



Republic of Namibia

Statement of

Hon. T. Tweya

Deputy Minister of Finance

**On the occasion of the Stakeholders Dinner for the
Road Fund Administration/ Roads Authority**

WINDHOEK, 21st February 2007

**STATEMENT OF HON. T. TWEYA DEPUTY MINISTER OF FINANCE
AT THE STAKEHOLDER DINNER FOR THE ROAD FUND
ADMINISTRATION / ROADS AUTHORITY - 21 FEBRUARY 2007**

**Honourable Minister of Works, Transport & Communication, Cde Joel Kaapanda,
Directors of the Road Fund Administration & the Roads Authority;
Chief Executive Officers of RFA & RA; Management Teams of the two institutions;
Esteemed Stakeholders in the Road Sector;
Honoured Guests; Ladies and Gentlemen**

I am delighted to attend this annual joint RFA and RA stakeholders' gathering and to address you on this crucial subject of road funding in Namibia.

Funding of roads is a complex and long elaborated topic to most of you seated here tonight. We know that our road network is central point to our transport sector which is of critical importance to the growth of the Namibian economy.

Ladies and Gentlemen

In the past millennium, the Government adopted a policy of full cost recovery from road users for the cost of preserving and developing the national road network. This policy is further reinforced by the fact that Government was a signatory to the SADC Protocol on Transport, Communications and Meteorology in 1996, which includes different objectives on maintaining and improving roads.

However, it is still painful to be asked to hand over a dollar out of your pocket, even with the promise of getting more than this dollar back in future in the form of saved road user costs and a preserved national asset.

Ladies and Gentlemen

The Government of the Republic of Namibia authorities have developed strategic plans such as the Medium to Long-term Roads Master Plan, the National Development Plans and Vision 2030, guiding on the implementation of projects and programmes pertaining to the national

road network development and at the same time assist in determining the future direction of road user charging in Namibia.

It is however evident that the current level of funding can not fulfil the financing needs indicated by the respective strategic plans. It is also disconcerting that the road user is not fully contributing towards the cost of preserving and developing the network to the required level needed to sustain economic growth. Road users are not currently paying equitably in line with their consumption and if this situation continues at its current status, it will lead to exploitation of the current asset to the detriment of our future generations. Such a scenario would be contradictory to national objective of “development that meets the needs of the present without limiting the ability of future generations to meet their own needs” in Vision 2030.

Considering Namibia’s pressing social upliftment needs, it is clear that Government will find it difficult to maintain the current policies on the increases of road user charges. However, Government also directly contributes substantial amounts towards various road infrastructure development initiatives.

Ladies and Gentlemen

The Road Fund Administration approached the Ministry during 2006 to address the situation of sustainable road funding.

After thorough consultations with all stakeholders, the Cabinet, instead of approving substantial increases in fuel levies, approved the implementation of Mass Distance Charges from 1 April 2006. However, due to circumstances beyond Government’s control the High Court declared the method of collection of Mass Distance Charges null and void.

Subsequently the Road Fund Administration was compelled to go back to the drawing board and redesign the collection method of the Mass Distance Charges in co-operation with all stakeholders concerned. After extensive and lengthy consultations, the mass Distance Charges will be re-implemented as from the 1st April 2007. This will assist in adhering to the principle of equity and user payment, as I am informed that heavy vehicles are not contributing their fair share relating to their “consumption” of the road network.

Stakeholders are requested to be more closely involved in the planning and funding of the road network. You are indeed encouraged to actively partake in the annual Road Business Plan consultations and engage in a healthy debate with the Road Fund Administration. I would therefore like to use this opportunity to appeal to all stakeholders to support your Road Fund in their efforts to manage the road user charging system, to the extent that the ultimate objective of a safe and efficient road sector can be achieved.

Equally, I would like to appeal to private sector which inflates prices when services are sought for road construction or even maintenance works. At this juncture I caution the Roads Authority to ensure that good value for money and competitive prices are secured during the processing of services of this nature.

I am pleased to note that the Board of the Roads Fund Administration is now fully constituted in terms of the legislative requirements of the RFA Act. I urge you to take up your ultimate responsibility for ensuring the effective and efficient management of the road user charging and the Road Fund. I, however caution you to take great care in discharging this responsibility. I once more encourage the Roads Authority not to create financing crisis due to poor planning and lack of focus but to utilise the resource available to it strategically and effectively.

As we approach the Independence and Easter celebrations, we should have the safety of our co-road users in mind. According to statistics, last year has been the worse in terms of road accidents and related deaths, which adversely impact on the economic activities of our country. Let us stand together and curb this evil in our society, in answering to His Excellency, the President of the Republic of Namibia's recent call "**to stay alert**"

Ladies and gentlemen, I use this occasion to wish you all a good evening and purposeful social interaction.

ENJOY YOUR MEAL.

I THANK YOU.
