehabilitation of 600 km of unpaved road network carried out by 2016;

- Road condition and traffic surveys conducted;
- Project formulated;
- Funding identified;
- Consultants and contractors procured;
- Works and services implemented; and
- Monitoring and evaluation done;

8.2.5 400 km of unpaved roads upgraded to paved standards by 2016;

- List of roads to be upgraded identified;
- Feasibility studies and preliminary engineering design carried out;
- Detailed designs of the identified roads conducted;
- Funding identified;
- Consultants and contractors procured;
- Works and services implemented; and
- Monitoring and evaluation done;

8.2.6 All known accident prone areas on designated paved roads physically improved by 2016;

- Road Safety Audit conducted;
- Improvement works designed;
- Funds identified;
- Consultants and contractors procured;
- Works and services implemented; and
- Monitoring and evaluation done;
8.2.7 Replace five single lane bridges with double lane bridges on paved trunk roads by 2016.

- Bridges identified;
- Feasibility studies and detailed design conducted;
- Funding identified;
- Works and Services procured;
- Bridges constructed;
- Monitoring and evaluation done.

8.3 Strategic Outcome 3: Mainstreamed cross cutting issues in the road sector

The RA will address main cross cutting issues comprising gender, HIV and AIDS, health and safety and environmental management in road works. In particular, social and environmental mitigation measures will be incorporated into the design process, along with complementary and associated conditions of contract. The targets to be achieved and the related outputs are as follows:

8.3.1 100% of RA staff sensitized in HIV and AIDS issues all the times

- Sensitisation in HIV and AIDS issues conducted;
- Relevant literature on HIV and AIDS issues distributed;
- Condoms distributed; and
- Food supplements to all deserving staff distributed.

8.3.2 100% of Contractors and Consultants engaged on RA projects sensitised in HIV and AIDS issues annually

- Awareness meetings on all ongoing projects conducted; and
- Relevant literature on HIV and AIDS issues distributed;

8.3.3 100% of the road works sites complying with health and safety guidelines and procedures all times;

- The published health and safety guidelines distributed;
- Sensitization process on the guidelines and their implementation conducted;
- Checklist for monitoring compliance introduced; and
- Compliance monitored.

8.3.4 100% of the road works sites complying with certified environmental management plans at all times;

- Relevant clauses on environmental related activities included in contract documents;
- Sensitization campaigns on environmental management guidelines conducted;
- Environmental management guidelines reviewed;
- Environmental management plans executed; and
- Environmental management plans monitored.
8.3.5 25% of staff employed by RA are female by 2016;
- Recruitment policy reviewed to include gender balancing strategies;
- Advocacy campaigns for gender balancing conducted.

8.3.6 20% of Contractors and Consultants staff are female by 2016
- Gender balance clauses included in contract documents; and
- Gender balance compliance monitored.

8.3.7 Two district sensitisation meetings on dangers of deforestation and inappropriate land use to the road network conducted by 2016.
- Needs assessment carried out;
- Awareness messages developed;

8.3 Strategic Outcome 4: Improved stakeholder collaboration and coordination

8.4.1 Full and timely involvement of the local authorities and RFA in the formulation and implementation of the annual national roads programme and the budget
- Quarterly consultations with all local authorities conducted; and
- Monthly consultations with RFA in line with the procedures agreement carried out.

8.4.2 Continuous consultation with all key stakeholders
- Relevant stakeholders identified; and
- Meetings with the relevant key stakeholders in the road sector.

8.4.3 70% of the public aware of the functions of the RA by 2016
- Relevant material developed;
- Sensitisation of RA functions through electronic and print media conducted; and
- RA’s Website updated and improved.

8.4.4 Continuous consultation with service providers
- Relevant service providers identified;
- Two general meetings conducted annually;
- Meetings as and when the need arises conducted; and
- Meetings with the high level officials conducted.

8.5 Strategic Outcome 5: Improved and sustainable institutional capacity

8.5.1 Improved operational environment all the time
- Revised organisation structure implemented;
Staff welfare improved;
- Additional office buildings constructed;
- Institutional team approach strengthened;
- Operational manuals reviewed;

8.5.2 70% of RA’s staff are trained in appropriate areas by 2016
- Annual training needs assessment conducted;
- Specialist and generic training programmes developed;
- Funding identified;
- Training programmes implemented; and
- Training impact assessed

8.5.3 Resource planning and utilisation improved by 2016
- Resources for implementing the strategies in this Plan secured;
- Annual National Roads Programme formulated;
- Annual Procurement plan formulated; and
- Programme monitoring instituted;

8.5.4 Upgraded technology at all times
- Technology needs assessment conducted;
- Technology acquisition programme developed;
- Technology acquisition programme implemented;
- Technology monitored and evaluated.

8.5.5 Improved management systems and internal controls in place by 2012
- Organizational risk management conducted;
- Internal control systems strengthened;
- Performance and statutory audits conducted;
- Performance management systems in place.

8.5.6 Ensure compliance with Corporate Governance best practices at all times.
- Appropriate board committees in place;
- Board meetings conducted;
- Committee meetings conducted;
- Audit and risk committee meetings conducted;
- Annual disclosure of interests by directors;
- CEO appraisal conducted; and
- Board and corporate governance evaluation conducted
9 BUSINESS PLAN

The business plan has been prepared based on funding commitments of Government of Malawi and development partners’ funding for road projects. Further to that, during the planned period, the following assumptions have been made:

1. Roads Fund projections are sustained;
2. Funding commitments would be honoured;
3. Average annual inflation will remain below 10%.

To implement this Plan, Annual National Roads Programmes and associated operating and capital expenditure plans will be prepared in accordance with the RA and RFA Acts.

9.1 Sources of Funding

The Annual National Roads Programmes have recurrent and development components. The recurrent programmes, and operating and capital expenditure plans will be funded by the Roads Fund whereas the development programmes will be funded by Government of Malawi and development partners.

9.2 Projections of Sources and Application of Funds

On the basis of these assumptions, it is projected that a total of **MK197.5 billion** is required to finance the Plan. The projected sources and application of funds during the Plan period is as presented in Table 9.1 below.
## Table 9.1: Projected Source and Application of Funds for the Plan Period

All amounts in thousand Malawi Kwacha

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>A1. Roads Fund Administration</strong></td>
<td></td>
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<tr>
<td>Operating &amp; Capital Expenses</td>
<td>8,416,000</td>
<td>8,918,600</td>
<td>9,826,161</td>
<td>10,808,777</td>
<td>11,889,654</td>
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<tr>
<td>Recurrent Programmes</td>
<td>1,260,000</td>
<td>1,044,000</td>
<td>1,148,400</td>
<td>1,263,240</td>
<td>1,389,564</td>
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<tr>
<td><strong>A2. Government of Malawi</strong></td>
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<td>Total Applications of Funds</td>
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<td><strong>A3. Development Partners</strong></td>
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<tr>
<td>European Union</td>
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<td>10,382,750</td>
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<td>BADEA/KFID/OFID</td>
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<td>Peoples Republic of China</td>
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<tr>
<td>World Bank</td>
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<td><strong>A4. Total Development Funds</strong></td>
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<tr>
<td><strong>Total Sources of Funds</strong></td>
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<td>37,720,161</td>
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### Applications of Funds

#### B. Recurrent Programmes

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<td><strong>B1. Administration</strong></td>
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<tr>
<td>Operating &amp; Capital Expenses</td>
<td>1,260,000</td>
<td>1,044,000</td>
<td>1,148,400</td>
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<td>1,389,564</td>
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<tr>
<td><strong>B2. Planning &amp; Design</strong></td>
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<td>Road Asset Management</td>
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<td>Spot Repair Interventions</td>
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<td>Routine and Periodic maintenance (Tracks and Trails)</td>
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<td>567,000</td>
<td>622,000</td>
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<td><strong>B3B. Paved Roads Special Backlog Maintenance and Rehabilitation</strong></td>
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<td>1,939,000</td>
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<td>9,891,460</td>
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<td><strong>B. Total Recurrent Programmes</strong></td>
<td>8,416,000</td>
<td>8,918,600</td>
<td>9,826,160</td>
<td>10,808,776</td>
<td>11,889,654</td>
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</tbody>
</table>

#### C. Development Programmes

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<tr>
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<tr>
<td>Feasibility Studies</td>
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<td>Upgrading</td>
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<td>Periodic Maintenance/Rehabilitation</td>
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</tr>
<tr>
<td><strong>C. Total Development Programmes</strong></td>
<td>27,453,643</td>
<td>31,890,744</td>
<td>29,282,750</td>
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<td>39,108,910</td>
<td>37,720,161</td>
<td>44,018,226</td>
</tr>
</tbody>
</table>
10 MONITORING AND EVALUATION

Monitoring and evaluation are essential tools for ensuring that resources including time are utilized efficiently for the purpose of achieving agreed objectives.

Since the Plan has been prepared after making specific assumptions, which may change during the planning horizon, it is important that the assumptions are closely monitored during the entire period of the implementation as they may affect the achievement of the set performance targets.

Implementation of the Plan will be through annual plans and budgets. Every implementing unit will ensure that their respective annual plans and budgets are prepared within the framework of the Plan. The tasks detailed in the implementation of this Strategic Plan will form the basis for preparation of the departmental annual activities and budgets.

Management will ensure that all policies, programmes and regulations/rules are prepared and reviewed on the basis of the Plan. The reporting system requires each implementing unit to monitor its management activities as contained in the annual plan and budget and prepare monthly performance reports, which will be presented to the management. The Management Team will discuss consolidated performance reports on a quarterly basis, after which a comprehensive strategic performance report will be presented to the RA Board.

Management shall be responsible for monitoring and evaluation of the implementation of the Plan.

11 REVIEW

Review of the Business Plan carried out annually by Management. However, the Plan may be reviewed any time if deemed necessary.