ROADS AUTHORITY

2024-2025

ANNUAL REPORT

ROADS AUTHORITY
MALAWI

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ACRONYMNS AND ABBREVIATIONS

AADT — Average Annual Daily Traffic
AfDB — African Development Bank
ANRP — Annual National Roads Programme
ARCC — Audit, Risk & Compliance Committee
BI — Business Intelligence
BOT — Build–Operate–Transfer
CESMP — Contractor Environmental & Social Management Plan
CMTIF — Comprehensive Medium-Term Implementation Framework
CSC — Corporate Services Committee
DER — Detailed Engineering Report (as used in design progress context)
DoA —Delegation of Authority
EDRMS — Electronic Document & Records Management System
EIA — Environmental Impact Assessment
EIB — European Investment Bank
ERP — Enterprise Resource Planning
ERM — Enterprise Risk Management
E&S — Environment & Social (safeguards)
ESIA — Environmental & Social Impact Assessment
ESMP — Environmental & Social Management Plan
FIDIC — Fédération Internationale Des Ingénieurs-Conseils (International Federation of Consulting Engineers)
FX — Foreign Exchange
GBV/SEA — Gender-Based Violence / Sexual Exploitation & Abuse
GIS — Geographic Information System
GoM — Government of Malawi
GRM — Grievance Redress Mechanism
HDM-4 — Highway Development and Management Model (version 4)
HSE — Health, Safety & Environment
IPDC — Internal Procurement & Disposal Committee
IRI — International Roughness Index
JICA — Japan International Cooperation Agency

ACRONYMNS AND ABBREVIATIONS

JV — Joint Venture
KCH — Kamuzu Central Hospital
KPI — Key Performance Indicator
Kuwait Fund — Kuwait Fund for Arab Economic Development
LMS — Learning Management System
LTI — Lost-Time Incident
MFA — Multi-Factor Authentication
MIP-1 — Malawi 2063 First 10-Year Implementation Plan
MoF — Ministry of Finance
OHS — Occupational Health & Safety
OPEC Fund — OPEC Fund for International Development
OSBP — One-Stop Border Post
PAPs — Project-Affected Persons
PBC — Performance-Based Contract (ing)
PPDA — Public Procurement & Disposal of Assets (Act/Authority)
PPM — Project Portfolio Management
PPP — Public–Private Partnership
RA — Roads Authority
RAP — Resettlement Action Plan
RAMS — Road Asset Management System
RCRP — Regional Climate Resilience Project (“RCRP 2” = Phase 2)
RFA — Road Fund Administration
SFD — Saudi Fund for Development
SLA — Service-Level Agreement
SOC — Security Operations Centre
TAC — Technical Advisory Committee
WB — World Bank
VO — Variation Order
e-GP — e-Government Procurement System
EU — European Union
E&S Division — Environment & Social Management Division

ROAD DESIGNATION SYSTEM IN MALAWI

Road Category	Prefix / Code	Description	Function
Main Roads	M (e.g. M1, M5)	Major national routes linking major cities and connecting Malawi to neighboring countries.	Facilitate long-distance and international transport.
Secondary Roads	S (e.g. S125)	Connect main roads to key towns and regional centers.	Provide regional connectivity and support economic centers.
Tertiary Roads	T (e.g. T409)	Link smaller towns, trading centers, and rural areas to secondary roads.	Serve as collector roads feeding into the main network.
District Roads	D (e.g. D341)	Managed at district level, connecting local communities to the main and secondary networks.	Support local access and mobility within districts.
Urban Roads	U (e.g. Henderson Street)	Roads within towns and cities not classified as main or secondary.	Facilitate urban traffic circulation and access.

ROADS AUTHORITY

2024-2025

ANNUAL REPORT

CHAIRPERSON'S STATEMENT

It is my honour, on behalf of the Board of the Roads Authority, to present this Annual Report to our stakeholders and the public. The Authority's mandate—conferred by the Roads Authority Act (Cap 69:07) of 2006—is clear: to ensure that Malawi's public road network is constructed, maintained, and rehabilitated at all times, and to advise Government on the preparation and effective implementation of the Annual National Roads Programme. In fulfilling this role, we work in close collaboration with the Ministry of Transport and Public Works for policy oversight, the Road Fund Administration for road financing, and Local Authorities for delivery at the front line. The scale of the task remains considerable. Of Malawi's 24,929 km of public roads, 15,451 km are classified, only 20 percent of the network is paved, and within that paved portion, 18 percent is still in poor condition—figures that underscore both the urgency of our mission and the importance of disciplined execution.

During the year under review the Board oversaw the operationalisation of the 2025–2030 Strategic and Business Plan, which provides a coherent roadmap for the next six years. Anchored in the Balanced Scorecard methodology, the Plan translates strategic outcomes into measurable objectives that cascade through departments and individual work plans, ensuring alignment from policy intent to site-level delivery. The Plan is fully aligned to Malawi 2063 and its First 10-Year Implementation Plan (MIP-1) and responds to the National Transport Master Plan (2017–2037) and the National Transport Policy (2019). Our vision remains a sustainable public road network that is well-developed, maintained, and managed at all times, and our mission is to develop, maintain, and manage a quality road network that is accessible, reliable, efficient, safe, economic, and sustainable for Malawi.

Notwithstanding a demanding operating environment, the year registered significant achievements that reflect resilience and focus. The Authority completed the Kanengo–Crossroads dual carriageway on the M1, delivered the Kamuzu Central Hospital Interchange, and substantially completed the six-lane upgrades to Mzimba Street and Kenyatta Drive—investments that are already easing congestion and improving safety. Substantial progress was recorded on the M1 (KIA–Chiweta) rehabilitation, with 40 km of completed works reported during the period. Equally important, the Authority sustained the confidence of Development Partners, securing support from the World Bank, African Development Bank, European Investment Bank, OPEC Fund, Saudi Fund, and Kuwait Fund—support that has enabled progress on flagship schemes such as Nsipe–Liwonde and Benga–Dwangwa.

Government-funded designs and construction start across all regions reinforced national ownership and momentum in the local infrastructure drive. The Board also notes the consolidation of environmental and social safeguards through an operational E&S Management Division and continued institutional strengthening as the Balanced Scorecard improves performance management, accountability, and results delivery.

These gains were achieved in the face of real headwinds. Budgetary constraints, inflation and rising construction costs, and procurement delays weighed on programme timing. Shortages of foreign exchange and periodic scarcity of construction materials and fuel disrupted supply chains.

Capacity constraints within parts of the local contracting and consulting industry, incidents of vandalism, and the growing impacts of climate change further stressed delivery and required careful reprioritisation and emergency works. The Authority has responded through proactive stakeholder engagement, tighter governance over commitments and cash flows, and exploration of innovative financing and delivery approaches to protect value for money while maintaining momentum.

Looking ahead, the Board remains confident that the Authority is well positioned to deliver the five Strategic Outcomes of the 2025–2030 Plan: optimised preservation of road infrastructure; timely improvement and expansion of the network; increased compliance with legislation and guidelines; enhanced research and innovations; and improved operational efficiency. With sustained support from Government, Development Partners, and the private sector—and with continued discipline in risk management, procurement compliance, and programme governance—the road network will continue to strengthen as a backbone for economic growth, regional integration, and community resilience.

On behalf of the Board, I commend management, staff, contractors, consultants, and all stakeholders for their dedication during the year. Together, we are laying the foundations of a modern, safe, and sustainable road network that will serve Malawians today and for generations to come.

Reverend Dr. Matilda Matabwa

Board Chairperson
Roads Authority

CHIEF EXECUTIVE OFFICER'S REPORT

I am pleased to present this report on the performance of the Roads Authority for the year under review—a year that inaugurated the 2025–2030 Strategic and Business Plan and began translating it into visible results on the ground. The Plan anchors our mandate to Malawi 2063 and the National Transport Master Plan, and—through the Balanced Scorecard—cascades clear targets from the Boardroom to every department and individual work plan. This disciplined approach, coupled with tighter commitment control and early digital enablement, strengthened schedule adherence, reduced avoidable claims, and improved line-of-sight between strategic outcomes and day-to-day delivery.

Progress was tangible across the network. In Lilongwe, the Kanengo–Crossroads dual carriageway on the M1 reached completion, while the six-lane upgrades on Mzimba Street and the Dr Saulos Chilima Highway substantially concluded, easing congestion and improving safety on high-demand corridors. The Kamuzu Central Hospital Interchange was delivered, and substantial works advanced on the M1 (KIA–Chiweta) rehabilitation, with 60 km already completed. The Lilongwe Bridge also reached substantial completion, adding a critical link within the city's transport system. Alongside these flagship assets, routine and periodic maintenance, emergency works, and targeted spot improvements preserved access and protected the value of prior investments across regions.

These outcomes were enabled by strong partnerships and financing. The Authority secured continued support from Development Partners—including the World Bank, African Development Bank, OPEC Fund, Saudi Fund, Kuwait Fund, and European Investment Bank—translating into momentum on the Nsipe–Liwonde (55 km) and Benga–Dwangwa Phase 2 (105 km) rehabilitation projects. Procurement and funding processes advanced on additional priority corridors such as Mangochi–Makanjira, Liwonde–Matawale, Thabwa–Bangula, and Thabwa–Fatima. Government's direct financing reinforced delivery across all regions, with new detailed design and construction projects launched—clear evidence of national commitment to expand and preserve the road network in step with economic ambitions.

nstitutional strengthening remained central to our progress. We embedded the Balanced Scorecard across departments, sharpening accountability and performance monitoring. Oversight by Board Committees—Audit, Risk & Compliance; Corporate Services; Technical Advisory; and Internal Procurement & Disposal—was sustained and effective, reinforcing compliance, financial discipline, and technical quality. Environmental and social safeguards were further mainstreamed through a dedicated E&S Management Division, improving the consistency of Construction Environmental and Social Management Plan (CESMP), RAP progress, and stakeholder engagement across both Government- and donor-funded portfolios.

We achieved these milestones in a difficult operating environment. Budgetary constraints and erratic funding releases created payment backlogs and exposed the portfolio to claims; global inflation pushed up construction input costs; and shortages of forex, fuel, and certain materials periodically disrupted logistics and procurement.

Capacity gaps within segments of the local contracting and consulting market, instances of vandalism, and the intensifying effects of climate change and environmental degradation placed additional pressure on delivery and required redirection of resources to emergency and resilience works. These realities underscore the need for stronger and more diversified financing models, relentless efficiency, and innovative delivery approaches.

Accordingly, we continued to deepen collaboration with the Road Fund Administration, Government, and Development Partners while advancing alternative financing pathways—tolling, climate finance, and public–private partnerships—to broaden the funding base and match delivery ambition with predictable resources. Strengthening the Authority's financial footing is essential to achieve the outcomes of the Strategic Plan and to support Malawi's transition toward lower middle-income status by 2030.

Looking ahead, our priorities align squarely with the five Strategic Outcomes of the 2025–2030 Plan. We will intensify the preservation of road assets by expanding maintenance coverage and embedding resilience standards; accelerate improvement and expansion of the network with a focus on economically catalytic trunk and rural links; uphold rigorous compliance with legislation and guidelines to ensure transparent, accountable, and sustainable delivery; scale research, data, and innovation to inform smarter planning and lifecycle management; and raise operational efficiency through stronger systems, human capital development, and digitisation. In practice, this means phased implementation tied to realistic cash-flows, strict commitment gating via ERP and portfolio dashboards, proactive commercial management and claims prevention, and progressing PPP, Performance-Based Contracting, and BOT pilots where value for money is demonstrable.

The year has shown the potential and resilience of the Roads Authority—an institution capable of delivering complex projects under pressure, while strengthening the governance and systems that sustain performance. With the continued support of our Board, Government, Development Partners, the private sector, and our communities, we are confident in our ability to deliver on our mandate. Together, we are not only building roads but laying the foundation for economic transformation, regional integration, and a safer, more connected future for the people of Malawi.

Eng. Ammiel Champiti

Chief Executive Officer
Roads Authority

EXECUTIVE SUMMARY

The Roads Authority (RA) delivered a year of tangible progress in a demanding operating environment, lifting overall institutional performance from 62% in FY2023/24 to 75% in FY2024/25. This marked improvement reflects the first full year of implementing the 2025–2030 Strategic and Business Plan (SBP), which anchors RA's operations to Malawi 2063 and the National Transport Master Plan (2017–2037). The SBP adopts a Balanced Scorecard framework, cascading performance targets from the Board level through departments and individual work plans, thereby strengthening accountability and results orientation.

Operational Performance

The Authority continued to register visible and nationwide delivery across all programmes. Improved governance, tighter commitment control, and early digital enablement enhanced schedule adherence, reduced avoidable claims, and strengthened the linkage between strategic outcomes and project-level delivery.

Major achievements during the year included:

- Urban capacity enhancements in Lilongwe — including the Kanengo–Crossroads dual carriageway, Kamuzu Central Hospital Interchange, and six-lane upgrades on priority corridors — which eased congestion and improved road safety.
- M1 Rehabilitation (KIA–Chiweta) works advanced significantly across multiple lots, with several sections surfaced and critical bridge structures completed.
- Routine, periodic, and emergency maintenance preserved network accessibility and asset condition across all regions.
- Feasibility and detailed designs were completed for city decongestion projects, trunk road upgrades, and climate-resilient links, ensuring a ready pipeline for future funding opportunities.

The Authority also enhanced project governance through strengthened oversight by the Audit & Risk and Compliance Committee (ARCC), Corporate Services Committee (CSC), Technical Advisory Committee (TAC), and Infrastructure Planning and Development Committee (IPDC), ensuring compliance, quality assurance, and value-for-money across programmes.

Financial Performance

The Authority's financial performance for the year reflected continued commitment to prudent resource management, transparency, and alignment with national infrastructure priorities.

For the financial year ended 31st March 2025, the Authority recorded a total income of MK203.44 billion, representing a 57% growth from MK129.50 billion in FY2023/24. This was driven by stronger development programme execution and timely disbursements from Government and Development Partners.

Financial Indicator	FY2023/24	FY2024/25	Change (%)
Total Income	MK129.50 billion	MK203.44 billion	↑ 57%
Value of Works – Development Programmes	MK83.70 billion	MK139.73 billion	↑ 67%
Value of Works – Recurrent Programmes	MK37.90 billion	MK55.13 billion	↑ 45%
Mobilisation Advances & Materials on Site	MK27.07 billion	MK124.78 billion	↑ 361%
Current Assets	MK39.78 billion	MK86.15 billion	↑ 121%
Current Liabilities	MK28.07 billion	MK71.77 billion	↑ 156%
Excess of Current Assets over Liabilities	MK11.71 billion	MK14.77 billion	↑ 26%

Table ES1: Financial Performance Indicators (FY2023/24 – FY2024/25)

The above performance reflects robust financial management and an improved capacity to implement the Annual National Roads Programme. The positive liquidity position demonstrates the Authority's ability to settle obligations as they fall due, despite funding constraints and delayed releases.

Funding Sources

Funding during the year was drawn from three key sources:

- Government of Malawi allocations, channelled through the Road Fund and direct development subventions;
- Development Partner support, notably from the World Bank, African Development Bank (AfDB), OPEC Fund, Saudi Fund, Kuwait Fund, and the European Investment Bank (EIB); and
- Own-generated income, derived from road user fees, permits, and recoveries.

Development Partner funding continued to drive major infrastructure works such as Nsipe–Liwonde (M001/M008), Benga–Dwangwa (M005), Mangochi–Makanjira (S129), Thabwa–Bangula (M001), KIA- Kacheche (M001) and Liwonde–Matawale (M003), as well as bridge reconstruction projects in the southern region. The bridge reconstruction funded by World Bank in the Southern Region are at Tender Stage covering Blantyre, Chiradzulu, Phalombe, Chikwawa and Zomba.

Expenditure Overview

Expenditure during the year was directed towards capital, maintenance, and institutional activities, reflecting the Authority's balanced focus on network expansion and preservation.

Expenditure Category	Share of Total (%)	Key Focus Areas
Capital Works (Construction & Rehabilitation)	62%	National corridors, urban capacity projects
Maintenance & Asset Management	11%	Routine, periodic, and emergency works
Design, Supervision & Procurement	8%	Consulting services, pipeline preparation
Institutional Operations & Governance	5%	Corporate Governance, Project Management, HR, ICT, and administrative support
Environmental & Social Safeguards	2%	RAPs, CESMPs, stakeholder consultations
Contingency & FX Adjustments	1%	Inflation and exchange rate impacts

Table ES2: Expenditure Composition and Strategic Focus

The expenditure profile underscores RA's strong investment orientation, maintaining fiscal discipline while advancing the road infrastructure agenda.

INSTITUTIONAL OVERVIEW

M001- Crossroads-Kanengo Road

INSTITUTIONAL OVERVIEW

3.1 Mandate of the Authority

The Roads Authority (RA) was established in 2006 through an Act of Parliament (Cap 69:07) with the mandate 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 as referred to in Section 22 of the Roads Authority Act.

In accordance with Section 25 of the Act, the RA is responsible for the management of main and secondary roads within the national road network, while district, community, and urban roads fall under the jurisdiction of Local Authorities in line with the Public Roads Act (Cap 69:02). Financing of the maintenance and rehabilitation of the road network is supported by the Road Fund Administration (RFA) under the Road Fund Administration Act (Cap 69:08).

Malawi's public road network covers 24,929 km, of which 15,451 km are designated roads (main, secondary, district, and urban) and 9,478 km are undesignated community roads. Of the designated network, 20% (4,873 km) is paved, while 80% (20,056 km) remains unpaved, mainly of earth standard. The RA therefore plays a pivotal role in preserving and expanding this vital infrastructure for national development.

3.2 Vision, Mission Statement & Core Values

3.2.1 Our Vision

"A well-integrated, safe, sustainable and smart road network that drives economic growth."

The Roads Authority envisions a Malawi where transport infrastructure is the cornerstone of national transformation — connecting people, goods, and opportunities seamlessly. Our vision reflects the commitment to build and sustain a resilient, climate-smart, and inclusive road network that powers economic development, enhances mobility, and supports the Malawi 2063 aspiration of a self-reliant, industrialized, and prosperous nation.

3.2.2 Our Mission

"To develop and maintain a modern, inclusive, and climate-smart road network that supports economic growth and connectivity."

Our mission defines who we are and what we do. It captures our responsibility to deliver high-quality infrastructure and services that foster mobility, safety, and socio-economic empowerment.

Through innovation, efficiency, and collaboration, we strive to ensure that every kilometre of Malawi's public road network contributes to national productivity, trade facilitation, and community wellbeing.

This mission aligns with the *Malawi 2063, the First 10-Year Implementation Plan (MIP-1), the National Transport Master Plan (2017–2037), and the National Transport Policy (2019)* — anchoring the Roads Authority's role in delivering sustainable infrastructure that transforms lives.

3.2.3 Our Core Values

Our operations and decisions are guided by shared values that define our institutional culture and the quality of our service. They represent our promise to stakeholders, partners, and the citizens we serve.

Core Value	Description
Integrity	We uphold the highest standards of honesty, transparency, and ethical conduct in all we do.
Professionalism	We demonstrate competence, diligence, and excellence in delivering on our mandate.
Innovation	We embrace modern technologies and creative approaches to enhance road planning, construction, and management.
Teamwork	We promote collaboration across departments, partners, and stakeholders for shared success.
Sustainability	We commit to environmentally responsible and climate-resilient infrastructure development.
Safety	We prioritize the protection of lives by ensuring that road infrastructure is designed, built, and maintained to the highest safety standards.
Customer Focus	We remain responsive and accountable to the needs of road users, ensuring value for money in service delivery.
Accountability	We take responsibility for results, resources, and actions, upholding transparency and trust in public service.

3.2.4 Our Strategic Intent

The Roads Authority's vision, mission, and core values together form the foundation of our strategic direction. They guide our pursuit of six strategic outcomes for 2025–2030 — focusing on optimized preservation, improvement, and expansion of the road network; enhanced compliance and operational efficiency; and strengthened research, innovation, and asset management.

Through these commitments, the Roads Authority reaffirms its pledge to deliver a modern, safe, and sustainable road system that supports national development and empowers every Malawian.

3.3 Strategic Objectives

3.3.1 Strategic Alignment

The Roads Authority aligns its strategic direction with Malawi's long-term national aspirations under the Malawi 2063 Vision and the First 10-Year Implementation Plan (MIP-1: 2021–2030).

This alignment extends to key sectoral frameworks, including the:

- National Transport Master Plan (2017–2037)
- Comprehensive Medium-Term Implementation Framework (CMTIF)
- National Transport Policy (2019)

The 2025–2030 Strategic and Business Plan serves as the roadmap for implementing these priorities.

It is structured around six strategic outcomes designed to enhance efficiency, sustainability, and accountability in road infrastructure management. To achieve these outcomes, the Roads Authority applies the Balanced Scorecard methodology, ensuring that strategic objectives are effectively cascaded into departmental plans and individual work programmes — strengthening alignment, performance measurement, and accountability across the institution.

3.3.2 Our Strategic Objectives

Below are the strategic outcomes

#	Strategic Objective	Focus Summary
1	Optimised Preservation of Road Infrastructure	Sustain and enhance the condition of Malawi's road network through effective maintenance, rehabilitation, and climate-resilient design.
2	Optimised Improvement and Expansion of the Road Network	Expand and upgrade key road corridors to boost connectivity, trade facilitation, and socio-economic development.
3	Increased Compliance with Legislation and Guidelines	Promote transparency, accountability, and adherence to technical and ethical standards in infrastructure delivery.
4	Enhanced Research and Innovation	Harness data, research, and modern technologies to improve road design, construction, and asset management.
5	Enhanced and Improved Operational Efficiency	Strengthen institutional systems, capacity, and human capital for effective service delivery and governance.
6	Strengthened Road Asset Management	Institutionalise modern asset management practices to ensure sustainability, value for money, and data-driven decision-making.

Table 3.2: Strategic Objectives and Focus Summary

Together, these objectives position the Roads Authority to deliver a modern, safe, and sustainable road network that supports national transformation.

They reinforce the Authority's commitment to innovation, accountability, and performance excellence, driving progress toward the aspirations of Malawi 2063 — a connected, resilient, and prosperous nation.

3.4 Governance and Management Structure

3.4.1 Corporate Governance

The Roads Authority (RA) upholds the highest standards of corporate governance, built on the pillars of accountability, transparency, integrity, and value for money.

Our governance framework ensures that strategic direction, decision-making, and resource utilization are guided by robust internal controls, ethical leadership, and prudent risk management practices.

The Board of Directors provides policy guidance, strategic oversight, and fiduciary direction to Management. It comprises eleven (11) members drawn from diverse professional backgrounds—including engineering, law, accounting, procurement, and public representation—bringing a wealth of experience and independence to the Authority's governance processes.

Three ex-officio members also serve on the Board:

- The Secretary for Transport and Public Works
- The Secretary for Local Government, Unity and Culture
- The Director of Road Traffic and Safety Services

Together, the Board ensures that the Roads Authority delivers on its mandate in line with national development priorities, particularly the *Malawi 2063 Vision* and its *First 10-Year Implementation Plan (MIP-1).*

3.4.2 Board Committees

The Board executes its oversight function through three standing committees, each operating under well-defined Terms of Reference:

Committee	Core Mandate
Technical Advisory Committee (TAC)	Provides technical oversight on road planning, design, construction, and maintenance to ensure standards and quality are upheld.
Corporate Services Committee (CSC)	Oversees human resources, finance, ICT, administration, and other support functions that enable efficient service delivery.
Audit, Risk and Compliance Committee (ARCC)	Provides assurance on internal controls, governance, risk management, and audit functions.

The Authority also operates an Independent Internal Audit Unit that reports directly to the ARCC, reinforcing objectivity and accountability in monitoring financial and operational performance.

BOARD OF DIRECTORS

Rev. Dr. Matilda Matabwa
Board Chairperson

QS Frank Honde
Board of Directors-
Vice Board Chairperson

Counsel Chisomo Nyemba
ARCC Chairperson

Eng. Ignasio Ngoma, PhD
TAC Chairperson

CA Gillian Kachikondo
CSC Chairperson

Rt. Rev. Fanuel Magangani
Member

Mr. Arnold Chirwa
Member

Mrs. Chifundo Malemia
Member

Eng. David Mzandu
Ex Official

Mr. Richard Hara
Ex Official

Mr. Andrew Sandula
Ex Official

3.4.3 Management Structure

The Board delegates the day-to-day management of the Authority to the Chief Executive Officer (CEO), who provides strategic leadership in the execution of the Roads Authority's mandate.
The CEO is supported by a Management Team comprising four Directors responsible for the Authority's core functions:

Position	Key Responsibility
Director of Planning and Development	Leads road planning, design, research, and environmental and social safeguards, ensuring sustainability and innovation in project delivery.
Director of Major Projects	Oversees procurement, implementation, and supervision of major capital projects, ensuring adherence to quality, cost, and time standards.
Director of Maintenance	Manages routine and periodic maintenance programmes, coordinating regional offices in **Mzuzu**, **Lilongwe**, and **Blantyre** for efficient service delivery.
Director of Corporate Services	Provides leadership in finance, human resources, ICT, administration, and legal services, supporting the Authority's institutional capacity and governance systems.

In addition to the main departments, the RA operates specialised divisions and units, including Procurement, Public Relations, Research and Development, and Internal Audit—ensuring a comprehensive and integrated approach to road infrastructure management.

The current establishment comprises 128 staff members, with 58% being professional and technical personnel, reflecting RA's commitment to technical excellence, institutional competence, and service quality.

Part of the M001 under construction

ROADS AUTHORITY MANAGEMENT

Eng. Ammiel Champiti
Chief Executive Officer

Eng. Willard Kaunde
Director of Planning and Development

CA Robson Piringu
Director of Corporate Services

Eng. Joel Longwe
Director of Major Projects

Eng. Flora Hauya
Director of Maintenance

Counsel Loness Micongwe
Legal Counsel

Mr. Chesterfield Phiri
Human Resource and Administration Manager

Eng. Charles Mtawali
Regional Manager-Centre

Eng. Fletcher Mkandawire
Regional Manager-North

Eng. Chisomo Dan Kauma
Regional Manager-South

Mr. Moses Malinda
Procurement Manager

Mr. Allan Kaziputa
Environmental and Social Planning Manager

Mr. Micheal Mkandawire
ICT Manager

CA Emmanuel Kapichila
Internal Audit Manager

Mr. David Hopson Chimbaza
Finance Manager

3.4.4 Governance Philosophy

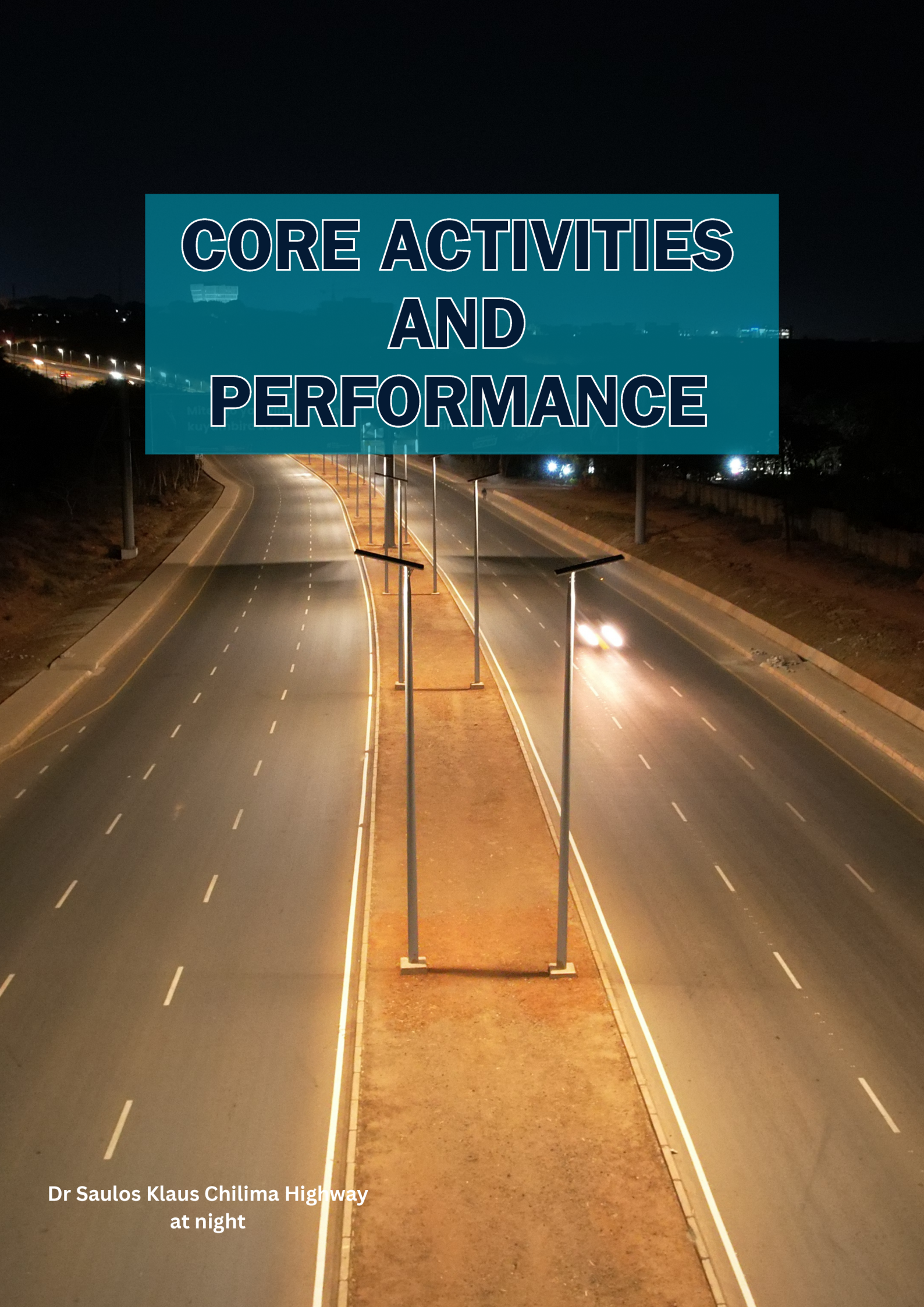
The Roads Authority believes that strong governance underpins sustainable infrastructure delivery.

By embedding performance management through the Balanced Scorecard framework, the Authority ensures that strategic objectives cascade from corporate to departmental and individual levels—enhancing alignment, accountability, and results-driven performance.

RA continues to foster a culture of integrity, innovation, and stewardship—building public trust while enabling Malawi's transformation through a safe, sustainable, and smart road network.

Road construction in progress on the MOO1

CORE ACTIVITIES AND PERFORMANCE



Dr Saulos Klaus Chilima Highway at night

CORE ACTIVITIES AND PERFORMANCE

This chapter presents the Roads Authority's performance across its core functions: procurement and contract management; road design and supervision; rehabilitation and upgrading; maintenance; research and data management; and environmental and social safeguards.

Delivery of works is predominantly through outsourced consultants and contractors, while the RA provides strategic direction, governance, standards, and contract administration.

4.1 Procurement & Contract Management

Procurement during the year adhered to the requirements of the Public Procurement and Disposal of Assets (PPDA) Act and relevant donor regulations. The process was anchored on principles of competition, transparency, and value for money.

Contract management emphasized time, cost, and quality control, achieved through regular site meetings, interim payment certifications, and performance reviews.

Highlights

- Progressed multiple design, supervision, and works contracts across both Government of Malawi and donor-funded portfolios.
- Several ongoing contracts reached substantial completion or entered defects-liability periods.
- Effectively managed risks of price escalation, foreign exchange and fuel shortages, materials scarcity, and contractor capacity constraints.

Category	Count	Examples	Status / Notes
Works – Ongoing	20+	M001 Lots 1–4; M005 Kaphatenga–Benga; Kaunda–Chendawaka Lots 1–3	Progressing; sections at earthworks/pavement layers/surfacing stages
Works – Tender Stage	6+	Mangochi–Makanjira bridges; Msundwe–Chileka–Majiga–Kasiya	At tender; CESMP clearances pending
Consulting – Design / Review	10+	M012 Lilongwe–Mchinji; M003 Mangochi–Chiponde; Rumphi–Nyika	Designs concluded or at draft DER stage
Supervision	8+	Nsipe–Liwonde; Benga–Dwangwa	Mobilisation aligned with works commencement

Table 4.1A: Procurement Pipeline Snapshot (Illustrative)

4.2 Road Design & Supervision

Feasibility studies, detailed designs, and design reviews advanced significantly, building a bankable pipeline of projects ready for financing and implementation.

The focus remained on constructability, climate resilience, and safeguards readiness. Supervision works concentrated on quality assurance (QA/QC), progress certification, and effective management of variations and claims.

Road / Section	Scope	Consultant	Start	End	Financier	Progress
M012 Lilongwe–Mchinji	Feasibility & Detailed Design (rehabilitation/periodic)	Pamodzi Consulting	23/10/2022	31/12/2025	GoM	90% (Detailed Design)
M001 Lot 2 – Lunzu–M002	Capacity Improvement Design	BMM Infratech	02/12/2022	31/12/2024	GoM	100% (Design concluded)
M003 Mangochi–Chiponde (49 km)	Feasibility & Design (rehabilitation)	Group Consult Global	18/08/2022	01/12/2024	AfDB	100% (Design concluded)
Rumphi–Nyika–Chitipa (Lots 1–2)	Feasibility & Detailed Design (upgrade)	Pamodzi Consulting	04/11/2022	28/02/2025	GoM	Draft DER (20–30%)

Table 4.2A: Projects at Feasibility/Design Stage (Extract)

4.3 Road Rehabilitation & Upgrading

Upgrading and rehabilitation activities progressed on national corridors and urban capacity improvement projects, enhancing safety, trade facilitation, and connectivity across Malawi.

A section of Kampepuza crashspot zone

Project	Length / Asset	Contractor / Consultant	Start	End	Financier	Current Status
M001 KIA–Kasungu (Lot 1)	102 km	China Jiangxi / RSK	29/06/2022	31/12/2025	EU, EIB, GoM	53 km subbase; 35 km surfaced; 47% overall
M001 Kasungu–Jenda (Lot 2)	86 km	Mota-Engil / RSK	29/06/2022	23/02/2026	EU, EIB, GoM	26 km base; 8.8 km surfaced; 48% overall
M001 Jenda–Mzimba TO (Lot 3)	46 km	Unik / RSK	29/06/2022	02/11/2025	EU, EIB, GoM	19 km surfaced; 5 box culverts; 36% overall
M001 Kacheche–Chiweta (Lot 4)	66 km	China Henan / RSK	29/06/2022	31/05/2026	EU, EIB, GoM	18.5 km base; 0 km surfaced; 35% overall
Lilongwe Bridge (KCH Interchange approaches)	78.9m bridge + approaches	Dai Nippon & Konoike JV / Katahira	22/11/2022	31/03/2026	JICA	Bridge concrete 80%; 78% overall
Songwe OSBP	OSBP complex	Jiangxi / Gibb Africa	07/08/2023	30/09/2025	World Bank	Buildings in progress; roads at subgrade; 45%
Kenyatta/ Sharrar Street capacity improvement	4.2 km	CCECC / L. Gravam	15/09/2021	11/06/2025	GoM	3.8 km surfaced; 88% overall

Table 4.3A: Ongoing Works – Flagship Extract

Road / Scope	Length	Stage	Financier	Note
Mangochi–Makanjira (Design Validation & Supervision)	96 km	Tender	Saudi Fund	Upgrading
Mangochi–Makanjira (8 Bridges)	—	Tender	World Bank	Bridges under World Bank
Nkhoma–Mayani–Dedza (T374) Design & Supervision	30–35 km	Tender	GoM	Upgrading
Urban capacity designs (Youth Dr/Chidzanja; Amina–Bwandilo)	7.8 km	Pre/Tender	GoM	Urban capacity
Urban capacity design & construction (Kanengo to KIA 6 Lane)	15 km	Pre/Tender	Chinese Government	Urban capacity

Table 4.3B: Projects at Procurement Stage (Extract)

4.4 Road Maintenance

Routine and periodic maintenance activities preserved network condition and safety, focusing on pothole patching, grading, and maintenance of drainage and structures.

Regional offices in Mzuzu, Lilongwe, and Blantyre supervised these programmes and coordinated emergency works to restore traffic flow following flood and storm events.

Indicator	Baseline (2025)	Target (2030)	Comment / Strategy
Routine maintenance coverage (km)	10,621	Maintain full trunk network	Continue proactive maintenance of trunk network through regional contracts
Periodic maintenance – paved roads (km)	70	1,614	Prioritise high-traffic corridors; apply durable materials
Periodic maintenance – unpaved roads (km)	100	2,550	Re-gravelling and grading based on HDM-4 prioritisation
Drainage & structures maintenance	—	Continuous	Focus on resilient culvert and drainage rehabilitation
Emergency works	—	As needed	Funded annually for climate resilience and post-flood repair

Table 4.4A: Maintenance Programme Performance (Strategic Plan Alignment)

Region	Routine Maintenance	Periodic Maintenance	Structures & Drainage	Remarks / Key Contracts
North	Grading of earth roads, pothole patching and vegetation control	Spot re-graveling and resealing on priority sections	Replacement of vandalised Armco culverts with reinforced concrete box culverts; pipe culvert installations	*Emergency, grading and pothole patching contracts implemented for washouts, pothole patching and bridge approach failures along Mzimba and Rumphi – Karonga corridors.*
Centre	Pothole patching, grading and shoulder reinstatement on main trunk roads	Resealing and overlay works on M12 and M14 corridors	Maintenance of urban drainage channels and replacement of damaged culverts with concrete alternatives	*Emergency maintenance undertaken around Ntchisi and Kasungu due to flood-related damage.*
South	Routine grading and vegetation clearing across district roads	Periodic maintenance on urban links to improve surface conditions	Rehabilitation of drainage structures including Armco-to-box culvert conversions and erosion control measures	*Emergency contracts implemented for road washouts in Chikwawa and Nsanje; storm damage restoration in Mulanje and Phalombe.*

Table 4.4B: Regional Maintenance Summary (2024/25 Highlights)

4.5 Research and Data Management

The RA enhanced asset management through systematic data collection and analytics, including condition surveys (IRI), traffic counts, axle-load monitoring, GIS mapping, and digital contract tracking. Research efforts targeted climate resilience, materials performance, and safety countermeasures, strengthening planning and investment decisions.

The Research Unit of the Roads Authority is currently monitoring four (4) research products in order to ascertain the prospects of using them in road construction in Malawi. This monitoring is as per the ASANRA Guidelines for the introduction of non-conventional soil additives. The products currently under study are ClayLOK, Armaseal, ECOROADS and Clay Crete.

The ClayLOK

ClayLOK is a liquid, biodegradable chemical stabilizer. A trial section was laid on the 12th of April 2022 on the Chileka – Mpatamanga Road S173 road in Blantyre at a location approximately 7 km from Chileka Airport. The product is manufactured by ClayLOK, LLC of Canada and was applied jointly with a local Contractor, Mkaka Construction. The section has withstood two (2) rainy seasons post application of the product. The Research and Development Unit engaged Malawi University of Business and Applied Sciences (MUBAS) who carried out the final field and laboratory verification tests before the preparing the final assessment report. The tests comprised of the DCP tests, in-situ density tests, CBR and Atterberg limit tests.

Final assessment report will be prepared in the first quarter of the 2025 – 2026 financial year.

Armaseal is a rapid setting water-based polymer bitumen emulsion. It was applied on 14th September 2022 on two sections along the M018 Chinkhoma - Kamwendo Road approximately 17 Km from Santhe in the direction of Chinkhoma (towards M001). The trial section was split into two (2) subsections of 300 meters and 700 metre lengths. The final visual monitoring inspection surveys were conducted on 1st August 2024. The Research and Development Unit has prepared the final report for the visual condition survey which has been submitted separately.

Eco roads

ECOROADS is a water-soluble bio enzyme-based soil stabilization product that increases the strength, density and durability of roads. A 150-meter-long trial section was laid on the 6th of July 2023 on a section of the access road to Area 21 Health Centre. The Research and Development Unit engaged Central Materials Laboratory of the Ministry of Transport and Public Works who carried out the final field and laboratory verification tests before the preparing the final assessment report. The tests comprised of the DCP tests, in-situ density tests, CBR and Atterberg limit tests. Final assessment report will be prepared in the first quarter of the 2025 – 2026 financial year.

ClayCrete

Claycrete is a chemical stabilizer that alters the ionic charge of clay platelets, reducing the material's hygroscopic properties. A trial section was laid on 5th December, 2023 on the S123 Road. The trial section is roughly 500 meters long and will be monitored for two (2) years. The Research and Development Unit engaged Central Materials Laboratory of the Ministry of Transport and Public Works who carried out post rainy season tests field and laboratory verification tests. The tests comprised of the DCP tests, in-situ density tests, CBR and Atterberg limit tests. Final assessment report will be prepared in the third quarter of the 2025 – 2026 financial year. Routine and periodic maintenance activities preserved network condition and safety, focusing on pothole patching, grading, and maintenance of drainage and structures. Regional offices in Mzuzu, Lilongwe, and Blantyre supervised these programmes and coordinated emergency works to restore traffic flow following flood and storm events.

Road marking paints

Rainbow Paints requested the Roads Authority to apply thermo-plastic road marking paints on any selected roads within the City of Lilongwe in order to test their product in term of durability and function.
The product was applied at two locations namely (a) at the junction of the Lilongwe –Mchinji M012 road with the Lilongwe Old Airport – Santhe (S117) Road and at (b) Zamkutu trading Centre along the Lilongwe Western Bypass Road. The product was applied in June 2024 and a final assessment will be conducted in 2026 after monitoring for 2 years as per the requirement.

Plastic signs

In October 2023, Limbikani Enterprises, a South African based company requested the Roads Authority through the Ministry of Transport and Public Works to install plastic road signs on selected roads in the cities of Lilongwe and Mzuzu. The benefits include material that is vandal free, will not rust and is a replacement for steel. The signs were installed along Mzimba and Paul Kagame Road in Lilongwe City while in Mzuzu City, signs were installed along the M001 and M005 roads within the vicinity of Mzuzu Shoprite. The signs are being monitored for a period of 2 years and the final inspection will be conducted in September 2025.

Dataset / Study	Baseline (2025)	Target (2030)	Primary Use	Status / Strategy
Road condition surveys (IRI/PCI)	4,689 km assessed	24,292 km (entire network)	Maintenance planning & HDM-4	Automated collection with GPS/sensor support
Road inventory & asset mapping	10% coverage	100% by 2030	Asset management & budgeting	Implementation of CMMS underway
Traffic & axle-load monitoring	—	Continuous	Pavement design & protection	Expansion of weigh-in-motion & automated counters
Climate risk mapping & materials research	Ad-hoc	Institutionalised	Design resilience & material optimisation	Integration into RA Design Manual updates

Table 4.5A: Data & Research Outputs (Strategic Alignment)

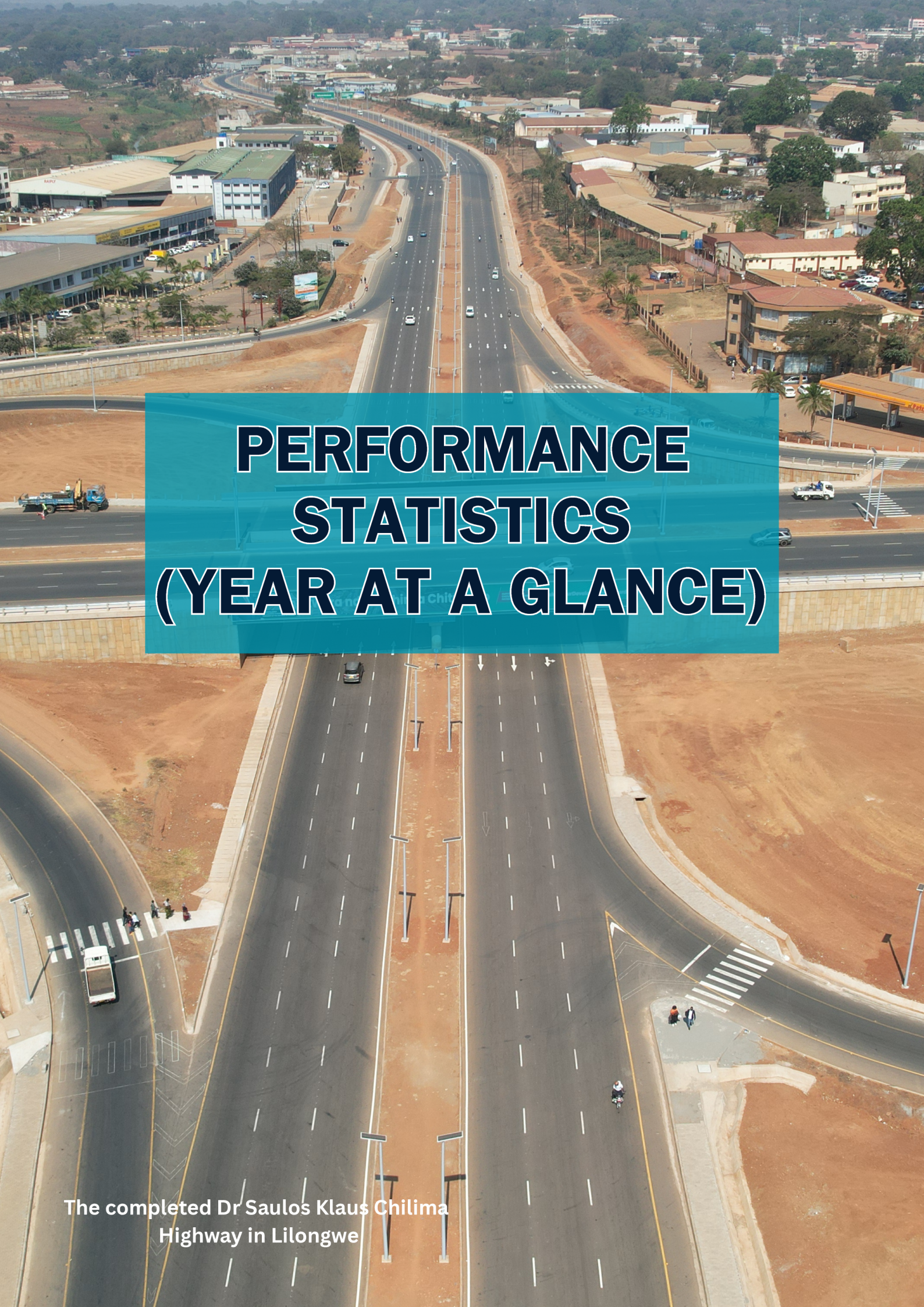
4.6 Environmental & Social (E&S) Safeguards

Environmental and social safeguards were mainstreamed across all projects to ensure compliance with national legislation and donor requirements. Activities included ESIAs, ESMPs, RAPs, grievance redress, OHS, and GBV/SEA risk management. RA monitored contractors' CESMPs and ensured community engagement throughout implementation.

Project	Instrument	RAP / PAPs	CESMP Implementation	GRM Cases Resolved	Status / Comment
M001 Lots 1–4	ESIA / ESMP	PAPs fully compensated	On track	Most resolved	*Compliant with MoNREM permits and donor safeguards.*
Songwe OSBP	ESIA / ESMP	Partial RAP completed	Ongoing mitigation	—	*Community engagement and GBV awareness active.*
Lirangwe–Chipini	ESMP	Not applicable	Implemented	—	*Quarterly environmental audits conducted.*
Urban Capacity Projects (Lilongwe)	ESMP	RAP finalised	In implementation	—	*Improved urban drainage and dust suppression underway.*

Table 4.6A: E&S Compliance Summary (Selected Projects)

PERFORMANCE STATISTICS (YEAR AT A GLANCE)



The completed Dr Saulos Klaus Chilima Highway in Lilongwe

PERFORMANCE STATISTICS (YEAR AT A GLANCE)

The Roads Authority (RA) continued to deliver on its mandate of developing and maintaining Malawi's road infrastructure, despite economic and climatic challenges during the reporting year.

This section highlights key performance indicators across planning, design, construction, maintenance, and safeguards — providing a snapshot of achievements aligned with the 2025–2030 Strategic and Business Plan.

5.1 Headline Metrics

The table below summarises headline performance results across the RA's portfolio for the reporting year. These figures reflect measurable delivery across ongoing and completed projects.

Infrastructure Delivery and Design

Indicator	Performance Summary	Remarks / Highlights
Roads Designed	≥ **320 km** confirmed, plus additional sections with designs concluded (*length to be confirmed*)	Confirmed design: *M003 Mangochi–Chiponde (49 km)*. Other completed designs include *M012, M06, M001(Lunzu Blantyre (Lilongwe)*, *M001 Lot 2 (Nathenje–Chidzanja)*, *M006 Zalewa–Mwanza*, and *Liwonde–Matawale* review and Mangochi - Makanjira.
Roads Rehabilitated / Upgraded and Improved (Total Surfaced)	≈ **80.6 km**	Surfacing works progressed on *M001 Lots 1–3*, *Kenyatta Road/Sharrar Street, Tsangano, Kampepuza and Lunzu Accident spot areas, Kaphatenga- Benga and Rumphi–Nyika Lot 1,* advancing regional connectivity and trade facilitation.
Roads Completed	≈ **13.9 km**	Urban Capacity Improvements on *Crossroads–Kanengo (10 km)* completed; *Mzimba Street (3.9 km)* substantially completed — supporting urban mobility and congestion relief.
Roads Under Active Construction	≈ **578.14 km**	Portfolio scale covers all major ongoing rehabilitation and upgrading works, excluding OSBPs and standalone bridge projects.

Structures and Bridge Works

Indicator	Performance Summary	Remarks / Highlights
Bridges / Structures Constructed or Rehabilitated	≥ **7 major bridges** and ≥ **40 culverts**	Major bridges completed or under construction: *KCH Interchange (Lilongwe)*, *Thuchila Bridge (141.65 m)*, *M005 Lifyozi*, and *M005 Navikoko*. Culverts replaced on *M001 Lot 4* and other lots as part of drainage resilience.
Procurement Contracts Awarded / Commenced	≥ **15 works contracts** mobilised in 2024/25	Key starts include *Chimwaza–Nambuma–Kasiya*, *Dzaleka–Ntchisi–Malomo*, *Linthipe–Lobi*, *Lirangwe–Chipini*, and *Nsipe–Liwonde*.

Portfolio and Contractor Engagement

Indicator	Performance Summary	Remarks / Highlights
Consultants / Contractors Engaged (Active)	**Works:** 37 contracts; **Design / Supervision:** 8; **Procurement pipeline:** 20 packages	Joint ventures prominent across design and supervision portfolios, reflecting private sector participation and donor engagement.
Roads Maintained (Routine & Periodic)	≈ **15,000 km**	Maintenance included pothole patching, grading, resealing, drainage and culvert replacement, and emergency response under regional supervision.
E&S (Environmental & Social) Activities	≥ **12 active contracts** with safeguards oversight	Ongoing safeguard implementation across *M001 Lots 1–4*, *M005 Lot 1*, *Lirangwe–Chipini*, *Urban Projects*, *KCH Interchange*, *Songwe OSBP*, and blackspot schemes.

Interpretive Insights

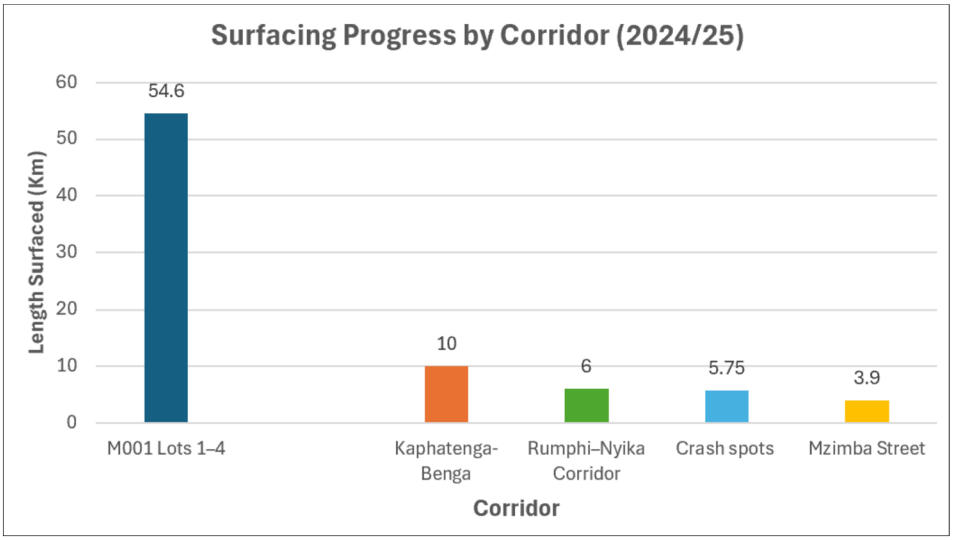
- **Sustained portfolio growth:** Over 500 km of active construction highlights a robust implementation pipeline.
- **Technical readiness:** More than 100 km of detailed designs completed, positioning the RA for medium-term investments.
- **Asset preservation focus:** Routine and periodic maintenance covered approximately 15,000 km, reflecting commitment to optimised asset management.
- **Governance alignment:** Procurement and safeguards performance demonstrate compliance with the PPDA Act, donor standards, and RA's Balanced Scorecard pillars of Infrastructure Development, Asset Preservation, and Governance Excellence.

5.2 Visual Snapshot of Performance

To complement the headline statistics, this section provides a visual overview of the Roads Authority's performance for the 2024/25 financial year.

The illustrations highlight progress across design, construction, maintenance, and structure delivery — demonstrating alignment with the Authority's 2025–2030 Strategic and Business Plan outcomes.

This composition demonstrates pipeline stability and readiness for upcoming investment cycles.

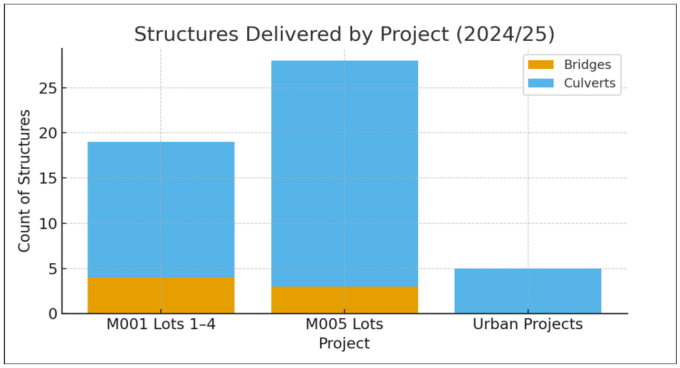


Surfacing Progress by Corridor

Significant surfacing progress was achieved on trunk and regional corridors:

- **M001 Lots 1–4:** 54.6 km surfaced
- **Kaphatenga-Benga:** 10 km surfaced
- **Rumphi–Nyika Corridor:** about 6 km surfaced
- **Accident Crashspots (Tsangano/Kampepuza/Lunzu):** 5.75km surfaced
- **Mzimba Street:** 3.9km surfaced

These outputs reflect accelerated implementation along national corridors to improve mobility and regional trade.

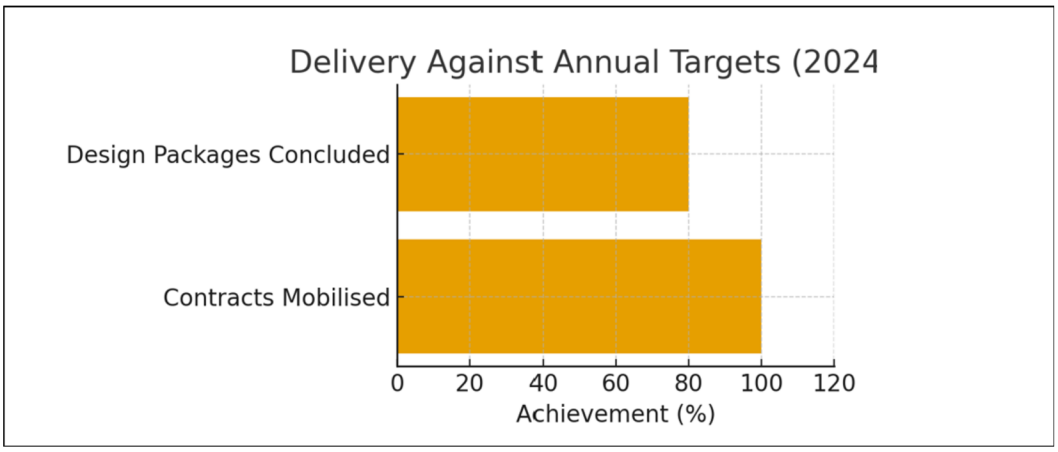


Structures Delivered (Bridges and Culverts)

Bridge and drainage improvements continued strengthening road resilience:

- **Bridges:** ≥7 constructed or rehabilitated, including Thuchila, Lifyozi, Navikoko, and KCH Interchange.
- **Culverts:** ≥40 installed, with vandalised Armco culverts replaced by reinforced concrete box and pipe culverts.

These works enhance hydraulic efficiency, safety, and climate resilience across flood-prone routes.



Delivery Against Annual Targets

Performance tracked closely against approved annual work-plan targets:

- **Contracts Mobilised:** ≥15 works contracts commenced (100% of target).
- **Design Packages Concluded:** ≥4 confirmed (80% of target achieved).

These results affirm strong operational performance, efficient procurement, and alignment with RA's Balanced Scorecard approach.

Interpretive Summary

- The portfolio mix shows consistent flow from design to construction.
- Surfacing achievements exceeded 80 km across strategic corridors.
- Bridge and culvert delivery focused on durability and resilience.
- Target compliance remained high, reflecting sound planning and governance.

5.3 Context and Commentary

- The 2024/25 performance period reflects steady delivery momentum across the Roads Authority's programme portfolio, underscoring sustained progress in construction, design, and maintenance activities. The breadth and quality of works demonstrate resilience and strategic alignment with national infrastructure priorities.

Delivery Momentum

- The Authority's active works portfolio showed strong performance across national corridors and urban capacity projects. Significant progress was achieved along the M001 Corridor, M005, and a range of urban upgrading schemes, with several lots advancing from earthworks to base and surfacing stages.

These milestones highlight continued delivery efficiency and effective supervision under diverse funding sources, including Government of Malawi and development partners.

- *The M001 Corridor remains the backbone of the national network, linking economic zones and supporting regional trade.*

Pipeline Quality and Continuity

- The Roads Authority concluded multiple design packages during the year and maintained a robust procurement pipeline. This forward-looking pipeline ensures project continuity and readiness for subsequent implementation cycles, in line with the 2025–2030 Strategic Plan and the Balanced Scorecard approach to performance management.

- *Design and procurement strength underpin RA's capacity to deliver predictable, well-sequenced infrastructure programmes.*

Structures, Safety and Resilience

- The year saw the completion of seven bridges and numerous culvert structures, significantly enhancing flood resilience and safety across the network. Notable achievements include the completion of Lifyozi, and Navikoko Bridges, and ongoing works at the Thuchila Bridge and Kamuzu Central Hospital Interchange, which has emerged as both a landmark structure and a symbol of modern infrastructure design. The focus on replacing vandalised or aged Armco culverts with reinforced concrete box culverts underscores the Authority's commitment to durability and long-term asset protection.

- *Infrastructure resilience remains central to sustaining connectivity and mitigating the impact of extreme weather events.*

Overall Assessment

Overall, the Roads Authority demonstrated solid progress and portfolio discipline, maintaining delivery momentum while strengthening design readiness and structural resilience.

This foundation positions the organisation for continued growth and sustainable network improvement in the years ahead.

FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

The Roads Authority's financial performance for the year reflected its continued commitment to prudent resource management, transparency, and alignment with Malawi's national infrastructure priorities. The Authority efficiently utilised available funds to sustain road construction, rehabilitation, and maintenance programmes, while maintaining strong governance and accountability mechanisms.

6.1 2024/2025 financial Performance Overview

The Authority recorded MK203.44 billion as total income arising from the development and recurrent programmes and the related operating expenses for the year ended 31st March, 2025 representing a growth of 57% from MK129.50 billion posted in the prior year ended 31st March 2024.

Value of works done under the Development Programmes was MK139.73 billion representing 67% growth in the period under review from the year 2024. The Authority recorded MK55.13 billion as value of works done under Recurrent Programmes registering 45% growth from the prior year. MK124.78 billion in mobilisation advances and materials on site were processed in respect of development and recurrent programmes during the year representing 361% growth from the prior year.

The Authority's current assets increased from MK39.78 billion in 2024 to MK86.15 billion in 2025 representing 121% increase. Current liabilities increased from MK28.07 billion in 2024 to MK71.77 billion in 2025 representing 156% increase.

The excess of current assets over current liabilities was MK14.77 billion in 2025 and MK11.71 billion in 2024 reflecting the Authority's ability to settle its current liabilities once they fall due within the year.

Detailed financial performance and state of affairs of the RA are set out in the audited Statement of Income and Expenditure and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves and Statement of Cash flows and accompanying policies and their explanatory notes included in this annual report.

6.2 Funding Sources

During the 2024/25 financial year, the Authority's funding was drawn from three main sources:

- **Government of Malawi allocations** — through the Road Fund and development subventions;
- **Development Partners** — including the World Bank, African Development Bank (AfDB), OPEC Fund, Saudi Fund, Kuwait Fund, and the European Investment Bank (EIB); and
- **Own-generated income** — through road user fees, permits, and related recoveries.

Development Partner financing continued to play a significant role in supporting major infrastructure projects such as Nsipe–Liwonde M001/M008, Benga–Dwangwa M005 Road, Mangochi–Makanjira S129 Road, Thabwa – Bangula M001 Road and Liwonde–Matawale M003 Road and Bridges in Southern region.

6.3 Expenditure Overview

Expenditure during the year was directed towards both capital and recurrent activities, in line with the Authority's mandate to build and preserve the road network. The distribution of expenditure demonstrates the Authority's strong focus on investment in works and maintenance programmes.

Expenditure Category	Share of Total (%)	Key Focus Areas
Capital Works (Construction & Rehabilitation)	62%	National corridors, urban capacity projects
Maintenance & Asset Management	11%	Routine, periodic, and emergency works
Design, Supervision & Procurement	8%	Consulting services, pipeline preparation
Institutional Operations & Governance	5%	Corporate Governance, Project Management, HR, ICT, and administrative support
Environmental & Social Safeguards	2%	RAPs, CESMPs, stakeholder consultations
Contingency & FX Adjustments	1%	Inflation and exchange rate impacts

Table 6.1 Expenditure Overview

Overall expenditure remained aligned with the approved work plan and reflected sound budgetary control, balancing investment growth with operational sustainability.

6.4 Financial Outlook

Looking ahead, the Authority's financial requirements are expected to grow steadily in line with the 2025–2030 Strategic and Business Plan. The projected cumulative investment need stands at approximately MWK 3.5–4.2 trillion, equivalent to US$ 2.0–2.4 billion, supported by a mix of Government funding and Development Partner contributions.

The Authority remains committed to resource mobilisation and fiscal discipline to sustain the national road network and deliver on the aspirations of Malawi 2063.

6.5 Financial Governance

The Roads Authority continued to uphold the principles of good financial governance, anchored on the Public Finance Management Act, internal audit controls, and donor fiduciary standards. Timely financial reporting, audit follow-up, and Board oversight ensured accountability and transparency in the use of public funds.

Internal control systems and risk management frameworks remain integral to maintaining financial integrity and donor confidence.

CORPORATE GOVERNANCE & INSTITUTIONAL STRENGTHENING

Kampepuza Crash spot

CORPORATE GOVERNANCE & INSTITUTIONAL STRENGTHENING

This section covers issues relating to corporate governance, people, and systems.

Corporate governance is the driver of results and efficient delivery of policy — turning strategies into tangible outcomes and ensuring that policy is not merely documentation, but a lived practice across the organisation. Institutional strengthening, underpinned by ethical leadership, capable people, and modern digital systems, remains central to the Roads Authority's sustained performance and accountability.

The Roads Authority (RA) continues to uphold the highest standards of governance, transparency, and operational excellence in delivering Malawi's road infrastructure programme.

During the year under review, the Authority consolidated its governance framework, strengthened its human capital base, and modernised systems in alignment with the Roads Authority Act (Cap 69:07) and the 2025–2030 Strategic and Business Plan (SBP).

7.1 Corporate Governance

7.1.1 Governance Framework and Mandate

The Roads Authority operates under the Roads Authority Act (Cap 69:07), guided by policy direction from the Ministry of Transport and Public Works (MoTPW) and oversight from the RA Board of Directors.
Funding flows primarily through the Roads Fund Administration (RFA).

The Strategic and Business Plan (SBP) reaffirms that the administrative arrangement between RA and RFA remains appropriate, while targeted enhancements in process interfaces, data sharing, and cash-flow coordination are underway to improve efficiency, predictability, and accountability.

7.1.2 Board Composition and Committees

The Board provides strategic leadership and oversight through formally constituted committees with approved charters and annual work plans.

Committee	Key Responsibilities
Audit, Risk & Compliance Committee (ARCC)	Oversees financial reporting integrity, risk management, internal controls, and compliance.
Corporate Services Committee (CSC)	Provides oversight on human capital, governance, ICT, and administrative functions.
Technical Advisory Committee (TAC)	Ensures quality assurance in network planning, design standards, safety, and delivery performance.
Internal Procurement & Disposal Committee (IPDC)	Provides procurement oversight in accordance with the PPDA Act and donor regulations.

Management executes strategy through the Chief Executive Officer (CEO), supported by an Executive Management Team comprising Directors for Planning & Development, Major Projects, Maintenance, Corporate Services and managers responsible for Finance, Procurement, ICT, Legal & Compliance, and Environmental and Social Safeguards.

Board and Committee Attendance (FY2024/25)

Body	Meetings Scheduled	Meetings Held	Average Attendance	Notes
Board	12	14	100%	Annual strategy session completed
ARCC	12	12	100%	Oversaw ERM refresh and audit plan
CSC	12	12	100%	Approved HR and performance tools
TAC	12	12	100%	Endorsed design standards and quarterly reports
IPDC	18	18	100%	e-GP adoption milestones achieved; staff trained by PPDA

7.1.3 Ethical Culture, Delegations and Assurance

RA upholds integrity and professionalism across all its operations.

- Code of Conduct and Conflict-of-Interest Declarations are renewed annually, with confidentiality and integrity undertakings signed by all procurement personnel.
- The Delegation of Authority (DoA) was reviewed and updated to align with the SBP execution framework, clarifying approval thresholds for projects, variations, and legal settlements.
- Whistleblowing and Anti-Fraud Mechanisms remain active, with all reported cases investigated by Internal Audit and Legal units.
- The Institutional Integrity Committee was reconstituted under new leadership to strengthen oversight on ethical conduct.

7.1.4 Compliance

The Authority maintained compliance with the PPDA Act (2017, as amended), Public Finance Management Act, Public Roads Act, labour legislation, and environmental & social safeguard requirements. Corrective actions from prior audits were actively monitored by ARCC, with 75% of high-priority recommendations closed by year-end.

7.2 Human Resources Development (HRD)

Aligned to the People and Culture pillar of the SBP, HRD initiatives focused on capability building, leadership development, inclusion, and performance excellence. The RA continued to cascade performance indicators from the Board level through departments, staff, and service providers, fostering a culture of accountability and results-oriented delivery.

7.2.1 Workforce Profile (as at March 2025)

Metric	Value
Total Headcount	128
Engineers/Technical Staff	49
Female Staff	36
Male Staff	92

7.2.2 Talent, Learning and Development

Capacity development remained a strategic priority, aimed at enhancing technical, managerial, and compliance competencies.

- Learning Areas: Project management, safeguards, FIDIC contracts, claims management, PPDA compliance, health & safety, GIS/RAMS, project controls, and cybersecurity.
- Leadership Pipeline: 85 staff included in succession planning; 40 rotational and acting assignments undertaken to deepen leadership capacity.
- Graduate and Internship Programme: 20 graduates deployed in Planning, Major Projects, and Maintenance divisions under structured mentorship.
- Performance Management: Departmental and individual scorecards aligned to the SBP; 100% completion of mid-year and year-end appraisals.
- Reward and Recognition: Merit-based incentives implemented; retention strategies developed for scarce technical skills.

7.2.3 Employee Wellbeing, Inclusion and Industrial Relations

- Wellbeing: Employee Assistance Programmes established; safety awareness sessions and quarterly staff meetings conducted.
- Inclusion: Gender mainstreaming integrated into recruitment and training; 40% female participation achieved in capacity-building programmes.
- Industrial Relations: Constructive engagement with staff representatives maintained; zero work stoppages recorded during the year.

7.3 Enterprise Risk Management (ERM)

7.3.1 ERM Framework

The RA's Enterprise Risk Management (ERM) framework is aligned with international best practices and the SBP's defined risk appetite. Risks are identified, evaluated, and monitored across corporate, departmental, and project levels.

The framework follows the Three Lines of Defence Model — Management, Risk/Compliance/Internal Controls, and Internal Audit oversight through the ARCC.

7.3.2 Top Strategic Risks and Mitigations (FY2024/25)

Risk Theme	Description	Key Controls / Response	Status
Funding Volatility	Irregular cashflows and fuel levy suspensions affecting project continuity	Monthly cashflow coordination with RFA; creditor management; financing reform advocacy	Improving
Contract Claims & Litigation	Exposure from delayed payments and variation orders	Claims panels; Dispute Avoidance Boards; FIDIC training; DoA clarity	Improving
Procurement Compliance	Non-compliance with PPDA and donor requirements	Annual procurement plans; e-GP adoption; vendor rating	Stable
Project Delivery & Quality	Schedule slippage, quality defects, and coordination issues	TAC oversight; stage-gate reviews; QA/QC audits	Mixed
Forex & Input Prices	FX scarcity and price spikes in construction inputs	Hedging; framework contracts; donor engagement	Stable
Climate & Disaster Impacts	Flood/cyclone damage to roads and bridges	Climate-resilient standards; emergency works protocols	Improving
Data & Cybersecurity	Risks of system downtime and cyber threats	SOC monitoring; MFA; backups; user awareness training	Improving

Internal Audit executed 20 planned audits, with 75% of findings closed by year-end.

7.4 Digitisation and Process Automation

Digital transformation remained a core element of the SBP, driving transparency, efficiency, and service delivery improvement.

7.4.1 Key Digital Platforms and Achievements

- Road Asset Management System (RAMS/GIS): Coverage expanded to 24,929 km; climate vulnerability layers integrated.
- Project Portfolio Management (PPM): Portfolio-wide tracking of budgets, schedules, and performance implemented.
- e-Procurement (e-GP): Competitive tenders processed via PPDA e-GP; staff fully trained.
- ERP Enhancements: Integration of finance, HR, and procurement modules improved real-time reporting and control.
- Business Intelligence (BI) Dashboards: Executive dashboards launched for SBP KPI tracking.
- Electronic Document & Records Management (EDRMS): Board packs and technical archives digitised.
- Workforce Systems: Biometric attendance and e-learning (LMS) modules operational.

7.4.2 Next-Year Priorities

- Scale PPM to 100% of capital projects.
- Complete RAMS coverage and publish an annual network condition scorecard.
- Automate claims and variation workflows with built-in audit trails.
- Implement comprehensive data governance and strengthen cybersecurity analytics.

7.5 Governance Effectiveness and Board Evaluation

An independent review of Board and Committee effectiveness was conducted in Q4. Findings indicated strong strategic focus, improved risk oversight through ARCC dashboards, and enhanced governance maturity. Recommendations included accelerating digital reporting and improving claims resolution timelines.

An Action Plan has been approved, with quarterly progress reviews instituted.

7.6 Outlook and SBP Alignment

Looking ahead, the Roads Authority will prioritise:

- Stabilising funding flows in partnership with RFA and the Ministry of Finance;
- Reducing contract claims exposure through proactive contract management;
- Strengthening ERM and internal control frameworks in project delivery; and
- Completing digital foundations to enable real-time visibility of the project pipeline.

Earthworks at Kacheche-Chiweta

PERFORMANCE, CHALLENGES AND LESSONS LEARNED

Road construction in progress

PERFORMANCE, CHALLENGES AND LESSONS LEARNED

This chapter presents a summary of the Roads Authority's performance during FY2024/25, key challenges encountered, the mitigation actions implemented, and lessons that will guide future planning and delivery. Despite persistent economic and operational challenges, the Authority delivered notable progress and continued to strengthen its systems, governance, and project management frameworks.

8.1 Overall Performance and Outlook

The Authority recorded an overall performance improvement from 62% in FY2023/24 to 75% in FY2024/25, representing a 13 percentage-point uplift (a 21% relative improvement).

This improvement reflects:

- Stronger programme governance and accountability frameworks,
- Enhanced contract and commercial management discipline, and
- Increased adoption of digital tools for monitoring, reporting, and early issue detection.
- Performance Measurement Framework:

The RA's results are derived from the Balanced Scorecard, covering five strategic dimensions:

1. Project Delivery
2. Asset Stewardship
3. Governance and Compliance
4. Financial Management
5. People and Digital Transformation

Indicators were kept consistent with the prior year to ensure comparability. Results were validated by Management and reviewed by the Audit, Risk & Compliance Committee (ARCC) for integrity and assurance.

Overall Result: The Authority's strong performance trajectory positions it for continued progress in FY2025/26, particularly as digitalisation and risk management initiatives mature.

8.2 Operating Environment

The reporting year was characterised by strong policy commitment toward infrastructure investment but constrained by macroeconomic and operational challenges.

These included:

- Foreign currency shortages, delaying procurement of key inputs such as bitumen, steel, and machinery.
- Fuel shortages, disrupting site logistics and increasing idle time for contractors.
- Erratic project funding and delayed payments, affecting cash-flow predictability and exposing the Authority to claims.
- Cyclone-related damage, which re-directed resources to emergency works and resilience interventions.

Summary Insight: Despite these challenges, RA maintained steady delivery momentum and adapted implementation plans to available resources.

8.3 Key Challenges and their Impact

Challenge	How it Manifested	Impact on Delivery	Response Owner
FX shortages for imported inputs	Long lead times; volatile prices; bid validity pressures	Schedule delays; cost escalation; supplier attrition	Procurement / Finance with IPDC & ARCC
Fuel shortages	Site stoppages; haulage delays	Lost productivity; extended preliminaries	Major Projects / Maintenance
Erratic funding & delayed payments	Uneven releases and payment backlogs	Claims exposure; strained vendor relations	Finance / CEO with RFA & MoF
Cyclone damages	Emergency works; damaged access routes	Budget pressures; re-scoping of works	Planning & Development / Maintenance

These challenges reaffirm the need for improved financing predictability, resilience engineering, and closer coordination between RA, RFA, and MoF.

8.4 Mitigations and Strategic Responses

The Authority implemented a suite of mitigations to maintain project continuity and operational stability.

a) Phased Project Implementation

Large projects were restructured into phases matched with funding cycles.
Outcome: Reduced contractor idle time and better cash-flow control.

b) PPP and Performance-Based Contract (PBC) Pilots

Structured PPP and PBC models were developed to share lifecycle risk and ensure performance-based outcomes.
Outcome: Foundation laid for private participation and long-term sustainability.

c) Build–Operate–Transfer (BOT) Initiatives

Concepts for BOT pilots were prepared for viable corridors to attract private capital investment.
Outcome: Pre-feasibility work initiated and transaction advisory support identified.

d) Strict Management of Contract Commitments

A centralised Commitments Register was introduced through the ERP and PPM systems.
Outcome: Improved payment predictability and reduction in contract variations.

e) Commercial Discipline and Claims Prevention

Claims panels, early-warning mechanisms, and FIDIC refresher trainings were rolled out.
Outcome: Faster determinations and lower incidence of avoidable claims.

f) Resilience and Emergency Protocols

Climate-resilient design standards for bridges and culverts were adopted.
Outcome: Faster mobilisation during emergencies and improved accountability in emergency expenditure.

g) Digital Enablers

The Project Portfolio Management (PPM) dashboard was expanded, integrating site diaries and progress photos.

Outcome: Improved transparency, performance tracking, and decision-making.

Mitigation Status Summary

Mitigation	FY2024/25 Status	Next-Year Focus (FY2025/26)
Phased implementation	Operational on priority projects	Extend to all capital works
PPP & PBC pilots	Design stage completed	Launch market-testing and baselines
BOT pilots	Concepts prepared	Conduct feasibility and value-for-money assessments
Claims prevention	Functional claims panel	Roll out Dispute Avoidance Boards
Resilience standards	Embedded in design protocols	Publish annual resilience scorecard
Digital enablers	Integrated with ERP & PPM	Expand to full project lifecycle monitoring

8.5 Lessons Learned

"The year has reinforced the importance of realism, innovation, and resilience in managing Malawi's road infrastructure programme."

1.Cash-flow realism ensures success. Aligning phasing with predictable funding releases yields better results than optimistic scheduling.
2.Lifecycle contracts drive accountability. PPP, PBC, and BOT models encourage long-term performance focus.
3.Early commercial intervention saves money. Proactive claim management and dispute avoidance reduce escalation.
4.Digital visibility improves control. Real-time dashboards and geotagged reporting sharpen responsiveness.
5.Resilience must be built-in. Cyclone impacts underline the need for resilient engineering and pre-approved emergency protocols.

8.6 Outlook

The Roads Authority will continue building on its FY2024/25 momentum through:

·Enhanced financial governance and predictable funding coordination with RFA and MoF.
·Expansion of performance-based and PPP contracting frameworks.
·Scaling digital monitoring tools to 100% of active projects.
·Institutionalising resilience engineering and network protection standards.

The RA's focus in FY2025/26 will remain on accountability, value-for-money delivery, and continuous improvement — ensuring Malawi's road network supports inclusive growth and long-term resilience.

OUTLOOK AND PRIORITIES FOR THE NEXT YEAR

The completed Mchinji One Stop Border Post

OUTLOOK AND PRIORITIES FOR THE NEXT YEAR

The Roads Authority's forward outlook reflects continued commitment to results, accountability, and resilience as it implements the 2025–2030 Strategic and Business Plan (SBP).

The successful execution of this strategy depends on both internal preconditions within the Authority's control and external assumptions shaped by the wider economic and policy environment.

9.1 Preconditions for Success

Preconditions are internal enablers that are essential for successful implementation of the Strategic Plan and annual work programmes.

They include:

1. The Strategic Plan remains the principal basis for planning and project execution.
2. Adequate, motivated, and competent professional staff across technical and support functions.
3. Timely execution of routine and periodic maintenance to preserve road assets.
4. Efficient and effective systems supporting planning, monitoring, and reporting.
5. Strong governance and leadership from the Board and Executive Management.
6. Adherence to approved standards and procedures across all project cycles.
7. Preparedness for high-impact risks through proactive risk management and emergency readiness.

These internal enablers provide the foundation for sustained delivery performance, financial discipline, and institutional credibility.

9.2 Key Assumptions

Assumptions are external conditions that influence success but are beyond the direct control of the Roads Authority.

The following are critical to the execution of the 2025–2030 Strategic Plan:

1. Macroeconomic and political stability in Malawi.
2. Adequate and timely disbursement of funds from the Treasury and development partners.
3. Continued cooperation from key stakeholders and implementing partners.
4. Progressive amortisation of road-sector debt to restore liquidity.
5. Alignment of sector actors to the Annual National Roads Programme (ANRP).

9.3 Major Projects Forecast (FY2025/26 – FY2026/27)

The following highlights represent key projects expected to reach completion or commence implementation over the next two years, reflecting a balanced portfolio across Malawi's three regions.

A. FY2025/26 (July 2025 – June 2026)

Southern Region — In progress

Project	Scope	Forecast Window	Basis
Thuchila Bridge (M004, Mulanje)	141.65 m bridge	Q4 FY25/26 (Apr–Jun 2026)	Contract end 16 Apr 2026
Chiringa–Muloza (T415)	Drainage structures	Q4 FY25/26 (Apr–Jun 2026)	Contract end 17 Jun 2026
Nsipe–Chingeni–Liwonde (M001/M008/M003)	Junction and overpass	Q1 FY26/27 (Jul 2026)	Boundary completion

The new Thuchira Bridge under construction

Southern Region — Starts / Implementations

Project	Scope	Forecast Window	Dependencies / Notes
Thabwa–Bangula–Fatima	Reconstruction (Lower Shire)	Q2–Q3 FY25/26	Procurement concluded; mobilisation after financing clearance
Mangochi–Makanjira (S129) – Bridges (WB)	8 new bridges	Q4 FY25/26	Tender stage; start post-award
Mangochi–Makanjira – Design & Supervision (SFD)	Consulting services	Q3 FY25/26	Linked to works mobilisation
Liwonde–Matawale (M003) Rehab (WB)	Rehabilitation	Late Q4 FY25/26 → Q1 FY26/27	Pre-tender; pending procurement
Nsipe–Liwonde (M008/M003) Rehab (ADB)	Ongoing works	Q4 FY25/26 → Q1 FY26/27	Construction in progress
RCRP 2: Lot 1, Lot 2 and Lot 3: Drainage and Bridge Construction and Reconstruction (WB) in Zomba, Phalombe, Chikwawa, Chiradzulu, Blantyre, Mangochi.	At Design stage	Q4 FY25/26 → Q1-Q4 FY26/27	Construction pending Tendering, evaluation and award of contracts

Nsipe-Liwonde Road rehabilitation

Central Region — Completions

Project	Scope	Forecast Window	Basis
M001 KIA–Kasungu (Lot 1)	102 km rehabilitation	Q2 FY25/26 (Oct–Dec 2025)	End 31 Dec 2025
Kaunda & Chendawaka (Lots 1–2)	Urban capacity upgrade	Q3 FY25/26 (Jan–Mar 2026)	End 12 Mar 2026
Linthipe–Lobi (S126, Dedza)	8 km upgrade	Q4 FY25/26 (Apr–Jun 2026)	End 31 Mar 2026
Lilongwe Bridge (JICA)	78.9 m bridge + approaches	Q4 FY25/26	End 31 Mar 2026

The new Lliongwe Bridge almost complete

Central Region — Starts / Implementations

Project	Scope	Forecast Window	Notes
M005 Benga–Dwangwa (Lot 1)	47 km rehabilitation	Q1 FY25/26	Mobilised 14 Jul 2025
M005 Nkhotakota–Dwangwa (Lot 2)	55.5 km rehabilitation	Q2–Q3 FY25/26	Start on C-ESMP clearance
Kaunda–Chendawaka (Lot 3)	Urban capacity	Q1 FY25/26	Mobilised 08 Jul 2025
Capital Hill Roads (Lilongwe)	6.9 km rehab / maintenance	Q1–Q2 FY25/26	Site handed over; early start

Northern Region — In Progress/Completions

Project	Scope	Forecast Window	Basis
M001 Jenda–Mzimba (Lot 3)	46 km rehabilitation	Q2 FY25/26	End 02 Nov 2025
M001 Kasungu–Jenda (Lot 2)	86 km rehabilitation	Q3 FY25/26	End 23 Feb 2026
M001 Kacheche–Chiweta (Lot 4)	66 km rehabilitation	Q4 FY25/26	End 31 May 2026
Rumphi–Nyika (Lot 1)	Selected upgrade	Q2 FY25/26	End 01 Oct 2025
Songwe OSBP	Border facility	Q2 FY25/26	End 30 Sep 2025
Chitipa–Ilomba (Lots 1–3)	31 km upgrade	Q2 FY25/26	End 31 Dec 2025

Part of the M001 under construction

Northern Region — Starts / Implementations

Project	Scope	Forecast Window	Notes
Mtangatanga Jct–Eswazini–Mzalangwe–Kafukule	52 km upgrade	Q1 FY25/26	Mobilised 25 Jul 2025
Embangweni–Edingeni–Engalaweni	40 km upgrade	Q1 FY25/26	Mobilised 04 Aug 2025
Njakwa–Phwamphwa (T305)	Design consultancy	Q3–Q4 FY25/26	Tender stage
Kapirinkhonde–Kamguzi–Mpata (S101)	Design consultancy	Q3–Q4 FY25/26	Tender stage
Bula–Usisya – Works Prep	56 km upgrade	Late FY25/26	Pre-tender; expected FY26/27 start

Mtangatanga-Eswazini-Mzalangwe-Kafukule road under construction

FY2026/27 (July 2026 – June 2027)

(Tables condensed for brevity in this section)

Key completions include:

- Nsipe–Chingeni–Liwonde (55 km) – July 2026
- Lirangwe–Chipini (20 km) – October 2026
- Mangochi–Makanjira Bridges (8 No.) – Q3 FY26/27
- Dzaleka–Ntchisi–Malomo (60 km) – April 2027
- Chimwaza–Nambuma–Kasiya (20 km) – May 2027

Start-ups will include:

- Bula–Usisya (56 km upgrade) – early FY26/27
- Livingstonia–Njakwa (14 km upgrade) – mid-FY26/27
- Kapirinkhonde–Kamguzi–Mpata (S101) – late FY26/27 (subject to design completion)

9.4 Delivery Risks and Forward Mitigation

The Authority continues to monitor and manage cross-cutting risks through its Enterprise Risk Management (ERM) framework and programme dashboards.

Key Risk Areas

- Foreign Exchange Constraints: Align awards to FX windows; adopt framework contracts.
- Fuel Interruptions: Stagger haulage-intensive activities; maintain buffer stocks.
- Funding Volatility: Gate commitments via ERP/PPM; implement phase-matched delivery.
- Climate Events: Enforce resilient design standards; maintain emergency protocols.
- Procurement Delays: Enforce e-GP discipline and pre-constituted evaluation panels.

Strategic Continuity Priorities

- Maintain rolling 12-month cash-flow forecasts with RFA and MoF.
- Scale up PPP, PBC, and BOT models where feasible.
- Complete digital transformation (PPM, ERP, e-GP, BI dashboards).
- Institutionalise resilience engineering and sustainability standards.
- Strengthen the vendor ecosystem through transparency and predictable payments.

10.0 CONCLUSION

The data and analyses presented in this Annual Report are underpinned by detailed technical, financial, and operational information contained in the following reference documents:

- Audited Financial Statement FY2024/25
- Annual National Roads Programme (ANRP) 2025/26 and 2026/27
- Strategic and Business Plan 2025–2030
- Procurement and e-GP Compliance Report FY2025/26
- Road Asset Management and Condition Survey Report

These annexes, available through the Roads Authority Head Office upon request, provide further insight into the planning, delivery, and stewardship that underpin the Authority's results.

CLOSING STATEMENT

The FY2024/25 reporting period has demonstrated the Roads Authority's capacity to adapt, deliver, and innovate amid fiscal and environmental challenges. Through strong governance, prudent financial management, and the progressive adoption of digital tools, the Authority is better positioned to deliver on Malawi's infrastructure ambitions.

Looking ahead, the focus remains on consolidating these gains—stabilising funding flows, deepening institutional reforms, and ensuring every project translates into measurable value for citizens and the economy.

The Roads Authority reaffirms its commitment to transparency, accountability, and excellence in managing Malawi's public road assets—building safe, reliable, and resilient infrastructure that connects people, markets, and opportunity.

Part of the completed Mwanza One Stop Border Post

FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH 2025

Section of the Crossroads-Kanengo Road in Lilongwe

INDEPENDENT AUDITOR'S REPORT

To the Directors of Roads Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Roads Authority which comprise the statement of financial position as at 31 March 2025 and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of Roads as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and the requirements of the Roads Authority Act, 2006 and the provisions of the Public Finance Management Act, 2022.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with the International Ethics Standards Council for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Malawi. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

ADVISORY • AUDIT • TAX • ACCOUNTING

Baker Tilly Chartered Accountants trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Key Audit Matter	How our audit addressed the matter	Key observations communicated to those charged with governance
Accounting judgements in construction contracts (retentions). ***Note 2.3, 15 and 16 to the financial statements.***		
The Authority enters into construction contracts that include retainage provisions, whereby a contractually specified portion of payments to contractors is withheld until the satisfaction of defined performance obligations or formal project acceptance. These amounts are withheld to ensure compliance with contractual terms and quality standards. As at the reporting date, retainage payable was recognized at MK 16.7 billion (2024: MK 10.6 billion), representing a material component of both current and non-current liabilities in the statement of financial position. The recognition and measurement of retainage payable require significant management judgment in interpreting contractual obligations, assessing the stage of completion and evaluating the probability and timing of future settlement. Furthermore, classification between current and non-current liabilities must be determined, based on expected settlement dates. These judgments directly impact the accuracy of liability recognition and the adequacy of related disclosures in the financial statements. Given the magnitude of the balance and the complexity of the underlying contractual arrangements, retainage payable has been determined to be a key audit matter.	Our audit procedures included, among others: - Evaluating the Authority's accounting policies for retainage payable in accordance with IFRS Accounting Standards. - Reviewing a sample of construction contracts to understand retainage terms and conditions. - Confirming the retentions payable balances from the contractors to validate the existence and completeness of retainage payable balances. - Reconciling recorded retainage payable amounts to approved interim and final payment certificates issued. - Reviewing ongoing legal proceedings and claims to assess the existence of potential related contingent liabilities. - Evaluating the classification of retentions payable as current or non-current liabilities - Evaluating the adequacy of disclosures related to retainage payable in the financial statements.	Based on our procedures done, no exceptions were noted.

Other Information

The Directors are responsible for the other information. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and the requirements of the Roads Authority Act, 2006 and the provisions of the Public Finance Management Act, 2022, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Authority's financial reporting process

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Baker Tilly Chartered Accountants,
Alfred Lungu
Practising Accountant

Date: 24/ 9 /2025

ROADS AUTHORITY

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note	2025 MK'000	2024 MK'000
ASSETS			
Non current assets			
Property, plant and equipment	5	3 742 857	2 509 485
Long term loans, retentions and advances	6	96 982 671	48 097 627
Total non current assets		100 725 528	50 607 112
Current assets			
Inventories	7	141 447	187 553
Receivables	8	86 150 202	39 497 161
Cash and cash equivalents	9	187 510	98 992
Total current assets		86 479 159	39 783 706
Total assets		187 204 687	90 390 818
FUNDS AND LIABILITIES			
Funds			
Revaluation reserve	10	1 020 130	1 079 331
Capital grant	11	846 532	547 009
General fund	12	1 079 943	1 001 084
Total funds		2 946 605	2 627 424
Non current liabilities			
Deferred income	13	100 271 412	51 952 216
Long term retentions	14	12 221 163	7 743 558
		112 492 575	59 695 774
Current liabilities			
Bank overdraft	9	228 523	103 740
Payables	16	6 519 681	3 640 972
Development projects payables (GoM)	17	64 996 860	24 307 083
Provisions	18	20 444	15 824
Total current liabilities		71 765 508	28 067 620
Total liabilities		184 258 083	87 763 394
Total funds and liabilities		187 204 687	90 390 818

The financial statements were authorised for issue by the Board on ..... and are signed on their behalf by:

BOARD CHAIRPERSON

AUDIT, RISK AND COMPLIANCE COMMITTEE CHAIRPERSON

ROADS AUTHORITY

STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 MK'000	2024 MK'000
Income			
Development programmes	19.1	139 725 345	84 008 762
Recurrent programmes	19.2	55 126 908	37 922 714
Operating income	19.3	8 584 980	7 571 777
Total income		203 437 232	129 503 253
Expenditure			
Development programmes expenses	20	(139 725 345)	(84 223 762)
Recurrent programmes expenses	21.1	(55 126 908)	(37 707 714)
Operating expenses	21.2	(5 709 365)	(5 241 805)
Administration expenses	22	(2 855 957)	(2 243 715)
Total expenditure		(203 417 575)	(129 416 996)
Surplus for the year		19 657	86 257
Other comprehensive income			
Capital grant received	11	427 813	262 804
Capital grant amortisation	11	(128 290)	(155 633)
		299 523	107 171
Total comprehensive income		319 180	193 428

ROADS AUTHORITY

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 MARCH 2025

	Revaluation Reserve MK'000	Capital Grant MK'000	General Fund MK'000	Total MK'000
Year ended 31 March 2024				
As at 1 April 2023	1 079 331	439 838	914 827	2 433 996
Surplus for the year	-	-	86 257	86 257
Other comprehensive income	-	107 171	-	107 171
Total comprehensive income for the year	-	107 171	86 257	193 428
At 31 March 2024	1 079 331	547 009	1 001 084	2 627 424
Year ended 31 March 2025				
As at 1 April 2024	1 079 331	547 009	1 001 084	2 627 424
Surplus for the year	-	-	19 658	19 658
Other comprehensive income	-	299 523	-	299 523
Total comprehensive income for the year	-	299 523	19 658	319 181
Depreciation on revaluation surplus	(59 201)	-	59 201	-
At 31 March 2025	1 020 130	846 532	1 079 943	2 946 605

ROADS AUTHORITY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 MK'000	2024 MK'000
Cash flows from operating activities			
Surplus for the year		19 658	86 257
Adjustments for:			
Capital grants income	19.3	(128 290)	(155 633)
Depreciation of property, plant and equipment	5	448 169	326 153
Cash flows from operating activities		339 537	256 777
Changes in working capital:			
Increase in receivables		(95 538 086)	(19 615 540)
Decrease / (increase) in inventories		46 106	(74 292)
Increase in provisions		4 620	416
Increase in payables		43 568 485	3 657 108
Net cash outflow from operating activities		(51 579 338)	(15 775 531)
Cash flows from investing activities			
Payments for property, plant and equipment	5	(1 681 541)	(356 912)
Increase in capital grants	11	427 813	262 804
Proceeds from disposal of property, plant and equipment		-	5 083
Net cash outflow from investing activities		(1 253 728)	(89 025)
Cash flows from financing activities			
Increase in deferred income	13	48 319 196	14 462 844
Increase in long-term retentions	14	4 477 605	1 317 675
Net cash inflow from investing activities		52 796 801	15 780 519
Net decrease in cash and cash equivalents		(36 265)	(84 037)
Cash and cash equivalents at the beginning of the year		(4 748)	79 289
Cash and cash equivalents at the end of the year	9	(41 013)	(4 748)

Roads Authority
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