



**REPUBLIC OF NAMIBIA**

**ROAD FUND ADMINISTRATION**

# **Five-Year Business Plan**

**April 2019 to March 2024**

**FINAL DRAFT**

**Chief Executive Officer**

**Road Fund Administration**

**Private Bag 13372**

**WINDHOEK**

**Final Draft Version**

**13 December 2018**

Board of Directors: Mr P. Ithindi (Chairperson), Dr. S. Amunkete, Ms Z. Stellmacher, Mr. R. Amadhila, Ms N. Henok, Mr. A. Ipinge CEO (Ex Officio)

All official correspondence should be addressed to the Chief Executive Officer

21 Feld Street, Private Bag 13372, Windhoek, Namibia, Tel: +264 61 433 3000, Fax: + 264 61 433 3070,

Website: [www.rfanam.com.na](http://www.rfanam.com.na) E-Mail: [info@rfanam.com.na](mailto:info@rfanam.com.na)

**CONTENTS**

	<u>Page</u>
PREAMBLE .....	iv
DEFINITIONS .....	iv
EXECUTIVE SUMMARY .....	v
<b>1 INTRODUCTION.....</b>	<b>1</b>
1.1 Company overview .....	1
1.1.1 Corporate vision.....	1
1.1.2 Mission Statement .....	1
1.1.3 Code of ethics .....	1
1.2 Background to the Preparation of the Business Plan .....	1
1.3 Stakeholder Consultation.....	2
<b>2 STATUTORY OBJECTIVES AND FUNCTIONS OF THE ROAD FUND ADMINISTRATION AND ROAD FUND.....</b>	<b>3</b>
2.1 Object of the Road Fund Administration .....	3
2.2 Road User Charging System Objectives .....	3
2.3 Objectives for the Management of the Road Fund .....	4
2.4 Responsibilities of the RFA with respect to the Achievement of Objectives .....	5
<b>3 OBJECTIVES AND STRATEGIES OF THE RFA FOR THE BUSINESS PLAN PERIOD.....</b>	<b>7</b>
3.1 Introduction.....	7
3.2 Strategic Direction for the Development of the Road User Charging System .....	8
3.2.1 Institutional Development .....	8
3.2.2 Optimisation of Funding.....	10
3.3 Prioritisation of Funding Allocations under Funding Constraints .....	12
3.4 Funding Objectives for the Business Plan Period .....	12
3.4.1 Expression of Objectives of Funding through the Road User Charging System .....	12
3.4.2 The Approved Budget for the Ensuing Financial Year.....	13
3.4.3 Road User Charges Rates Determination .....	13
3.4.4 Overview of Revenue and Expenses .....	13
3.4.5 Overview of Deficit Financing.....	18
<b>4 EXPECTED PERFORMANCE OF THE ROAD FUND FOR THE NEXT FINANCIAL YEAR .....</b>	<b>20</b>
4.1 Gap Analysis between Objectives of the Previous and Current Business Plan for the Financial Year Ending March 2020 .....	20
4.2 Conclusions on Expected Performance in the Financial Year 2020 .....	22
<b>5 PARTICULARS AND ANALYSIS OF THE BUSINESS PLAN .....</b>	<b>22</b>
5.1 Introduction to the Analysis .....	22
5.2 Determinations made by the Administration.....	22
5.2.1 Types of determinations .....	22
5.2.2 Information taken into account when making determinations .....	23
5.2.3 Funding Determinations made.....	29
5.2.4 Determination of Road User Charges .....	31
5.3 Income of the Road Fund and Rates of Road User Charges.....	31
5.3.1 Income from Road User Charges .....	31
5.3.2 Rates of Road User Charges .....	32
5.4 Particulars of Contributions from Sources other than the Road Fund .....	32
5.4.1 Contributions to the Traffic Information System.....	32

5.4.2	Contributions to Vehicle and Driver Testing .....	32
5.4.3	Contributions to Road Research Studies .....	32
5.5	Particulars of Handling Surpluses and Deficits .....	32
5.6	Particulars of Subsidy / Grants .....	33
5.7	Particulars of Loans .....	33
5.7.1	KfW Loan obtained by RFA in November 2015 .....	33
5.7.2	KfW Loan obtained by RFA in December 2017 .....	34
5.8	Particulars and Analysis of Business Plan Critical Factors .....	34
6	PARTICULARS AND ANALYSIS OF ROAD FUND INVESTMENTS .....	35
7	PARTICULARS CONCERNING THE ROAD FUND ADMINISTRATION .....	36
7.1	Operational and Capital Budget of the Road Fund Administration for the Next Financial Year 36	
7.2	Past and Future Financial Statements of the Road Fund Administration .....	36
7.3	Management Plan: Organisational Structure and Staffing of the Road Fund Administration	37
8	GOVERNANCE, LEGAL AND COMPLIANCE .....	38
9	CORPORATE OVERVIEW .....	39
9.1	Stakeholder Management and Engagement .....	39
9.2	Code of Ethics .....	40
9.3	Corporate Social Investment .....	40
9.4	Information Communication Technology's (ICT) Strategic Perspective .....	40

## LIST OF TABLES

Table 1: Revenue .....	vi
Table 2: Expenditure .....	viii
Table 3: Road User Charges Increases .....	ix
Table 4: RFA core values .....	1
Table 5: Road Sector Funding Objective .....	7
Table 6: RUC increase in Rates .....	13
Table 7: Main Planning Parameters.....	14
Table 8: Historical RUC revenue .....	31

## LIST OF FIGURES

Figure 1: Namibian Consumer Price Index.....	24
Figure 2: Vehicle Registration Statistics-Heavy vehicles.....	25
Figure 3: Vehicle Registration Statistics-Light vehicles.....	25
Figure 4: Vehicle Registration Statistics-All vehicles.....	25
Figure 5: Diesel Consumption.....	26
Figure 6: RUC Increases.....	32
Figure 7: KfW Loan 2015 .....	33
Figure 8: KfW Loan 2017 .....	34

### Appendix

Financial Tables of the Business Plan for the Financial Years 2020 to 2024

## PREAMBLE

This Business Plan of the Road Fund Administration, for the period from 1 April 2019 to 31 March 2024, is being prepared in terms of section 21 of the Road Fund Administration Act, 1999 (Act No. 18 of 1999), with an extended in scope to additionally include the information required in terms of clause 6 of the Governance Agreement between the Minister of Finance and the Board of Directors of the Road Fund Administration.

The Business Plan was adopted by the Board of Directors of the Road Fund Administration on 13 December 2018, in compliance with section 21 of the Road Fund Administration Act.

The final Business Plan has subsequently been prepared in compliance with section 6 of the Public Enterprise Governance Agreement. Copies of the final version have been submitted to the Minister of Finance and the Minister of Public Enterprises for comment in compliance with the Public Enterprises Governance Act, 2006 as amended.

Before finalisation and adoption of this Business Plan, consultations as provided for in section 21 (5) of the Road Fund Administration Act were held with interested and affected parties (stakeholders) at a public stakeholders' meeting on 20 November 2018. Substantial responses received at this meeting have been accommodated in this Business Plan.

The Business Plan is presented as a budget of revenue, including loans, and expenditure for road sector projects and programmes of which the funding is authorised by the provisions of section 17 of the Road Fund Administration Act. On an annual basis, deficits have been allowed to the extent that they can be covered by Road Fund cash assets and through loans, and surpluses have been budgeted for as required to replenish the Fund's cash assets and redeem loans in compliance with loan agreements.

---

PENDA ITHINDI  
CHAIRMAN

---

DATE

---

## DEFINITIONS

<u>Term</u>	<u>Definition</u>
Business Plan	The Road Fund Administration's business plan in terms of section 21 of the Road Fund Administration Act, 1999. When written in lower case letters, the term "business plan" is used in a generic sense.
MDC	Mass-distance Charge
MDCS	Mass-distance Charging System
MLTRMP	Medium- to Long-term Roads Master Plan of the Roads Authority
MWT	Ministry of Works and Transport
NaTIS	Namibian Traffic Information System
RA	Roads Authority, established by the Roads Authority Act, (Act 17 of 1999).
RA Act	Roads Authority Act, 1999 (Act 17 of 1999).
RFA	Road Fund Administration, established by the Road Fund Administration Act, (Act 18 of 1999).
RFA Act	Road Fund Administration Act, 1999 ( Act 18 of 1999)

## EXECUTIVE SUMMARY

### **Introduction**

The Road Fund Administration Act, 1999 (Act 18 of 1999, hereinafter referred to as the “RFA Act”), envisaged that the Administration should regulate funding to the road sector according to a Government policy of full cost recovery from road users for the economically justified cost of road sector projects and programmes as defined in the Act. Such regulatory function was to be performed by managing the road user charging system, as defined in section 1 of the RFA Act, and which explicitly entails full cost recovery from road users. Management of the road user charging system was defined as entailing the determining the amount and manner of funding for such projects and programmes, and determining the road user charges to be levied to secure the determined amounts.

The Government has subsequently assumed the regulation of road user charges, and the RFA now only fulfils an advisory function in this respect.

As a result, the amount of funding determinations as envisaged in terms of section 20(4)(a) no longer have any effect in respect of the determination of road user charges. The RFA, however, continues to include amount of funding determinations in the Business Plan as a reference point against which to assess the savings that need to be imposed to achieve “manner of funding” determinations in alignment with sustainable Road Fund revenues.

The Business Plan accordingly sets out amount and manner of funding determinations that the Administration has made with respect to budgets submitted to it for funding in terms of section 20 of the RFA Act.

### **Summary of Business Plan**

#### **Funding constraints**

Whereas the RFA Act had envisaged revenue determinations to follow funding determinations, revenue considerations are now placed first, as these constrain the feasible funding determinations. For the 5-year period of this Business Plan, the manner of funding is constrained by the projected revenue over this period, as summarised below (amounts are rounded from Table 5, as reflected in Appendix and slight differences may occur due to rounding).

**Table 1: Revenue**

Revenue Inside Road User Charging System	FY2018	FY2019		FY2020		Business Plan Total	
Revenue by Source [N\$ million]	Actual	Original Budget	Revised Budget	RUCS	GRN	RUCS	GRN
<b>Road User Charges Revenue</b>	2,108	2,280	2,199	2,315	0	12,507	0
<i>Fuel levies Collected (gross before refunds)</i>	1,420	1,601	1,463	1,561	0	8,579	0
<i>Less Fuel Levies Refunds</i>	260	272	268	281	0	1,508	0
<b>Fuel Levies Collected (nett after refunds)</b>	1,161	1,329	1,196	1,280	0	7,072	0
<i>Vehicle License Fees</i>	675	631	712	728	0	3,789	0
<i>Entry Fees</i>	131	141	142	145	0	758	0
<i>Mass-Distance Charges</i>	119	131	137	150	0	826	0
<i>Abnormal Load Charges</i>	22	48	11	11	0	56	0
<i>Road Carriers Permits</i>	0	0	1	1	0	6	0
<b>Additional Revenue</b>	25	304	266	257	0	339	0
<i>Government co-funding</i>	0	0	0	0	0	0	0
<i>Financing Instruments</i>	25	270	266	257	0	339	0
<i>Remainder of minor revenue sources</i>	0	34	0	0	0	0	0
<b>Total</b>	<b>2,133</b>	<b>2,584</b>	<b>2,465</b>	<b>2,572</b>	<b>0</b>	<b>12,846</b>	<b>0</b>

\*Please note that the RUC revenue figure of N\$2,465bn for the FY2018/19 is based on the latest forecast as compared to the initial budget of N\$2.584bn. The forecasted figure is mainly used for the purpose of forward projection.

### Amount and manner of funding of projects and programmes

#### Budgets received

Amount and manner of funding determinations are based on budgets submitted to the Administration. The following budgets were received:

1. Roads Authority:
  - (a) Management of the national road network, including administrative expenses of the Authority;
  - (b) National traffic information system; and
  - (c) Vehicle and driver testing.
2. Local Authorities and Regional Councils:
  - (a) Traffic related maintenance of urban roads.
3. Namibian Police and some Local Authorities:
  - (a) Traffic law enforcement.
4. National Road Safety Council:
  - (a) National Road Safety Council projects.

With a view to the Business Plan presenting a comprehensive picture of the funding of national road network projects, the Roads Authority has also communicated to the Administration a list of projects that are to be funded entirely through Government's budgetary allocations to the Ministry of Works and Transport. Such projects are not subject to the amount and manner of funding determinations

made by the Administration, and they are accordingly reported as funded outside the road user charging system. A list of these projects is provided in Table 2, as reflected in the Appendix. The budgeted amounts for these projects should be regarded as indicative, as they are subject to budgetary allocation decisions made by Government, which would not necessarily be communicated to the Administration.

#### Amount of funding determinations

##### *Purpose*

Amount of funding determinations reflect the amount of funding that **should be allocated** to each project and programme for which the Roads Authority and approved authorities have submitted a budget request to the Administration. They are based mainly on economic efficiency principles, and additional considerations as stated in the RFA Act.

The RFA has framed Rules and Principles in terms of section 19(2) of the RFA Act to stipulate the economic and auxiliary principles to be applied in amount of funding determinations.

##### *Projects and programmes pertaining to the Management of the National Road Network*

Amount of funding determinations for projects and programmes have been based on economic analysis information provided by the Roads Authority, and the recommendations of the Roads Authority's Medium- to Long-term Roads Master Plan (MLTRMP) of 2012. Part I of the Rules and Principles is applied in making these determinations, as well as in determinations pertaining to concomitant expenses that are mainly of an administrative nature.

##### *Other programmes of the Roads Authority*

*Amount of funding determinations were made for the:*

- Traffic information system – applying Part IV of the Rules and Principles; and
- Vehicle and driver testing – applying Part VI of the Rules and Principles.

It should be noted that the overload control function performed by the Roads Authority in terms of the Roads Authority Act, 1999 (Act 17 of 1999), is statutorily part of the Authority's function of "management of the national road network", and is not to be regarded as a traffic law enforcement function as envisaged in the RFA Act.

##### *Local Authority programmes*

*Amount of funding determinations were made for the:*

- Traffic related maintenance of urban roads – applying Part III of the Rules and Principles; and
- Traffic law enforcement functions performed by some of the larger municipalities – applying Part V of the Rules and Principles.

##### *Namibian Police Traffic Law Enforcement Programmes*

Amount of funding determinations were made for the traffic law enforcement functions performed by the Namibian Police – applying Part V of the Rules and Principles.

In the cases of urban roads maintenance and traffic law enforcement, the Administration was not able to evaluate programmes based strictly on economic efficiency principles, and applied subsection 17 (2) of the RFA Act to determine types and maximum amounts of funding.

##### *National Road Safety Council*

The RFA Act does not require amount and manner of funding determinations for expenditure referred to in section 15 of the National Road Safety Act, 1972 (Act No. 9 of 1972). In terms of section 15(4) of this Act, the Minister of Works and Transport is authorised to make funding determinations based on

budgets submitted to the Minister by the National Road Safety Council. Consequently, the RFA has not framed applicable Rules and Principles for such determinations.

### Summary

Amount of funding determinations are tabulated in Table 3, as reflected in the Appendix.

### Manner of funding determinations

#### *Purpose*

Manner of funding determinations are to be made to determine the funding that **can be allocated** to each project and programme subject to the availability of funds from the road user charging system and funds from other sources channelled through the Road Fund.

A summary of the amount of funding determinations, compared to the manner of funding determinations that are feasible within the ruling funding constraints, is tabulated below (amounts are rounded from Table 4, as reflected in the Appendix and slight differences may occur due to rounding).

**Table 2: Expenditure**

Expenditure Inside RUCS	Budget		Amount of Funding		Manner of Funding		Funding Gap	
	FY2019 [N\$ mil.]	FY2020 [N\$ mil.]	FY2020 [N\$ mil.]	BP Total [N\$ mil.]	FY2020 [N\$ mil.]	BP Total [N\$ mil.]	FY2020 [N\$ mil.]	BP Total [N\$ mil.]
RA Administration	480	596	3,480	463	2,478	(133)	(1,002)	
RA Administration Projects	117	190	1,107	91	204	(99)	(903)	
RA Agency Functions	58	170	470	124	468	(46)	(2)	
RFA Administration	114	119	657	119	625	0	(32)	
Road Fund Account	118	123	276	112	268	(11)	(8)	
Road Fund Financing	114	0	0	126	769	126	769	
<b>National Roads</b>	<b>1,177</b>	<b>2,329</b>	<b>12,159</b>	<b>1,376</b>	<b>7,041</b>	<b>(953)</b>	<b>(5,118)</b>	
<i>Maintenance</i>	1,154	1,863	10,854	1,132	6,385	(731)	(4,469)	
<i>Rehabilitation</i>	23	465	1,163	244	656	(221)	(507)	
<i>Development</i>	0	1	142	0	0	(1)	(142)	
Urban Roads Maintenance	118	123	622	119	758	(4)	136	
Traffic Law Enforcement	35	60	339	38	214	(22)	(125)	
National Road Safety Council	2	2	12	2	12	0	0	
<b>TOTAL</b>	<b>2,333</b>	<b>3,712</b>	<b>19,122</b>	<b>2,570</b>	<b>12,837</b>	<b>(1,142)</b>	<b>(6,285)</b>	

### Summary

Manner of funding determinations are tabulated in Table 4, as reflected in the Appendix.

### Assets and Liabilities of the Road Fund

#### *Financing of the funding shortfall*

As indicated in the tables above, additional financing is however required to bridge the funding constraints within the period of this Business Plan.

The KfW loan 2017 is to finance the rehabilitation of TR1/3 between Keetmanshoop and Mariental (Section A: 87.3km between Tses and Gochas).

The loan amount is N\$482 million and would be disbursed in two tranches in the financial years 2019 and 2020. The first tranche of N\$241 million was disbursed in May 2018 and the second and final tranche of N\$241 million is expected in May 2019.

The annual financial statements of the Road Fund account for the 2018 financial year indicate the following cash position for the Road User Charging System:

- In the 2018 financial year, the total assets at the disposal of the Road Fund amounted to N\$692 million; total liabilities at N\$1,011 million; and accumulated deficit to the tune of N\$318 million.

Based on this result, and:

- Estimates of revenues and expenditure in the financial year 2019 according to current trends; the Business Plan projects that the Road Fund will be in an accumulated deficit to the tune of N\$188 million at the end of the financial year 2019.

The projected deficit at the end of the financial year 2019 has necessitated the RFA budgeting for a surplus of revenue over expenditure in the financial year 2020, amounting to a projected break-even amount of about N\$1million.

Furthermore, the RFA created a reserve fund to make allowances for the capital redemption of the loan undertakings. Subsequently, this Business Plan yields an amount of N\$135million over the implementation period.

#### *Summary*

A summary of the estimated revenue and expenditure, assets and liabilities of the Road Fund is tabulated in Table 6, as reflected in Appendix.

#### Determination of levels of road user charges

The RFA no longer performs the determination of road user charges as envisaged in the RFA Act. As a pragmatic approach, the RFA generally advises the Minister of Finance that road user charges increases should be granted annually at least in line with consumer price inflation. With such increases being based on levels of road user charges that have remained inadequate ever since the establishment of the Road Fund, it is not possible to achieve the aim of an economically efficient road sector as envisaged in the RFA Act.

Increases in the rates of road user charges were most recently granted in May 2018, as tabulated below. Consultations with the Ministry of Finance have been initiated to motivate further increases in the rates of road user charges.

**Table 3: Road User Charges Increases**

<u>Road User Charge</u>	<u>Approved Increases May 2018</u>
<b>Fuel Levies on petrol and diesel</b>	6.5% (current levy at 130 c/l)
<b>License Fees</b>	6.5%
<b>Entry Fees / Cross Border Charges</b>	6.5%
<b>Mass Distance Charges</b>	6.5%

### **Implications of the Business Plan**

It is evident that the amount of funding that can be collected through the road user charging system is substantially inadequate to achieve the object of the RFA Act of a “safe and efficient road sector”.

The achievement of this aim on a broader national funding level will therefore depend on the Government assuming responsibility for funding the difference between the amount of funding as determined for achieving economic efficiency, and the amount that the road user charging system can contribute subject to the road user charges constraints imposed.

The direct result of constraints on the increases of road user charges is that the Road Fund as from the financial year 2020 (i.e. ending in March 2020) will only be able to fund the following expenses:

- a) The maintenance of the national road network (N\$1.131 billion), albeit only at a suboptimal level;
- b) The rehabilitation of the national road network, including bridges structures (N\$244 million);
- c) A contribution to the maintenance of urban streets and rural road networks (N\$119 million), likewise at a suboptimal level;
- d) The operation of the Namibian Traffic Information System (N\$40 million);
- e) A contribution to traffic law enforcement (N\$38 million);
- f) A contribution to projects of the National Road Safety Council (N\$2.2 million);
- g) The servicing, including capital redemption, of a KfW loan by the Government to the Road Fund, and for the financial arrangements towards the KfW loan as signed in November 2015 (KfW Loan 2015);
- h) The servicing, including capital redemption, of a KfW loan by the Government to the Road Fund, and for the financial arrangements towards the KfW loan as signed in December 2017 (KfW Loan 2017);
- i) The administrative expenses of the RA (N\$450 million);
- j) The administrative expenses of the RFA (N\$119 million);
- k) The road fund expenses of the RFA, such as
  - MDC Automation Project (N\$54 million); and
  - ICT System Development – ERP (N\$6.9 million).
- l) The land acquisition, development and construction of a ONE STOP NaTIS Centre in Windhoek (N\$83 million).

## 1 INTRODUCTION

### 1.1 Company overview

#### 1.1.1 Corporate vision

To be the global leader in sustainable road infrastructure funding and management, contributing to national development goals.

#### 1.1.2 Mission Statement

To manage Namibia's road user charging system to provide optimum funding for an equitable, safe and economically efficient road sector, for the benefit of road users.

#### 1.1.3 Code of ethics

The RFA core values provide the framework which enables the RFA to execute its mission (mandate) whilst driving towards its vision. They are the principles that govern RFA employee behaviour as they work with one another, the government, customers and all other road sector stakeholders.

**Table 4: RFA core values**

Value	Definition
<b>Integrity</b>	As RFA we inspire trust through honesty and ethical behaviour - what we say matches what we do.
<b>Accountability</b>	As RFA we acknowledge and assume responsibility for our actions, decisions and policies; and learn from all situations to improve our internal and external services.
<b>Efficiency</b>	As RFA we allocate and utilize resources in a way that maximizes benefit to customers by ensuring we deliver quality outputs on time to meet or exceed expectations.
<b>Transparency</b>	As RFA we make decisions that are clear in terms of their context, rationale and communication.
<b>Teamwork</b>	As RFA we work co-operatively, supporting and respecting one another and recognizing group achievements while resolving conflict in an open and agreed manner.
<b>Innovation</b>	As RFA we continuously seek new ways of unlocking value for our stakeholders through better ways of planning and doing
<b>Service Excellence</b>	As RFA we maintain the highest possible standards in implementation, with a continuous focus on internal and external stakeholder needs and providing clear feedback on our performance.

### 1.2 Background to the Preparation of the Business Plan

This Five-Year Business Plan for the period from 1 April 2019 to 31 March 2024 has been prepared in pursuance of section 21 of the RFA Act, which obliges the RFA to prepare a Business Plan based on its funding determinations made in accordance with section 20(4) of the Act, and estimated revenues accruing to the Road Fund in terms of section 16 of the Act.

Funding determinations are based on budgets submitted to the RFA by the RA and other Approved Authorities in accordance with section 20(1) of the Act. It is therefore important to note that the RFA does not of its own budget for projects and programmes included in this Business Plan, other than those relating to the management of the road user charging system and Road Fund, which are managed by the RFA. The Business Plan is therefore almost entirely based on budgets and programmes submitted for funding by the RA and other Approved Authorities. These funding determinations comprise the expenditure part of the Business Plan.

After having made its funding determinations, section 18 of the Act requires the RFA to determine the rates of road user charges, and impose such charges such as to ensure the raising of adequate revenue to cover the funding determinations made. These determinations, together with other revenue accruing to the Road Fund in terms of section 16 of the Act, comprise the revenue part of the Business Plan.

The numbering of financial years as referred to in the Business Plan follows the accounting practice of numbering financial years by the calendar year **in which a financial year ends. (for example FY2018/19 is reflected as FY2019, and so forth).**

### **1.3 Stakeholder Consultation**

In terms of section 21(5) of the RFA Act, the RFA is obliged to consult with stakeholders, as may be determined by the Minister of Finance and the Minister responsible for Transport, before the finalisation of the Business Plan. Specifically, such consultations should consider the extent to which the Business Plan gives effect to the achievement of a safe and efficient road sector.

A stakeholder consultation workshop was held on 20 November 2018 in compliance with the aforementioned requirements. A report on the workshop, including a list of invited and attending stakeholders, has been prepared and is available for inspection at the offices of the RFA.

The stakeholders' key issues and recommendations are listed hereunder:

- **KEY ISSUES:**
  - Implementation of the funding allocation model for Approved Authorities;
  - Reduction of the RFA and RA administration costs;
  - Focus on road preservation, more specifically the improvement of the gravel road network condition;
  - Adoption of best practices and strategies from regional and international road industries;
  - Alignment to the Public Procurement Act, 2015;
  - Implementation of the Public Private Partnerships (PPP) Act, 2017;
  - Diversion from overreliance on the fuel levy;
  - Investigation into additional revenue streams;
  - Review of the RFA funding recipients.
  
- **RECOMMENDATIONS:**
  - Introduce an integrated transport planning and management strategy, key focus on the realisation of the Namibia logistic hub concept;
  - Close liaison with Government Authorities and Private Sector institutions for the implementation of PPP models;
  - Review the applicability of the current road user charges (RUCs);
  - Adopt a strategy to investigate and introduce alternative revenue sources;
  - Review and justify the RFA funding recipients through the RFA Act Amendment Project;
  - Introduce, monitor and evaluate the road safety mechanisms;
  - Implement the NaTIS One-stop Centre concept for effective and efficient revenue collection.

This Business Plan responds to inputs obtained at the stakeholder workshop as relevant and possible.

## **2 STATUTORY OBJECTIVES AND FUNCTIONS OF THE ROAD FUND ADMINISTRATION AND ROAD FUND**

### **2.1 Object of the Road Fund Administration**

The Road Fund Administration (RFA) was established by the Road Fund Administration Act, 1999 (Act 18 of 1999, hereafter referred to as “the RFA Act”). Its statutory object is “to manage the road user charging system in such a manner as to secure and allocate sufficient funding for the payment of expenditure as contemplated in section 17(1), with a view to achieving a safe and efficient road sector.”

### **2.2 Road User Charging System Objectives**

The road user charging system is defined in section 1(1) of the RFA Act as a system providing for the independent regulation of road funding in accordance with economic efficiency criteria and full cost recovery from road users comprising, in sequential order, the following:

- (i) the determination of the amount of funding for road projects and programmes;
- (ii) the determination of the manner in which such amount of funding shall be allocated; and
- (iii) the determination, and the imposition, of the types and rates of road user charges.

The imposition of road user charges is understood to include the collection of road user charges and the management thereof by means of the Road Fund, which was established in terms of section 16(1) of the RFA Act.

The overall Government policy for the transport sector (as per the White Paper on Transport Policy, June 1995), which has in part been implemented through the RFA Act, is that a system of road user charges for Namibia should be implemented to promote the economic objectives of Government. In managing the road user charging system, the RFA is bound by the objective to comply with the specific Government policies underlying the road user charges determinations to be made by the RFA, which are:

1) “User pay” principle:

- a) the determination of the economically justified real stable expenditure level on road sector projects and programmes, mainly for the provision and preservation of the national road network, which is the regulatory function to be exercised by the RFA;
- b) the determination of the rates of road user charges to fully recover from road users the associated costs;

2) “Efficiency” principle:

- a) promote economic efficiency and the efficient utilisation of resources by minimising the total costs of road transport to society, such costs consisting mainly of the sum of road infrastructure costs and vehicle operating costs;

3) “Equity” principle:

- a) not have the effect that a certain part of the community is taxed to provide a facility which they largely do not use or that one group of road users subsidises another group of road users;
- b) not unfairly impact on road/rail competition; and

4) “Non-discrimination” principle:

- a) provide for charges on foreign-based operators and take cognisance of road user charging systems in neighbouring countries.

The policy with respect to charges on foreign-based operators, which is harmonised with the SADC policy on cross-border transport, provides that:

- (a) There should be recovery of road costs from foreign vehicles;
- (b) Transit charges for the recovery of such costs should be non-discriminatory, and
- (c) Transit charging systems should facilitate regional transport and trade.

### **2.3 Objectives for the Management of the Road Fund**

Section 16(1) of the RFA Act establishes the Road Fund, into which shall be paid (numbered below like in section 16(1) the RFA Act):

- (a) all moneys collected in respect of road user charges;
- (b) moneys appropriated by Parliament;
- (c) moneys accruing to the Fund through the sale of any assets of the Administration;
- (d) moneys paid to the Fund by the Authority in respect of the proceeds of the sale of any assets of the Authority;
- (e) capital gains made and interest or dividends earned on investments;
- (f) donations or grants made in respect of any project or programme;
- (g) moneys received in respect of a loan obtained by the Administration;
- (h) moneys payable in terms of a judgement relating to compensation for the damaging of a road managed by the Roads Authority;
- (i) fines imposed in respect of any contravention of, or failure to comply with, any provision of a law relating to the overloading of vehicles; and
- (j) moneys which, with the consent of the Minister of Finance, may accrue to the Fund from any other source.

Section 17(1) permits road user charging system funds to be expensed on the types of expenditure that are listed below and numbered as in section 17(1):

- (a) Management of the national road network as provided for in section 16(1) of the Roads Authority Act, Act 17 of 1999, including the administrative expenditure of the Roads Authority and the payment of compensation referred to in section 65 of the Roads Ordinance, 1972;
- (b) Administrative expenditure of the Road Fund Administration, including expenditure relating to the management of the road user charging system;
- (c) The cost of:
  - (i) Planning, design, construction and maintenance of any major urban arterial road, which has been designated as such by the Minister of Finance by notice in the Government Gazette;
  - (ii) Traffic related maintenance in respect of any road in any local authority area, as defined in section 1 of the Local Authorities Act, or any settlement area, as defined in section 1 of the Regional Councils Act, not being a road which is part of the national road network;
- (d) Operation of any traffic information system established and maintained in terms of the road traffic laws;

- (e) Traffic law enforcement and adjudication functions performed by any competent authority for purposes of promoting a safe and efficient road system, including the control of the overloading of vehicles;
- (f) Operation of any vehicle testing station or driving testing centre, subject to the approval of the Minister of Finance;
- (g) Road research studies carried out by any person approved by the Administration;
- (h) Expenditure referred to in section 15 of the National Road Safety Act, 1972 (Act No. 9 of 1972);
- (i) Payments, as the Minister of Finance may determine, in respect of the capital, interest and incidental costs or charges of any loan obtained by the Government of Namibia, before the commencement of this Act, for any purpose related to the national road network;
- (j) Payments in respect of the capital, interest and incidental costs or charges of loans obtained by the Road Fund Administration;
- (k) Reserve fund to bridge discrepancies between annual revenues and expenditure and protect the liquidity of the Road Fund;
- (l) Payment of compensation due to any damages arising out of the performance of the functions conferred upon or entrusted to the Roads Authority by or under any law, except where such damage is due to a deficiency in standards as determined by the Minister responsible for Transport;
- (m) Insurance against any claim for damage referred to above;
- (n) Any other expenditure related to the achievement of the objects of the Road Fund Administration Act as approved by the Minister of Finance.

Specific statutory objectives are that the RFA shall manage the Road Fund:

- In accordance with sound principles of financial management; and
- Such as to protect the liquidity of the Fund.

## **2.4 Responsibilities of the RFA with respect to the Achievement of Objectives**

Firstly, the RFA is responsible for determining the amount of funding required to achieve a safe and efficient road sector. For this purpose, the RFA must receive budgets from the RA and other Approved Authorities for projects and programmes to be funded from the Road Fund. The RFA then scrutinises the submitted projects and programmes for compliance with the provisions of the RFA Act. This includes specifically verifying whether prescribed safety standards have been adhered to, where applicable, and a verification of the economic warrants for funding claimed for these projects and programmes.

**It is important to note that in terms of the RFA Act, the onus for proving the economic warrants of projects and programmes rests on applicants, and not on the RFA.** The RFA Act does not envisage that the RFA should duplicate the onerous and costly studies and calculations often involved in preparing the requisite proof.

**Instead, the RFA is responsible for applying an independent review to the submitted proof to determine that such proof is founded on generally accepted technical, transportation economic, and financial practice.**

The management of the road user charging system such as to meet the objectives as per the RFA Act had envisaged that the amount of funding determination should be a regulatory determination. Accordingly, having made such determination, the RFA would be responsible for determining road user

charges accordingly so that the full determined amount of funding for a five-year Business Plan period is collected by means of road user charges within such period.

However, since the rates of road user charges are in practice not determined by the RFA, but by Government at rates below the levels required for full cost recovery, this statutory objective has not been implementable. In practice, therefore, the RFA performs the amount of funding determination only as a benchmark against which to compare the amount of funding which can feasibly be collected depending on the rates road user charges as determined by Government.

Secondly, the RFA is responsible for analysing the funding and road user charging implications of raising the optimal amount of funds as per the amount of funding determination, and make determinations regarding the manner of funding. This includes formulating a strategy for setting the rates of road user charges, and taking into account the funds that will be available to the Road Fund from collecting road user charges in accordance with the strategy and from other sources. Such other sources can include grants from Government and donors and monies borrowed for the account of the Road Fund.

Regarding the formulation of a strategy for setting the rates of road user charges, the arrangement adopted in practice is that the RFA only performs an advisory function to the Government.

Thirdly, the RFA is required to publish the rates of road user charges, as determined by Government, by means of public notices in the Government Gazette.

Fourthly, the RFA must collect and deposit into the Road Fund all road user charges and other monies, such as donor loans and funding allocations made by Parliament, manage the Road Fund in accordance with generally accepted accounting principles, and make payments out of the Road Fund to the RA and other Approved Authorities in accordance with the manner of funding determinations set out in the RFA Business Plan.

Lastly, subsection 15 (1) (e) of the RFA Act provides the following powers to the RFA regarding the monitoring of the Roads Authority and other approved authorities:

“to implement appropriate measures for the effective monitoring of compliance -

- (i) by the RA, with the provisions of a procedures agreement contemplated in section 17 of the RA Act; and
- (ii) by an approved authority, with the conditions on which funding has been provided to it under this Act”.

The procedures agreement between the RFA and the RA is a document, which the RA must prepare and in which it essentially must set out the management and financial systems to be implemented by the RA, the principles to be applied in budgeting for administrative expenditure, and the procedures to be followed by the Authority in the awarding of tenders. It is therefore essentially a document that provides the RFA with assurances that the RA will act in a publicly accountable manner. However, the responsibility for the performance of the RA rests with the Minister responsible for transport, with whom the Authority must conclude a performance agreement in accordance with section 18 of the RA Act.

Regarding the funding conditions, under which the RFA will provide funding to Approved Authorities generally, the practice adopted by the RFA has been to impose conditions similar to those in the Procedures Agreement with the RA, but simplified in a manner appropriate to the needs.

### 3 OBJECTIVES AND STRATEGIES OF THE RFA FOR THE BUSINESS PLAN PERIOD

#### 3.1 Introduction

The objectives and strategies of the RFA pertain to the management of the road user charging system and the utilisation of the funds of the Road Fund, such as to fulfil its statutory mandate of managing the road user charging system.

The specific objective for the five-year planning period the Business Plan is to secure **road sector funding inside the road user charging system** as tabulated below. This includes contributions to be budgeted by Government that are deemed to be inside the road user charging system, because of being allocated to projects and programmes, which are also co-funded by the road user charging system.

**Table 5: Road Sector Funding Objective**

Road Sector Funding Objective FY 2020-2024 [N\$ billion]	Total	RUCS	GRN	% of Total
Total allocation for BP 5-year period [N\$ billion]	13.126	12.837	0.289	100.00%
National road network	9.984	9.723	0.261	76.06%
Traffic information system / vehicle & driver testing	0.496	0.468	0.028	3.78%
Road user charging system administration expenses	0.893	0.893	0.000	6.80%
Financing commitments	0.665	0.665	0.000	5.07%
Maintenance of urban roads and streets	0.758	0.758	0.000	5.77%
Traffic law enforcement contributions	0.214	0.214	0.000	1.63%
National Road Safety Council contributions	0.012	0.012	0.000	0.09%

The RFA recognises that Government's Vision 2030, the National Development Plans, NDP5, Medium-Term Expenditure Framework, Harambee Prosperity Plan and Annual Budgets are of particular application applicable to the portion of road user charging system funds allocated to the Management of the National Road Network.

The procedure is that the RA, in consultation with particularly the Ministry of Works and Transport and the National Planning Commission, prepares a Medium- to Long-term Roads Master Plan (MLTRMP) and five-year budgets within the framework of the MLTRMP. Accordingly, the RA's budget is informed by the aforementioned Government policy documents.

The RA submits its budget to both the Government and the RFA for funding respective portions thereof.

Based on the submitted budget, the RFA determines an amount of funding that is feasible to collect and contribute from road user charges within the constraints of the road user charges rates as determined by Government.

Co-funding by Government inside the road user charging system eventually depends on the approved Government budget. For the purpose of this Business Plan, a budgetary provision of N\$261million had been incorporated towards the rehabilitation of TR1/3: Keetmanshoop and Mariental (Section A: between Tses and Gochas).

A further Government commitment of an amount of N\$28million has been allowed for the NaTIS Vehicle & Driver Testing Centre.

With both the Road Fund and Government being constrained in the availability of funds, it has regularly been the case that some projects and programmes had to be reduced in scope, and that some could not be funded at all.

The Business Plan of the RFA essentially deals with projects and programmes funded inside the road user charging system; i.e., those in respect of which the RFA has made amount and manner of funding determinations. Nevertheless, in the interest of presenting a complete picture of road sector funding, projects and programmes wholly funded by Government outside the road user charging system have also been tabulated as communicated by the RA to the RFA, in Table 2, as reflected in Appendix. The correctness of information regarding such projects and programmes is the responsibility of the RA.

**The further presentation of this Business Plan hereafter deals only with funds collected and allocated inside the road user charging system.**

## **3.2 Strategic Direction for the Development of the Road User Charging System**

### **3.2.1 Institutional Development**

#### Development of revenue collection techniques

It is realised that the economic downturn unlocks opportunities to introduce innovative ways of revenue collection. A key strategic priority of the organisation is to introduce various instruments to boost its revenue, during this Business Plan the RFA shall investigate additional revenue streams based on best practises. To further enhance effective revenue collection, the RFA has constructed and continues to construct staff accommodation and offices at the various strategic locations across the country. Business processes re-engineering and acquisition of Enterprise Resource Planning (ERP) System solutions are to be implemented during the course of this Business Plan. The MDC-Automation project will be developed and implemented to increase the revenue collection base. These processes will be supported by Board approved policies and procedures.

#### Ensuring optimal utilisation of funds

The RFA is faced with the task of ensuring that the funds allocated to the Recipient Authorities are utilise effectively for its purpose. In order to address this aspect, it is the RFA's strategic intent to strengthen the technical capacity both internally and externally to realise the objectives of this Business Plan.

Although, it is well documented that the shortage of experienced technical staff (professional engineers) remains a major threat for the entire road sub-sector in Namibia, the RFA is committed to contribute towards technical capacity building programmes.

In view of the above, the following **three major aspects** that have been identified and shall continue to receive the necessary attention from all parties in the road sub-sector:

- Transportation planning and management

RFA is responsible for conducting an independent review of the projects and programmes submitted by the recipient authorities. These reviews are to ensure that projects and programmes conform to the generally accepted technical, transportation economic, and financial practice. Furthermore, it is quite critical to actively engage the RFA in the strategic planning of the road sector and at a larger scale the transportation network with the view on the successful logistical hub concept development of Namibia.

Further implementation of the national transport system initiatives is required as documented in the National Development Plans (NDP5), Harambee Prosperity Plan (HPP), White Paper on Transport Policy, Medium to Long Term Road Master Plans (MLTRMP), Roads Bill, Sustainable Urban Transport Master Plans, and the Logistics Hub Master Plan.

In order to achieve this realised these initiatives, an integrated transportation planning and management strategy is to be adopted over the Business Pan period.

The following key stakeholders, amongst others, would be instrumental towards achieving this cause:

- National Planning Commission
- Ministry of Finance
- Ministry of Works and Transport
- Ministry of Urban and Rural Development
- Road Fund Administration
- Roads Authority
- Walvis Bay Corridor Group
- Motor Vehicle Accident Fund
- National Road Safety Council
- Technical Risk Management Strategy

It is well recognised that the road infrastructure funding is constraint due to various challenges faced by the country. As a consequence, the introduction and implementation of a technical risk management strategy is of vital importance, such a strategy shall ideally focus on the following elements:

- Project prioritisation and optimisation
- Road construction and maintenance project cost / pricing analysis
- Public Private Partnership setup
- Road infrastructure fund investigation
- Project management principles
- “Value-for-Money” concepts / technical audits
- Technical Assistance to Approved Authorities

The lack of technical capacity at most of the Local Authority (LAs) and Regional Council (RCs) contributed to a substandard service delivery in terms of road maintenance. Instances of under-expenditure, even against the backdrop of limited or inadequate funding allocations, plagued the road sector.

This issue is further aggravated by limited technical skills and project / programme management capacity.

In the quest of addressing this matter at LA and RC level, the RFA appointed Regional Consultants to render Technical Assistance (TA).

This TA program is mainly of an engineering management and administration nature. Therefore, it comprises, *inter alia*, of the following consultancy services:

- To plan, design (to a very limited extent), bid documentation and budgeting for road maintenance projects/programmes,
- To gradually introduce the use of a Pavement Management System (PMS) (i.e. excel based) in order to prioritise projects/programmes for funding,

- To monitor and evaluate road maintenance works in order to attain the ‘value for money principles’, and
- To provide technical capacity building by means of direct skills transfer and training.

This TA initiative is designed to create an ongoing programme with Local Authorities and Regional Councils that will benchmark “value for money” in road maintenance budgets and will oversee the introduction of uniform, road asset management best practise methodologies.

Thus far, the TA programme has yielded a number of benefits, including the following:

- Improvement in the planning and prioritisation of the road maintenance works;
- Better appreciation of the RFA funding allocation and processes involved in accessing the funds as stipulated on the Procedures Agreements.
- Understanding of the procurement process and alignment to the Public Procurement Act 2015.
- Timeous implementation of maintenance works and better management of works through continuous training and direct skills transfer.

### **3.2.2 Optimisation of Funding**

#### Short-term

A short-term component of the RFA’s strategy, which is of immediate priority, is to protect the liquidity of the Road Fund. Referring to subsection 3.4.5.2 below.

The financial statements of the Road Fund have shown a monetary accrual deficit of N\$318 million in the financial year 2018, and this Business Plan projects that the accumulated deficit will be reduced to the tune of N\$188 million at the end of the financial year 2019 (the current financial year).

Accordingly, this Business Plan aims at achieving a surplus of revenue over expenditure of about N\$1million in the financial year 2020, to avoid the risk of the Road Fund becoming illiquid.

#### Medium- to long-term

- Consistent with the object of the Road Fund Administration Act, to secure adequate funding for the achievement of a safe and efficient road sector, the overarching strategy of the RFA aims at eventually achieving a situation of optimum funding for the road sector as provided for in the Act.
  - Regarding the management of the national road network, being the mandate of the RA and constituting the major utilisation of funding, the reference for optimal funding is the MLTRMP. Whilst the latter has originally been compiled by the RA (consistent with its statutory mandate), the RFA aims to become actively involved in preparing the MLTRMP, to independently ensure that this reflects an optimum with due regard to Government’s Vision 2030, NDP5 and the HPP.
  - Regarding all other recipients and utilisation of funding, the RFA aims at developing its own capacity, as well as the capacity of recipient organisations to an appropriate extent, for determining optimal funding amounts as provided for in the RFA Act.
- To the extent that the RFA finds itself obliged to allocate funding in a suboptimal manner, subject to funding constraints resulting from inadequate levels of the rates of road user charges, the RFA adopts the following order of priority for the allocation of scarce funds (to

the extent provided for in the RFA Act, this also includes funding the operations of the relevant institutions):

- **Commitment to road preservation is afforded the highest priority:**
  - **Primarily**, to achieve optimal funding levels for the **maintenance** of the **national road network**; while
  - Simultaneously also aiming to achieve optimal funding levels for the **maintenance** of **urban and local authority roads**; subject to establishing a robust capacity for determining such optimum funding.
  - **Secondarily**, to achieve optimal funding levels for national road network **rehabilitation** projects; whilst to the extent appropriate distinguishing between the rehabilitation and development components of a project that includes both.
  
- **Modest contributions to projects and programmes**, to the extent that road users' benefits therefrom can reasonably be expected to exceed the cost thereof, **are afforded the second priority**, such as:
  - Traffic law enforcement;
  - Road research; and
  - National Road Safety projects.
  
- **Road development projects are afforded the lowest priority:**
  - Recent Government funding levels for road development already exceed the optimum level according to the MLTRMP; therefore, the need for the Road Fund to make further contributions is doubtful;
  - The funding of such projects would only be justifiable, if the funding of the above highest and second highest priorities is not compromised by funding constraints.
  
- The RFA's strategic view on taking further loans is:
  - Loans could only be justified for rehabilitation and development projects, being once-off investments, but not for maintenance and other operational programmes, which are of a perpetually recurrent nature.
  - **Under conditions of funding constraints:**
    - If constraints are such that the RFA cannot fund development projects without compromising the funding of higher priorities, then the RFA should not take any loans for financing development projects;
    - If constraints are such that the RFA cannot fund rehabilitation projects (separating any development component of such projects as appropriate) without compromising the funding of higher priorities, then the RFA should also not take any loans for financing rehabilitation projects.
    - Without Government commitment to a strategy of road user charging:
      - If there is no committed strategy of road user charging that will allow the RFA to service loans while simultaneously progressing towards

optimal funding of the above highest priority of road preservation, the RFA should not take up any further loans.

- Commensurate to all of the above, an overarching strategic aim of the RFA is not to allow the Road Fund to be compromised into a situation where the liquidity of the Fund may become compromised.
  - Specifically, this entails avoiding committing the Road Fund to the funding of projects and programmes without rates of road user charges having been committed to appropriate levels that yield sufficient revenue for the Road Fund to be able to sustainably undertake such funding commitments.

### **3.3 Prioritisation of Funding Allocations under Funding Constraints**

Whilst to the extent possible observing the strategic direction set out under subsection 3.2 above, the RFA has under the prevailing funding constraints pragmatically prioritised the allocation of funds within the Business Plan period as follows:

#### **Priority 1:** Road Maintenance

- National road network: the manner of funding to be as close as possible to the determined amount of funding, reduced by only the minimum amount required for the Road Fund to be able meet the financial needs;
- Urban road maintenance: at current levels or with reasonable and affordable increases;

**Priority 2:** Rehabilitation of the national road network, including bridge structures, to the extent that this is feasible within existing funding constraints;

**Priority 3:** Continuation of administrative expenditure of the RA and RFA, the operational expenditure of the Namibian Traffic Information System (NATIS) as well as the development and construction of a ONE STOP NATIS Centre in Windhoek, with reasonable and affordable annual increases.

#### **Priority 4:** Servicing of existing loan obligations;

- This currently includes the KfW loan agreement between the RFA and KfW signed in November 2015.
- Furthermore, it includes the KfW loan agreement between the RFA and KfW signed in December 2017.

**Other priorities:** Only such projects and programmes, including development projects, traffic law enforcement programmes and national road safety projects, as may be affordable after having provided for the needs of Priorities 1 to 4.

### **3.4 Funding Objectives for the Business Plan Period**

#### **3.4.1 Expression of Objectives of Funding through the Road User Charging System**

The funding objectives for the current Business Plan period are:

- To fund qualifying projects, programmes and administrative expenditure in accordance with the priorities stated under 3.3 above, to the extent that revenues collected subject to the Government-determined rates of road user charges permit;
- To service commitments on the KfW loan of N\$447 million to the RFA, signed in November 2015;
- To service commitments on the KfW loan of N\$482 million to the RFA, signed in December 2017.

These objectives are numerically expressed in the following tables, which are annexed in the Appendix:

- Table 3: Amount of Funding Determinations (which are in practice only used as a benchmark against which to compare the feasible manner of funding);
- Table 4: Manner of Funding Determinations, showing the amounts that can be allocated within the funding constraints imposed by the rates of road user charges on the basis of which the Business Plan has been prepared;
- Table 5: Estimate of revenue inside the road user charging system;
- Table 6: Road Fund revenue, expenditure and assets and liabilities summary.

### 3.4.2 The Approved Budget for the Ensuing Financial Year

In accordance with section 21(4) of the RFA Act, the particulars of funding provided for the period from 1 April 2019 to 31 March 2020 in this Business Plan constitute the approved budget of the RFA for the financial year 2020.

The particulars provided for the subsequent four financial years constitute an estimate of future income and expenditure, subject to various conditions and assumptions that will be discussed further on in the Business Plan. The particulars provided for the financial years from 2021 to 2024 therefore do not constitute an authorisation for incurring any commitments for these financial years, other than continuing commitments resulting from expenditure authorised in the financial year 2020 and previous financial years.

### 3.4.3 Road User Charges Rates Determination

The following increases in the rates of road user charges were approved by the Minister of Finance and subsequently came into effect in May 2018:

**Table 6: RUC increase in Rates**

<u>Road User Charge</u>	<u>For FY 2019</u>
<b>Fuel levy</b>	6.5%
<b>License Fees</b>	6.5%
<b>Entry Fees / Cross Border Charges</b>	6.5%
<b>Mass Distance Charges</b>	6.5%
<b>Abnormal Load Charges</b>	6.5%

The above increases have been taken into account in estimating revenue for the financial year 2020, but no subsequent increases have been pledged or taken into account yet.

### 3.4.4 Overview of Revenue and Expenses

The main underlying planning parameters affecting the revenue and expenditure estimates presented hereafter are tabulated below.

**Table 7: Main Planning Parameters**

<b>Main Planning Parameters</b>	<b>2019 Rates</b>	<b>2019 Amt</b>	<b>2020 Growth</b>	<b>Growth After</b>
Fuel road user charge (petrol & diesel avg.)	N\$ 1.30 / l	1463.5 mil.	0%	0%
Diesel consumption	n/a	764.7 MI	6%	6%
Petrol consumption	n/a	451.1 MI	4%	4%
Vehicles licensed	n/a	359,674	2.32%	2.18% - 2.03%
Vehicles subject to MDC	n/a	N/A	1.93%	1.8% - 3.54%
Roadworks Cost Escalation Rate (indicative)	n/a	n/a	4% - 5%	4% - 5%

Estimated revenue and expenditure, assets and liabilities inside the Road User Charging System are tabulated on the following pages. The tabulated allocations for the ensuing financial year ending March 2020 constitute the budget of the Road Fund.

<b>A. SUMMARY ESTIMATE OF REVENUE INSIDE THE ROAD USER CHARGING SYSTEM FROM 1 APRIL 2019 TO 31 MARCH 2024 (EXCL. GOVERNMENT CO-FUNDING - Note 1)</b>							
Revenue Heading	Current Year	Business Plan Period Revenue Projection [N\$]					
	Financial Year:	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
<b>Road User Charges</b>	<b>2,198,169,237</b>	<b>2,314,748,620</b>	<b>2,403,777,520</b>	<b>2,491,465,700</b>	<b>2,598,419,730</b>	<b>2,697,804,640</b>	<b>12,506,216,210</b>
Road User Charges on Fuel used On-road (nett less levy refunds)	1,195,796,882	1,279,684,620	1,342,328,520	1,404,975,700	1,486,887,730	1,557,833,640	7,071,710,210
Revenue from Vehicle License Fees	711,626,042	728,136,000	743,649,000	758,095,000	772,541,000	786,987,000	3,789,408,000
Revenue from Entry Fees	141,510,200	144,906,000	148,161,000	151,303,000	154,444,000	158,746,000	757,560,000
Revenue from Mass-Distance Charges	136,858,163	149,644,000	157,261,000	164,714,000	172,169,000	181,860,000	825,648,000
<i>Local-registered Heavy Vehicles</i>	<i>106,198,422</i>	<i>115,943,000</i>	<i>121,691,000</i>	<i>127,291,000</i>	<i>132,883,000</i>	<i>140,504,000</i>	<i>638,312,000</i>
<i>Foreign-registered Heavy Vehicles</i>	<i>30,659,741</i>	<i>33,701,000</i>	<i>35,570,000</i>	<i>37,423,000</i>	<i>39,286,000</i>	<i>41,356,000</i>	<i>187,336,000</i>
Revenue from Abnormal Load Charges	11,121,629	11,122,000	11,122,000	11,122,000	11,122,000	11,122,000	55,610,000
Revenue from Road Carriers Permits	1,256,320	1,256,000	1,256,000	1,256,000	1,256,000	1,256,000	6,280,000
<b>Additional Revenue Inside the Road User Charging System</b>	<b>266,192,500</b>	<b>256,854,500</b>	<b>18,755,000</b>	<b>19,726,000</b>	<b>20,749,000</b>	<b>22,433,000</b>	<b>338,517,500</b>
Monies appropriated by Parliament	0	0	0	0	0	0	0
Sale of Assets of the RFA	0	0	0	0	0	0	0
Sale of Assets of the RA	0	0	0	0	0	0	0
Returns on Investments / (Overdraft Charges)	25,000,000	15,977,000	18,755,000	19,726,000	20,749,000	22,433,000	97,640,000
Donations and Grants (no financing obligations)	0	0	0	0	0	0	0
Loans obtained by the RFA	240,877,500	240,877,500	0	0	0	0	240,877,500
Compensation for damaging of roads	0	0	0	0	0	0	0
Fines for contravention of overloading	0	0	0	0	0	0	0
From any other source	0	0	0	0	0	0	0
Drawings on Road Fund Reserve Investments	315,000	0	0	0	0	0	0
<b>GRAND TOTAL REVENUE PER FINANCIAL YEAR</b>	<b>2,464,361,737</b>	<b>2,571,603,120</b>	<b>2,422,532,520</b>	<b>2,511,191,700</b>	<b>2,619,168,730</b>	<b>2,720,237,640</b>	<b>12,844,733,710</b>

<b>B. SUMMARY OF MANNER OF FUNDING INSIDE THE ROAD USER CHARGING SYSTEM FROM 1 APRIL 2019 TO 31 MARCH 2024 (EXCL. GOVERNMENT CO-FUNDING - Note 1)</b>							
Expenditure Heading	Current Year	Business Plan Period Expenditure Projection [N\$]					
	Financial Year:	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
<b>01 Management of the National Road Network RFA Act s. 17(1)(a)</b>	<b>1,775,513,325</b>	<b>1,929,318,915</b>	<b>1,756,544,264</b>	<b>1,869,340,240</b>	<b>2,031,588,451</b>	<b>2,136,096,559</b>	<b>9,722,888,428</b>
01.01 RA Administration	535,793,636	490,066,210	427,897,865	430,071,473	431,652,280	445,133,456	2,224,821,284
01.02 Network Planning and Consultation	27,000,000	25,985,000	27,994,732	31,614,448	33,321,628	35,120,996	154,036,803
01.03 Roadworks - Maintenance	1,155,729,689	1,131,626,216	1,055,158,691	1,138,378,722	1,456,685,706	1,603,014,112	6,384,863,447
01.04 Roadworks - Rehabilitation	23,152,000	244,000,000	205,500,000	188,123,000	15,000,000	3,000,000	655,623,000
01.05 Roadworks - Development	0	0	0	0	0	0	0
01.07 Road Management System	23,838,000	27,404,000	28,883,816	30,443,542	32,087,493	33,820,218	152,639,069
01.08 Overload Control	10,000,000	10,237,489	11,109,160	50,709,055	62,841,344	16,007,777	150,904,825
<b>02 Administrative Expenditure of the RFA &amp; RUCS RFA Act s. 17(1)(b)</b>	<b>346,022,326</b>	<b>357,510,000</b>	<b>341,257,000</b>	<b>330,931,740</b>	<b>318,615,582</b>	<b>313,987,015</b>	<b>1,662,301,338</b>
02.01 RFA Administration Account	113,696,000	119,441,000	123,891,000	124,689,000	127,854,000	129,406,000	625,281,000
02.02 Road Fund Account	118,554,326	111,609,000	91,015,000	34,306,000	15,500,000	15,300,000	267,730,000
09 Financing of Loans assigned by GRN	0	1,629,000	1,540,000	1,451,000	1,361,000	1,272,000	7,253,000
10 Financing of Loans obtained by RFA	82,772,000	109,831,000	109,001,000	153,822,000	146,337,000	138,957,000	657,948,000
11 Financing of Reserve Fund	31,000,000	15,000,000	15,810,000	16,663,740	27,563,582	29,052,015	104,089,337
<b>03 Urban Roads Contributions RFA Act s. 17(1)(c)</b>	<b>118,381,000</b>	<b>119,353,695</b>	<b>148,481,859</b>	<b>155,715,879</b>	<b>163,394,536</b>	<b>171,541,841</b>	<b>758,487,810</b>
03.02 Local Authority Roads	109,419,000	109,907,747	138,525,829	145,222,224	152,334,224	159,884,272	705,874,297
03.03 Regional Council Roads	8,962,000	9,445,948	9,956,029	10,493,655	11,060,312	11,657,569	52,613,513
04 Operation of Traffic Information System RFA Act s. 17(1)(d)	33,145,074	40,052,000	41,214,808	41,494,408	41,897,106	41,929,549	206,587,871
05 Traffic Law Enforcement and Adjudication RFA Act s. 17(1)(e)	34,565,000	38,348,510	40,419,330	42,601,973	44,902,480	47,327,214	213,599,507
06 Vehicle Testing Stations and Driving Testing RFA Act s. 17(1)(f)	24,572,667	83,800,000	91,028,000	67,270,000	14,529,000	4,797,000	261,424,000
07 Road Research RFA Act s. 17(1)(g)	0	0	0	0	0	0	0
08 National Road Safety Council RFA Act s. 17(1)(h)	1,585,763	2,200,000	2,300,000	2,400,000	2,500,000	2,600,000	12,000,000
12 Compensation for RA Damage Liability RFA Act s. 17(1)(l)	0	0	0	0	0	0	0
13 Insurance against Damage Liability RFA Act s. 17(1)(m)	0	0	0	0	0	0	0
14 Other Expenditure Approved by Minister RFA Act s. 17(1)(n)	0	0	0	0	0	0	0
<b>GRAND TOTAL EXPENDITURE PER FINANCIAL YEAR</b>	<b>2,333,785,154</b>	<b>2,570,583,120</b>	<b>2,421,245,260</b>	<b>2,509,754,240</b>	<b>2,617,427,155</b>	<b>2,718,279,178</b>	<b>12,837,288,953</b>

**C. ESTIMATE OF ROAD FUND BALANCE INSIDE ROAD USER CHARGING SYSTEM FROM 1 APRIL 2019 TO 31 MARCH 2024 (EXCL. GOVERNMENT CO-FUNDING - Note 1)**

Assets and Liabilities	Financial Year:	Business Plan Period Balances Projection [N\$]						TOTAL B/PLAN
		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	
<b>ASSETS</b>		<b>264,965,583</b>	<b>280,985,582</b>	<b>298,082,842</b>	<b>316,184,043</b>	<b>345,489,200</b>	<b>376,499,677</b>	<b>376,499,677</b>
<b>General Fund Cash and Short-Term Investments</b>								
	Opening balance	103,389,000	233,965,583	234,985,582	236,272,842	237,710,303	239,451,878	233,965,583
	Grand Total Revenue for the year	2,464,361,737	3,390,203,120	3,399,069,520	2,961,186,700	2,739,123,730	2,729,049,640	
	Grand Total Expenditure for the year	(2,333,785,154)	(3,389,183,120)	(3,397,782,260)	(2,959,749,240)	(2,737,382,155)	(2,727,091,178)	
	<b>Closing Balance</b>	<b>233,965,583</b>	<b>234,985,582</b>	<b>236,272,842</b>	<b>237,710,303</b>	<b>239,451,878</b>	<b>241,410,340</b>	<b>241,410,340</b>
<b>Reserve Fund Investments (for medium-term fund flows balancing)</b>								
	<b>Closing Balance</b>	<b>31,000,000</b>	<b>46,000,000</b>	<b>61,810,000</b>	<b>78,473,740</b>	<b>106,037,322</b>	<b>135,089,337</b>	<b>135,089,337</b>
<b>Sinking fund</b>								
	Opening balance	315,000	0	0	0	0	0	0
	Deposits	0	0	0	0	0	0	0
	Drawdowns	(315,000)	0	0	0	0	0	0
	Sinking fund	0	0	0	0	0	0	0
	<b>Closing Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>LIABILITIES</b>		<b>641,160,500</b>	<b>834,946,000</b>	<b>787,854,000</b>	<b>690,050,000</b>	<b>592,246,000</b>	<b>494,442,000</b>	<b>494,442,000</b>
<b>RFA 16 Loan Stock</b>								
	<b>Closing Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>KfW 2009 Loan</b>								
	Opening balance	0	0	(0)	(0)	(0)	(0)	0
	Disbursement	0	0	0	0	0	0	0
	Redemption	0	(0)	(0)	0	0	0	0
	<b>Closing Balance</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
<b>KfW 2015 Loan</b>								
	Opening balance	447,360,000	400,283,000	353,191,000	306,099,000	259,007,000	211,915,000	400,283,000
	Disbursement	0	0	0	0	0	0	0
	Redemption	(47,077,000)	(47,092,000)	(47,092,000)	(47,092,000)	(47,092,000)	(47,092,000)	(235,460,000)
	<b>Closing Balance</b>	<b>400,283,000</b>	<b>353,191,000</b>	<b>306,099,000</b>	<b>259,007,000</b>	<b>211,915,000</b>	<b>164,823,000</b>	<b>164,823,000</b>
<b>KfW 2017 Loan</b>								
	Opening balance	0	240,877,500	481,755,000	481,755,000	431,043,000	380,331,000	240,877,500
	Disbursement	240,877,500	240,877,500	0	0	0	0	0
	Redemption	0	0	0	(50,712,000)	(50,712,000)	(50,712,000)	(152,136,000)
	<b>Closing Balance</b>	<b>240,877,500</b>	<b>481,755,000</b>	<b>481,755,000</b>	<b>431,043,000</b>	<b>380,331,000</b>	<b>329,619,000</b>	<b>329,619,000</b>
<b>NET BALANCE OF ROAD FUND ASSETS AND LIABILITIES</b>		<b>(376,194,917)</b>	<b>(553,960,417)</b>	<b>(489,771,158)</b>	<b>(373,865,957)</b>	<b>(246,756,800)</b>	<b>(117,942,323)</b>	<b>(117,942,323)</b>

### 3.4.5 Overview of Deficit Financing

#### 3.4.5.1 Background

The RFA is required to present a Business Plan that must throughout its whole period be executable within the amount of revenues projected to become available from road user charges collected, plus any committed co-funding, loans and grants.

In this context, deficit financing pertains to loans to which financing institutions, the RFA and Government (e.g. in the form of a Government guarantee) have committed themselves, for the purpose of bridging a temporary deficit between the revenues that the RFA can collect, and expenses on projects and programmes that are warranted to be incurred after taking into account the cost of loans to cover such expenses.

#### 3.4.5.2 Deficits and surpluses

The annual financial statements of the Road Fund account for the 2018 financial year indicate the following cash position for the Road User Charging System:

- In the 2018 financial year, the assets at the disposal of the Road Fund amounts to about **N\$692 million**; Total liabilities amounted to **N\$1,011million**;
- Therefore, the Fund experienced a monetary assets deficit of about **N\$318million**.

The Business Plan projects that the Road Fund will be in an accumulated deficit to the tune of **N\$188 million** at the end of the financial year 2019.

The projected deficit at the end of the financial year 2019 has necessitated the RFA budgeting for a surplus of revenue over expenditure in the financial year 2020, amounting to a projected break-even amount of about **N\$1million**. (please see subsection 4.1).

Furthermore, the RFA created a reserve fund to make allowances for the capital redemption of the loan undertakings. Subsequently, this Business Plan yields an amount of **N\$135million** over the implementation period.

In calculating the estimated revenues for the financial year 2020, the second and final tranche of **N\$241 million** to be disbursed in May 2019 (FY2020) has been considered.

#### 3.4.5.3 RFA loan stock and loans

The RFA, and Government through having issued the required loan guarantees, are currently committed to the following deficit financing instruments:

- In November 2015, the RFA, supported by a loan guarantee from Government, signed an agreement with the KfW loan to the amount of ZAR 447 million (denominated in South African Rand), at an interest rate of 7.81%. This loan funded the rehabilitation of a portion of TR1/6 between Windhoek and Okahandja.
- In December 2017, the RFA, supported by a loan guarantee from Government, signed an agreement with the KfW loan to the amount of ZAR 482 million (denominated in South African Rand), at an interest rate of 7.505%. This loan funded the rehabilitation of a portion of TR1/3 between Tses and Gochas.

**3.4.5.4 Interest and charges obligations with respect to loan stock and loans**

The KfW loan of N\$ 447 million obtained in November 2015, the total of interest and charges is projected to be about N\$ 241 million up to the financial year 2027.

Furthermore, the total of interest and charges for the additional KfW loan of N\$ 482 million obtained in December 2017, is projected to be about N\$ 254 million up to the financial year 2030.

**3.4.5.5 Capital redemption obligations with respect to loan stock and loans**

The KfW loan of N\$ 447 million, the total redemption would be the same as the loan principal, payable in 19 semi-annual amounts of about N\$ 23 million each. The last instalment is due in June 2027.

On the additional KfW loan of N\$ 482 million, the total redemption would be the same as the loan principal, payable in 19 semi-annual amounts of about N\$ 25 million each. The last instalment is due in May 2030.

## 4 EXPECTED PERFORMANCE OF THE ROAD FUND FOR THE NEXT FINANCIAL YEAR

### 4.1 Gap Analysis between Objectives of the Previous and Current Business Plan for the Financial Year Ending March 2020

Key indicators of the objectives of the previous Business Plan (prepared for the period from 1 April 2018 to 31 March 2023) and the current Business Plan (prepared for the period from 1 April 2019 to 31 March 2024) are tabulated below.

KEY INDICATORS FOR BP OBJECTIVES :	CURRENT PLAN	PREVIOUS PLAN	NOTES
<b>TOTAL REVENUE INSIDE THE RUCS</b>	<b>2,680,603,120</b>	<b>2,660,663,840</b>	
<u>REVENUE FROM ROAD USER CHARGES</u>	<u>2,314,748,620</u>	<u>2,351,286,340</u>	
<i>Revenue from Road User Charges on Fuel (after refunds)</i>	1,279,684,620	1,375,416,340	1
<i>Revenue from Vehicle Licence Fees</i>	728,136,000	644,958,000	2
<i>Revenue from Entry Fees</i>	144,906,000	144,095,000	
<i>Revenue from Mass-Distance Charges</i>	149,644,000	138,708,000	
<i>Revenue from Abnormal Loads &amp; Road Carriers Permits</i>	12,378,000	48,109,000	
<u>ADDITIONAL REVENUE INSIDE RUCS</u>	<u>365,854,500</u>	<u>309,377,500</u>	
<i>Return on Investments</i>	15,977,000	31,285,000	3
<i>Monies appropriated by Parliament</i>	109,000,000	37,215,000	4
<i>Loans obtained by the RFA</i>	240,877,500	240,877,500	5
<i>Drawings on Road Fund Reserve Investments</i>	0	0	
<i>From other minor sources</i>	0	0	
<b>TOTAL EXPENDITURE INSIDE THE RUCS</b>	<b>2,679,583,120</b>	<b>2,659,265,800</b>	
<u>01 Management of the National Road Network</u>	<u>2,038,318,915</u>	<u>2,085,767,000</u>	
01.03 Roadworks - Maintenance	1,131,626,216	1,272,192,000	6
01.04 Roadworks - Rehabilitation	353,000,000	259,541,000	7
01.05 Roadworks - Development	0	0	8
Administrative Overheads (01.01,01.02,01.07,01.08)	553,692,699	554,034,000	9
<u>02 Administrative Expenditure of the RFA &amp; RUCS</u>	<u>231,050,000</u>	<u>202,335,000</u>	
02.01 RFA Administration Account	119,441,000	117,600,000	10
02.02 Road Fund Account	111,609,000	84,735,000	11
03 Urban Roads Contributions	119,353,695	120,456,800	
04 Operation of Traffic Information System	40,052,000	34,193,000	12
05 Traffic Law Enforcement and Adjudication	38,348,510	47,763,000	
06 Vehicle Testing Stations and Driving Testing	83,800,000	12,720,000	13
Other Funding Obligations (07, 08, and 12 - 14)	2,200,000	5,200,000	14
Financing Commitments	126,460,000	150,831,000	15
<b>SURPLUS / (DEFICIT)</b>	<b>1,020,000</b>	<b>1,398,040</b>	

Notes to the table have been added below to explain the material differences between the objectives for the financial year 2020 as stated in the previous and current Business Plans.

<b>Notes to the above table:</b>	
1	Includes revenue from fuel levy refunding system operations. A slightly decelerating trend in fuel consumption has been detected.
2	The number of vehicle registrations has shown an increase.
3	The Business Plan projects that the Fund's monetary assets would slightly decrease, due to disinvestment.
4	The Roads Authority has submitted a budget request to Government for the co-funding of road rehabilitation (i.e. T0103: Keetmanshoop-Mariental, Section A, between Tses and Gochas. The availability of these funds eventually depends on the Government's budgetary allocations.
5	KfW loan of about N\$482million has been signed in December 2017, with the second disbursement tranche of N\$241million is expected in FY2020.
6	The previously planned allocation to road maintenance of N\$1.272 bn from the RUCS in the FY2020 decreased to N\$1.131 bn, due to economic downturn
7	The funding allocation includes the rehabilitation of T0103, T1002, T0802 through Grootfontein and the Swakopmund Road over Rail Bridge. The amount shown includes the commitment from the KfW loan and the Government.
8	No road development projects listed
9	The RA administrative overheads, Network Planning programmes, Road Management System programmes and Overload Control operations have decreased slightly from the previous projection of about N\$554 million to about N\$553 million.
10	The increase on the RFA Administration Account is attributable mainly to capacity development in strategic planning and fund management.
11	The increase on the Road Fund Account is mainly attributable by the provision of accommodation and offices at strategic locations, the implementation of the MDC Automation project and ERP ICT System, as well as the Technical Assistance to Approved Authorities programme.
12	The previous estimate has increased based on enhanced operations in the NaTIS system.
13	The recent budget cuts from the Government for the expansion of facilities have necessitated the RFA to allocate funding towards this budget item. In this Business Plan, the RFA commits to fund the envisaged new NATIS One-Stop centre that is to be constructed due to high customer demand. This initiative is fully supported by the RFA in order to ultimately improve on the RUC revenue collection techniques.
14	The RFA remains committed to make a funding contribution to the National Road Safety Council, under the Business Plan heading 08.
15	Financing commitments are allowed for in the provision for the creation of the General Redemption Fund.

## 4.2 Conclusions on Expected Performance in the Financial Year 2020

Taking into account the above explanations of differences between the current and the previous Business Plan regarding objectives for the financial year 2020, the following conclusions are drawn about the RFA's expected performance for the financial year 2020 as compared to its projected objectives for that year as set out in its previous Business Plan.

- (1) The amount of road maintenance and rehabilitation funding in the financial year 2020 it is more than the originally envisaged amount as per the FY2018/19 business plan. This outcome demonstrates the RFA's strategy of increasing capacity for road maintenance and rehabilitation funding.
- (2) The Business Plan projects that the Road Fund will be in an accumulated deficit to the tune of N\$188 million at the end of the financial year 2019.

The projected deficit at the end of the financial year 2019 has necessitated the RFA budgeting for a surplus of revenue over expenditure in the financial year 2020, amounting to a projected break-even amount of about **N\$1million**.

## 5 PARTICULARS AND ANALYSIS OF THE BUSINESS PLAN

### 5.1 Introduction to the Analysis

The analysis of the financial plan broadly follows the relevant provisions of section 21 of the RFA Act, requiring an analysis to be made of:

- (a) The determinations made by the RFA under section 20(4) in respect of the ensuing financial year;
- (b) The estimated income accruing to the Road Fund;
- (c) The proposed rates of road user charges;
- (d) Contributions made by Government (or any other source) towards the funding of traffic information systems, vehicle and driving testing, and road research;
- (e) The estimated administrative expenditure of the RFA;
- (f) Any factors which may affect the implementation of the plan concerned and the measures which will be taken to counter the effects of such factors; and
- (g) Such other matters as may be required by the Minister of Finance.

### 5.2 Determinations made by the Administration

#### 5.2.1 Types of determinations

The road user charging system requires the following sequence to be followed in securing and allocating funding to projects, programmes and administrative expenditure:

- (a) The determination of the amount of funding, section 20 (4) (a) of the RFA Act;
- (b) The determination of the manner in which such funding shall be allocated, section 20 (4) (b) of the RFA Act; and
- (c) The determination and imposition of the types and rates of road user charges consequent to the requirements of (a) and (b), section 18 of the RFA Act.

The above sequence has been adhered to in the analysis.

## **5.2.2 Information taken into account when making determinations**

### **5.2.2.1 Economic analysis**

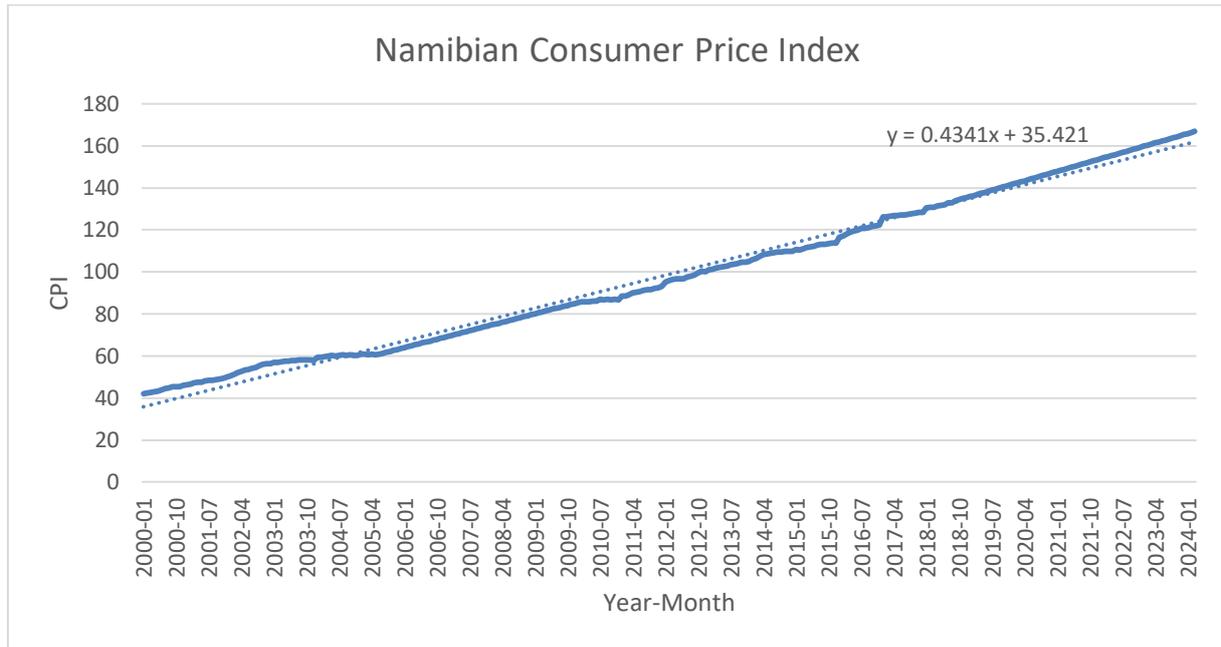
The RFA makes funding determinations for funding from the Road Fund based on projects and programmes submitted to it by the Roads Authority and other Approved Authorities. The onus rests on the latter Authorities to submit proof of the economic viability of the proposed projects and programmes. The RFA scrutinises this proof for compliance with the provisions of the RFA Act and compliance with generally accepted technical, transportation economic and financial practices.

The RFA therefore primarily takes into account the project and programme specific information provided by the aforementioned Authorities as motivation of their budgets submitted to the RFA for funding from the Road Fund.

The funding of projects generally entails an investment of funds that should provide positive economic returns over the life time of the project. In the case of road rehabilitation and new road development, the life time of the project is typically planned for 20 years. Project-specific traffic growth and pavement-specific deterioration rates are major factors in determining the economic viability of such projects. No generally applicable information exists, which the RFA could take into account into verifying the economic warrants claimed by the executing Authority in regard of such projects. In particular, general broad-based information such as GDP and “average” traffic growth figures do not allow a conclusive assessment of the viability of individual projects and programmes.

One means of overcoming this shortcoming is the MLTRMP of the RA, which provides for generally accepted transportation economics based modelling (including the World Bank’s HDM-4 transportation economic model) of an integrated road network preservation and development strategy. As such it places a reasonable overall limit on the funding that is economically viable and conducive to the achievement of a safe and efficient road sector. The RFA therefore evaluates projects and programmes submitted for funding with respect to the national road network in the overall context of the MLTRMP as updated from time to time.

Whilst the RA is required to take inflationary increases into account in estimating the future costs of roadworks, the RFA performs a reasonability check on such estimates. With Namibian statistics on inflation in road works costs being unobtainable, the RFA relies on the Namibian Consumer Price Index. It should be noted that the inflation rate in the cost of road works does not necessarily correlate with the consumer price inflation rate; however, there seems to be a fair correlation with road maintenance costs, which constitute the bulk of the RFA’s funding. The graph below has been rebased for 2012.



**Figure 1: Namibian Consumer Price Index**

From the above, it is evident that price increases show a long-term steady, linear growth. To calculate indicative percentage increases, the financial year-on-year CPI increases for the financial years 2016 to 2018 have been used:

March 2016: 118.1

March 2017: 126.4 – increase = 7.02%

March 2018: 130.9 – increase = 3.56%

An uptick in the inflation rate during the above period is noticeable in the above graph, followed by a downturn.

A reasonable cost escalation estimate is currently considered to lie in the range of 4% to 5% annually. In particular, the RFA regards an increase of road maintenance funding at 5% per year as the minimum to maintain past funding levels in real terms.

### 5.2.2.2 Statistics on road user charging instruments

Of primary importance are actual growth statistics underlying the road user charging instruments of the RFA, which include most notably road user charges on fuel consumed on-road and license fees. This requires prudence in the assumptions to be made regarding the growth of vehicle registrations and on-road fuel consumption. Statistics prepared by the RFA with respect to these are tabulated below.

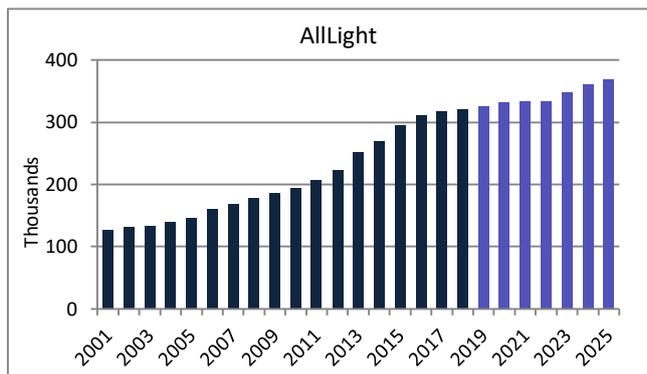


Figure 2: Vehicle Registration Statistics-Light vehicles

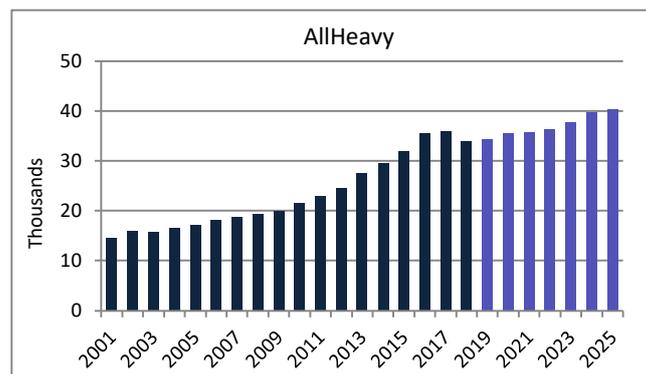


Figure 3: Vehicle Registration Statistics-Heavy vehicles

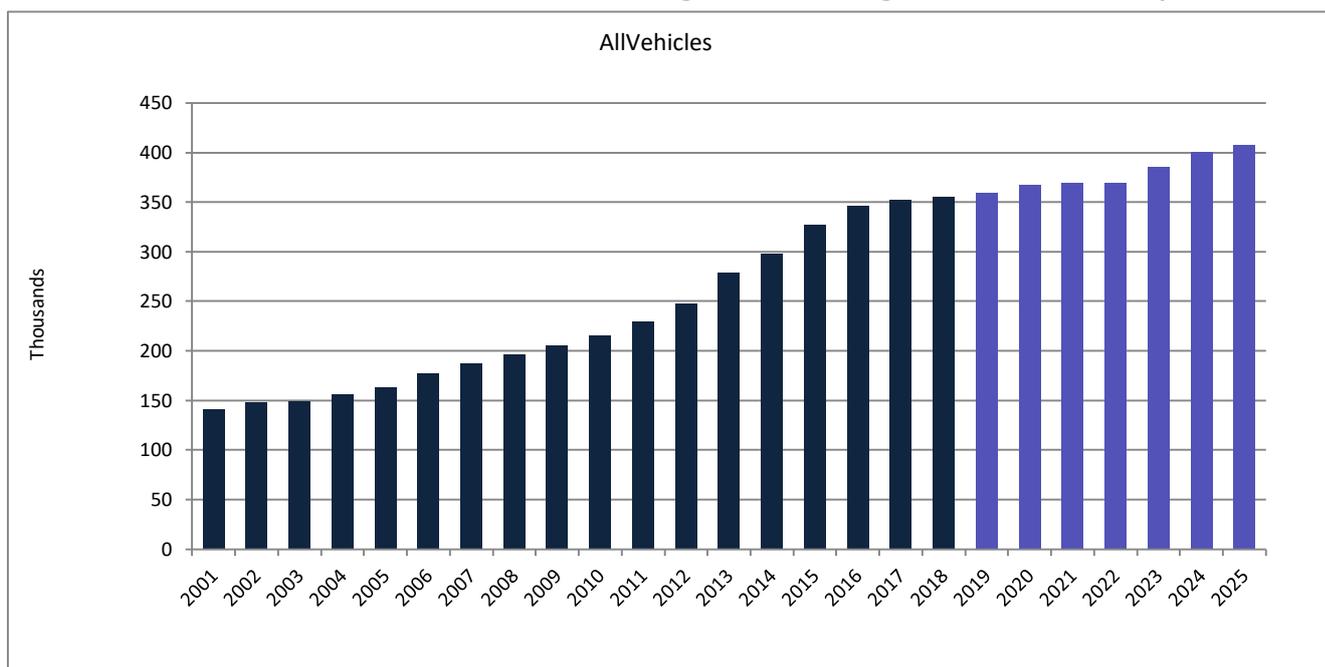


Figure 4: Vehicle Registration Statistics-All vehicles

From the above, the following forward projections of vehicle registration growth during the Business Plan have been derived:

All vehicles: 2.40%

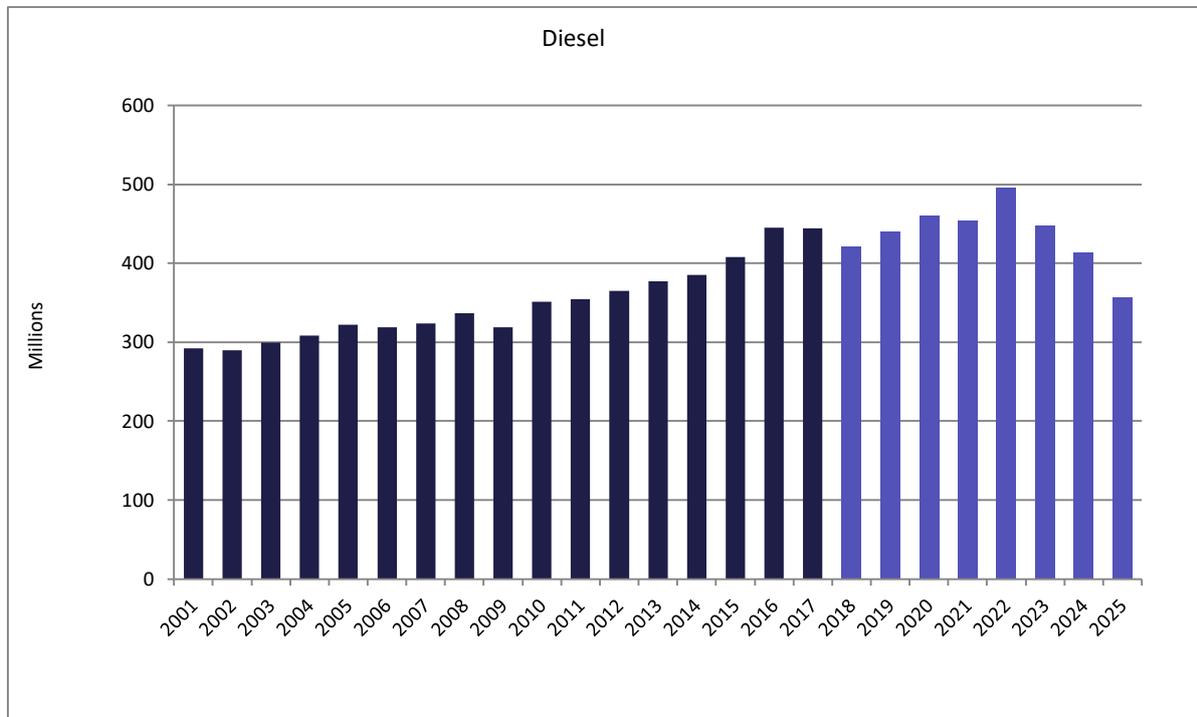
All light vehicles: 2.32%

All heavy vehicles: 2.05%

Despite mining and agricultural output rebounding, Namibia’s growth prospects remain weak, as the remaining sectors are either stagnating or contracting. Additionally, the trend in the subdued key economic activities such as building and construction, mining (i.e. low commodity prices and output) and regional tourism continue to be felt.

The number of cross border vehicles entering our northern borders has not as yet picked up. These factors have had an impact on our revenue streams, and RFA has to ensure that its business remains sustainable without compromising on the road user expectations.

Therefore, growth is likely to average 0.85% in 2018 and lift to 1.35% in 2019. Under weak economic growth prospects, trade deficits are expected to narrow as import demand wanes on the back of rising unemployment and falling disposable income growth.



**Figure 5: Diesel Consumption**

The economic developments will ultimately flatten vehicle population growth to a mere 1% over the 2019 and 2020 period. With stagnant vehicle population growth, caused by weak economic prospects, fuel demand for both petrol and diesel suffers over the short term, but more so to petrol.

Fuel consumption during 2019 has increased by 4.3% year-on-year, driven largely by the consumption of diesel. This could be an indicator of increase local economic activity but this was more in road transportation and mining exploration. However total fuel consumed for all derivatives of fuel has decreased by about 7% which would result in reduced fuel levy revenue. The volatility in the oil prices pushing up the costs of basic items and goods, also has a knock-on effect on the prices of construction materials and unit production costs for roadworks activities.

The fall in diesel demand is limited to 5.1% in 2019, due to resilient consumption demand and the resulting transport needs to distribute goods across the country.

As export growth continues to recover from 2023 onwards, economic growth lifts to 2.2% and new employment opportunities begin to emerge. This lifts disposable incomes at a time when interest rates are low and inflation is within the target band (3% - 6%). Collectively, these factors push vehicle population growth higher (perhaps not as high as 39%). The vehicle population increase is more on the heavy transport equipment side, which pushes diesel demand 4.5% higher, while petrol demand falls 17.5%.

Vehicle population normalises in 2022 and 2023, on the back of slower economic growth. At this stage, growth is still positive, as supported by lifting government expenditure and relatively high private consumption growth, that triggers increased petrol demand, which consequently accelerates to grow by 27% and 11% in 2022 and 2024, respectively.

Over the next five years, diesel demand contracts by 1.0%, petrol demand grows by 2.8% and vehicle population expands by 2.16%.

The RFA obtains a statutory revenue from a road user charge on the on-road consumption of petrol and diesel. According to regulations promulgated under the RFA Act, the RFA must operate a levy refunding system to refund the levy collected on fuel consumption that is deemed to be off-road. Briefly: all petrol consumption has been regarded as on-road consumption, while users registered in various industries are entitled to a refund percentage on diesel consumption depending on the industry. This refund reflects the deemed off-road consumption, and on-road consumption is therefore the difference between total consumption subjected to the fuel levy and the deemed off-road consumption.

### **5.2.2.3 Summary**

Taking into account all of the above information, the RFA has used the planning parameters tabulated below in preparing its Business Plan.

PLANNING PARAMETERS							
<b>BUSINESS PLAN FIRST FINANCIAL YEAR ENDING:</b>		31 March	2020				
<b>Planning period</b>	<b>Prev Year</b>	<b>Current Year</b>	<b>Business Plan Period</b>				
<b>Financial Year ending:</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Financial Rates during Financial Year:</b>							
Roadworks Cost Escalation rate	Roads Authority budgets include contractual and estimated cost escalation.						
RFA 16 Loan Stock interest rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Medium- to long-term investment interest rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Cash and short-term investment interest rate	2.00%	1.80%	1.70%	1.70%	1.70%	1.70%	1.70%
EUR / NAD exchange rate	0.0623	0.0645	0.0645	0.0645	0.0645	0.0645	0.0645
<b>Road User Charges Rates escalation in Financial Year:</b>							
Mass-distance charges	7.00%	6.50%	0.00%	0.00%	0.00%	0.00%	0.00%
Abnormal load charges	7.00%	6.50%	0.00%	0.00%	0.00%	0.00%	0.00%
Road carriers permits	7.00%	6.50%	0.00%	0.00%	0.00%	0.00%	0.00%
Cross-border charges	7.00%	6.50%	0.00%	0.00%	0.00%	0.00%	0.00%
Licence fees	7.00%	6.50%	0.00%	0.00%	0.00%	0.00%	0.00%
Diesel levy	7.00%	6.50%	0.00%	0.00%	0.00%	0.00%	0.00%
Petrol levy	7.00%	6.50%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Fuel Levy Refund Administration:</b>							
Estimated % of gross revenue to be refunded	18.29%	18.29%	18.0%	18.0%	18.00%	17.00%	17.00%
<b>Volume Growth Estimate during Financial Year:</b>							
Volume Growths pertaining to Mass-Distance Charges:							
<i>Number of local-registered vehicles</i>	7.16%	2.05%	1.93%	1.80%	1.67%	1.67%	3.54%
<i>Average travelling distance of local vehicles</i>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<i>Number of foreign-registered vehicles</i>	6.86%	2.52%	2.40%	2.30%	2.22%	2.22%	3.04%
<i>Average travelling distance of foreign vehicles</i>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Growth in vehicles subject to Abnormal Load Charges	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Growth in vehicles subject to Road Carriers Permits	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Growth in vehicles subject to Cross-Border Entry Fees	6.86%	2.52%	2.40%	2.30%	2.22%	2.22%	3.04%
Growth in vehicles subject to Licensing	7.58%	2.45%	2.32%	2.18%	2.03%	2.03%	2.03%
Growth in consumption of Diesel	5.20%	5.10%	5.70%	5.70%	5.70%	5.70%	6.20%
Growth in consumption of Petrol	4.50%	3.50%	4.00%	4.20%	4.20%	4.500%	5.00%
<b>Volumes:</b>		<b>Notes:</b>					
Vehicles subject to Mass-Distance Charges:		The assumption regarding all escalation rates is as follows:					
<i>Number of local-registered vehicles</i>	N/A	N/A	If the total of an amount expended, consumed or invested over financial year 0 amounted to 'x' at the end of financial year 0, then all other things being equal, that amount would be [x * {100 + (escalation rate percentage in year 1) / 100}] at the end of financial year 1. In the case of road user charges escalation, this applies to the total escalation of the rate of the road user charge within the financial year, and not to the escalation of revenue from the road user charge. For example, an escalation would be shown as 2% regardless of whether the rate of the charge was increased at the beginning, or at the end, or somewhere within the financial year, any of these options having a different effect on revenue.				
<i>Average travelling distance of local vehicles</i>	N/A	N/A					
<i>Transits of foreign-registered vehicles</i>	N/A	N/A					
<i>Average travelling distance of foreign vehicles</i>	N/A	N/A					
Abnormal Load Charges Permits	N/A	N/A					
Cross-Border Transits	N/A	N/A					
Vehicles subject to Licensing	369,581	359,674					
Gross Fuel Consumption:							
<i>Diesel - Q1</i>	176,252,659	173,629,154					
<i>Diesel - Q2</i>	189,109,937	175,683,561					
<i>Diesel - Q3</i>	201,219,059	191,173,447					
<i>Diesel - Q4</i>	206,706,798	178,127,697					
<i>Petrol - Q1</i>	108,182,489	99,301,339					
<i>Petrol - Q2</i>	112,917,392	103,079,677					
<i>Petrol - Q3</i>	123,727,996	115,715,291					
<i>Petrol - Q4</i>	128,953,954	105,827,021					
<b>Road User Charges:</b>							
<b>Fuel Levies:</b>							
<i>Diesel - Q1</i>	1.14	1.22					
<i>Diesel - Q2</i>	1.22	1.30					
<i>Diesel - Q3</i>	1.22	1.30					
<i>Diesel - Q4</i>	1.22	1.30					
<i>Petrol - Q1</i>	1.14	1.22					
<i>Petrol - Q2</i>	1.22	1.30					
<i>Petrol - Q3</i>	1.22	1.30					
<i>Petrol - Q4</i>	1.22	1.30					
<b>RUC Revenues:</b>							
Mass-distance charges - local	91,065,992	106,198,422					
Mass-distance charges - foreign	28,231,761	30,659,741					
Abnormal load charges	21,524,776	11,121,629					
Road carriers permits	0	1,256,320					
Cross-border entry fees	131,436,895	141,510,200					
Licence fees	674,687,564	711,626,042					
RUC collection on diesel (gross)	881,834,238	983,318,942					
RUC collection on petrol (gross)	534,720,613	580,145,606					

### **5.2.3 Funding Determinations made**

#### **5.2.3.1 Budgets received (RFA Act s. 20(2))**

The following budgets were received:

1. Roads Authority:
  - (a) Management of the national road network, including administrative expenses of the Authority;
  - (b) National traffic information system; and
  - (c) Vehicle and driver testing.
2. Local Authorities and Regional Councils:
  - (a) Traffic related maintenance of urban roads.
3. Namibian Police and some Local Authorities:
  - (a) Traffic law enforcement.
4. National Road Safety Council:
  - (a) National Road Safety Council projects.

The RFA Act requires the RFA to perform amount of funding determinations with regard to the budgets as presented.

#### **5.2.3.2 Government allocations outside the road user charging system**

The Government has budgeted for parliamentary allocations to be made to road projects managed by the Roads Authority.

With a view to the Business Plan of the Road Fund presenting a complete overview of expenditure on projects and programmes in the road sector, the RA has in addition to its budget request to the RFA also informed the RFA of such Government funded projects and the amounts budgeted. A list of these projects, to which RFA's funding determinations are not applicable and which are marked as being funded outside the road user charging system, is presented in Table 2, as reflected in the Appendix.

The budgeted amounts for these projects should be regarded as indicative, as they are subject to budgetary allocation decisions made by Government, which would not necessarily be communicated to the Administration. The information is presented in the interest of completeness of information on road sector expenditure only, and does not imply a financial obligation to the road user charging system.

#### **5.2.3.3 Amount of funding determinations (RFA Act s. 20(4)(a))**

The determination of amounts of funding is guided by the Rules and Principles formulated by the RFA in accordance with RFA Act s. 19(2). These essentially require a check on the economic viability of projects and programmes, and verification (including stakeholder consultations) of the justification of amounts budgeted for administrative expenses.

In the case of the budget request for the management of the national road network, the RFA has satisfied itself that this is overall in line with the roads funding needs projected in the Medium- to Long-term Roads Master Plan. It has not been possible for the RFA to verify economic justification on a per-project basis, due to the RA having failed to timeously submit the information as requested for this purpose, and also due to the continuing engineering capacity shortage experienced by the RFA.

In the case of budget requests for road maintenance in urban areas and villages (the latter resorting under the various Regional Councils recognised by the RFA as Approved Authorities), the budgets received have been submitted reasonably in accordance with the guidelines issued to the respective

authorities, and for the smaller authorities have been assessed as reasonable in relation to their respective road networks. Due to a lack of economic assessment tools in the case of such smaller authorities, it is not at this stage possible to perform formal economic assessments.

In the case of the budget request for NaTIS, the RFA Act s. 19(2) Rules and Principles require the RFA to assess the “economically efficient” compliance by means of a test that is to be generally applied in cases where economic efficiency is impracticable to determine. This test is whether the assessed benefits to the road sector are likely to equal or exceed the cost of this service, and whether the service could be rendered by more economically efficient alternative means. The RFA has regard to the fact that NaTIS renders an agency service to the RFA in the collection of license fees, and also fulfils a national obligation as the only national vehicle registry. Having regard to these facts, the budget request is regarded as indicative of a bona fide funding need for an “Amount of Funding” determination.

In the case of budget requests for traffic law enforcement (the Act also allows for the funding of adjudication, but no such institution currently exists), the budgets received have been submitted reasonably in accordance with the guidelines issued to the respective authorities. The general test as in the case of NaTIS also applies here, but no means are available to reliably quantify the benefits to road users that arise from traffic law enforcement. On a national basis, statistics indicate that traffic law enforcement is underfunded. The RFA has thus decided to accept the budget requests in total as approximately indicative of an amount of funding that would be justified.

Considering that the determination of an amount of funding now only serves as a benchmark against which to assess the funding that is feasible subject to the rates of road user charges as determined by Government, the RFA has concluded for the purposes of this Business Plan to propose as the benchmark the amounts included in Table 3, as reflected in the Appendix.

#### **5.2.3.4 Manner of funding determinations (RFA Act s. 20(4)(b))**

The manner of funding was guided by the budget requests received, and the revenues that the RFA projects as being feasible to collect in each of the financial years of the Business Plan, subject to being granted the increases in the rates of road user charges as tabulated under subsection 3.4.2. The Manner of Funding Determinations is presented in Table 4, as reflected in the Appendix.

Due to the inadequate financial means of the Road Fund, prioritisation as presented under subsection 3.2 had to be applied.

As stated under subsection 5.2.3.3 above, no convincing case exists for the economic efficiency of the RFA’s funding of traffic law enforcement. The RFA has consequently made the following considerations:

- The road user charging system is no longer able even to fund the most highly economically efficient road maintenance and rehabilitation expenses to the extent warranted. For example:
  - The funding of national road network maintenance, which the RUCS is estimated to provide in the financial year 2020, will be at a level of approximately 52% of the optimum level as determined in the Medium- to Long-Term Roads Master Plan;
  - The funding of urban road maintenance in particularly the larger municipalities, the vehicle traffic of which generates a significant portion of road user charges, is at even lower levels; and
  - In addition to the full utilisation of the KfW loan as mentioned before for the partial funding of the rehabilitation of TR1/3 (Tses - Gochas), the RUCS committed funding towards TR10/2 (Eenhana - Onhuno) and TR8/2 (thought Grootfontein).

- Means of funding traffic law enforcement through budgetary allocations from public funds exist to the extent that the performance of these functions is not dependent on funding from the road user charging system, unlike, for example, the funding of national road network maintenance and rehabilitation;

The manner of funding determinations as indicated in the Business Plan reflect that the RFA intends to adopt a strategy of increasing (in real terms):

- The level of road maintenance funding towards the optimal level, within the RA's means of increasing industry capacity in road maintenance over the next years; and
- The level of urban road maintenance funding, commencing with the major municipalities, and gradually also at smaller municipalities, subject to capacity improvement measures.

#### 5.2.4 Determination of Road User Charges

The RFA has not performed any road user charges determinations as required in terms of section 18 of the RFA Act, since such determinations are not implementable for the reasons previously presented. The RFA has, however made a submission to the Minister of Finance for further increases in the rates of road user charges as set out under subsection 3.4.3.

### 5.3 Income of the Road Fund and Rates of Road User Charges

#### 5.3.1 Income from Road User Charges

The road user charges income trend since April 2013, including estimated revenues in the financial years 2019 and 2020, is tabled below. The estimate for the financial year 2019 is based on the approved increases in the rates of road user charges as stated in under subsection 3.4.2. Revenue from fuel levies are shown net of fuel levy refunds.

**Table 8: Historical RUC revenue**

Road User Charge [N\$ millions]	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19 Est.	2019/20 Est.
Fuel Levies (net after refunds)	845.109	920.409	1 090.532	1 087.467	1 160.568	1 195.796	1 279.684
License Fees	390.480	446.318	573.575	618.984	674.687	711.626	728.136
Cross Border Charges	97.241	106.341	122.817	125.976	131.436	141.510	144.906
Mass-Distance Charges (local)	52.208	63.435	59.465	85.392	91.065	106.198	115.943
Mass-Distance Charges (foreign)	19.683	22.354	25.938	26.665	28.231	30.659	33.701
Abnormal Load Fees	18.062	12.517	12.986	11.630	21.524	11.121	11.122
Road Carriers Permits	-	-	-	-	-	1.256	1.256
<b>Total</b>	<b>1 422.783</b>	<b>1 571.347</b>	<b>1 885.313</b>	<b>1 956.605</b>	<b>2 085.987</b>	<b>2 198.166</b>	<b>2 314.748</b>

From the financial years 2013/14 to 2018/19, the average annual growth of road user charges revenue has been about 5.4% (linear based on 2013/14). This is attributed mainly to increases in vehicle registrations, traffic volumes and on-road fuel consumption, recent RUCs tariff adjustments as presented under subsection 5.2.2, as well as increases in the rates of road user charges in the financial year 2018/19, as referred to under subsection 3.4.3.

### 5.3.2 Rates of Road User Charges

The rates of road user charges on fuel have seriously fallen behind the CPI growth rate. This is of particular concern, noting that:

- More than 60% of all road user charges revenue is from fuel levies;
- If fuel levies are not increased with inflation, it is impossible to maintain revenue in line with inflation by only increasing the other road user charges;
- Compensated for inflation from FY2001 to FY2018, the rate should now be about N\$1.79 / l (average for both levies, considering their somewhat different begin rates and increases), instead of the current rate of N\$1.30 /l.

The other road user charges have on average reasonably kept pace with inflation. The growth of road user charges rates is graphically shown below.

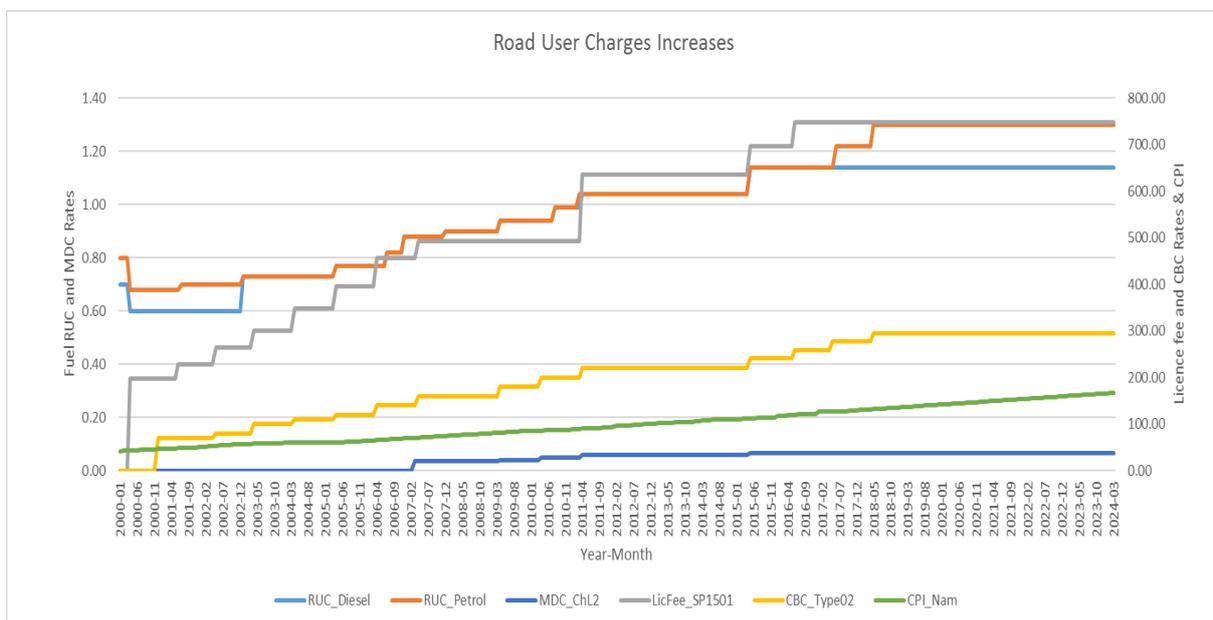


Figure 6: RUC Increases

## 5.4 Particulars of Contributions from Sources other than the Road Fund

### 5.4.1 Contributions to the Traffic Information System

The RA has not indicated any sources of contributions to NaTIS other than from the Road Fund.

### 5.4.2 Contributions to Vehicle and Driver Testing

This expense item pertains to work performed by the RA mainly as an agent of the Ministry of Works and Transport, and is thus mainly funded by revenue collected from the performance of these functions and a subsidy paid by Government for the establishment of the necessary infrastructure.

### 5.4.3 Contributions to Road Research Studies

No road research studies are being funded currently.

## 5.5 Particulars of Handling Surpluses and Deficits

The handling of surpluses and deficits has already been comprehensively dealt with under subsection 3.4.5.2.

## 5.6 Particulars of Subsidy / Grants

The five-year business plan assumes an injection of N\$261 million from the Government of the Republic of Namibia for the period FY 2020– 2024. These budgetary provisions are to be recognised in the Medium Term Expenditure Framework FY2019/20-2021/22.

This Government subsidy is primarily allocated towards the co-funding of the rehabilitation of rehabilitation works of TR1/3: Keetmanshoop and Mariental (Section A: 87.3km, between Tses to Gochas).

## 5.7 Particulars of Loans

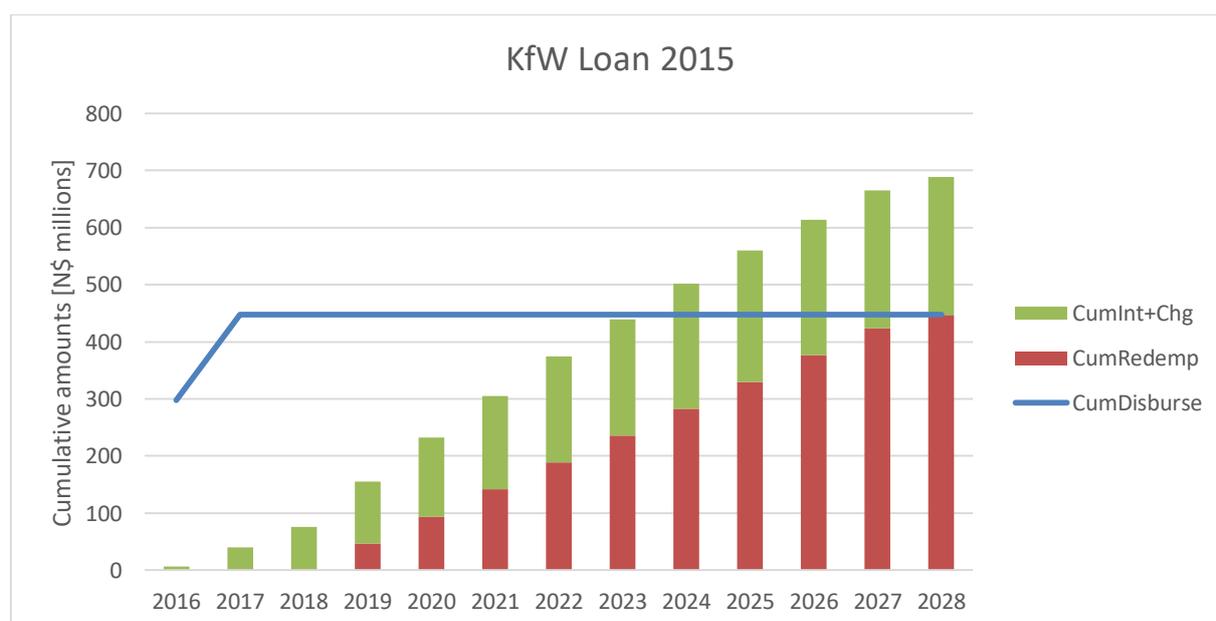
The Fund is currently servicing two loans, i.e. KfW loan of 2015 amounting to N\$447 and KfW loan of 2017 amounting to N\$482.

The KfW Loan 2017 as guaranteed by the Government and it is geared towards the rehabilitation works of TR1/3:Keetmanshoop and Mariental (Section A: 87.3km, between Tses to Gochas).

### 5.7.1 KfW Loan obtained by RFA in November 2015

In November 2015, the RFA signed an agreement with the KfW loan to the amount of N\$ 447 million denominated in South African Rand, at an interest rate of 7.81%. This loan will be required to finance the rehabilitation of a portion of TR1/6 between Windhoek and Okahandja. The RFA funded these works as from the financial year 2015, by drawing down the RFA Loan Stock Sinking Fund reserves with the approval of Government.

Cumulative capital drawings, redemptions, and interest and charges payments as projected are graphically depicted below.



**Figure 7: KfW Loan 2015**

### 5.7.2 KfW Loan obtained by RFA in December 2017

In December 2017, the RFA signed an agreement with the KfW loan to the amount of N\$ 482 million denominated in South African Rand, at an interest rate of 7.505%. This loan will be required to finance the rehabilitation of a portion of TR1/3: Keetmanshoop and Mariental.

Cumulative capital drawings, redemptions, and interest and charges payments as projected are graphically depicted below.

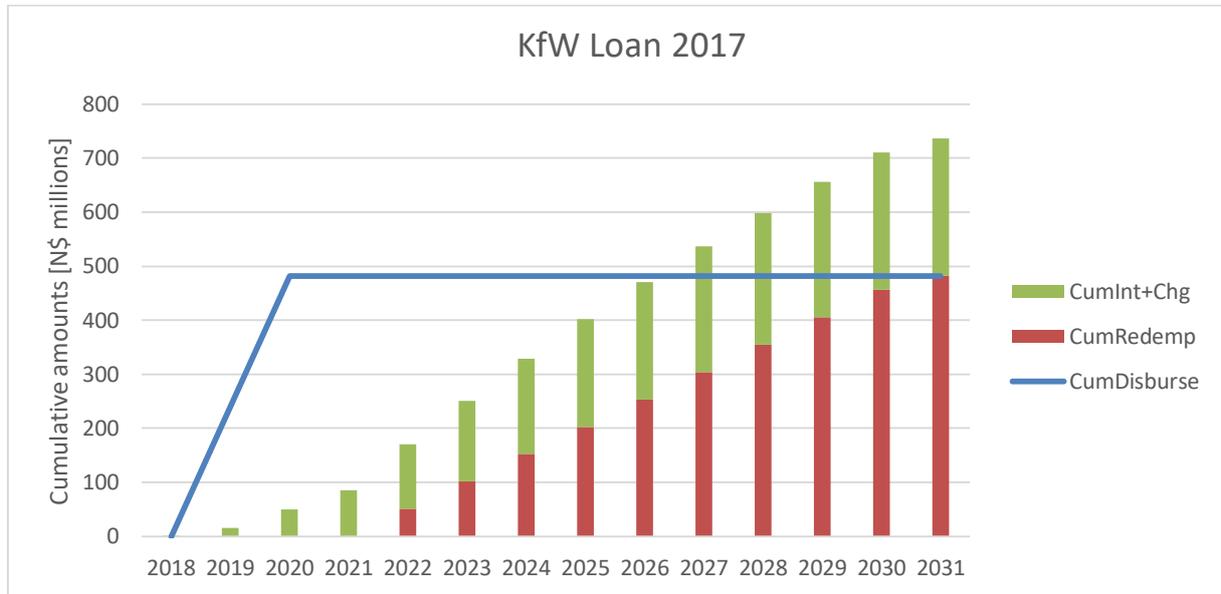


Figure 8: KfW Loan 2017

### 5.8 Particulars and Analysis of Business Plan Critical Factors

The main factor determining the achievement of the objectives of this and subsequent Business Plans is increasing rates of road user charges to keep up with inflation in mainly road works costs.

The RFA has previously performed an analysis of expenditure and revenue scenarios to justify the recommended annual increases of the rates of road user charges requested with the previous Business Plan, which is available on request.

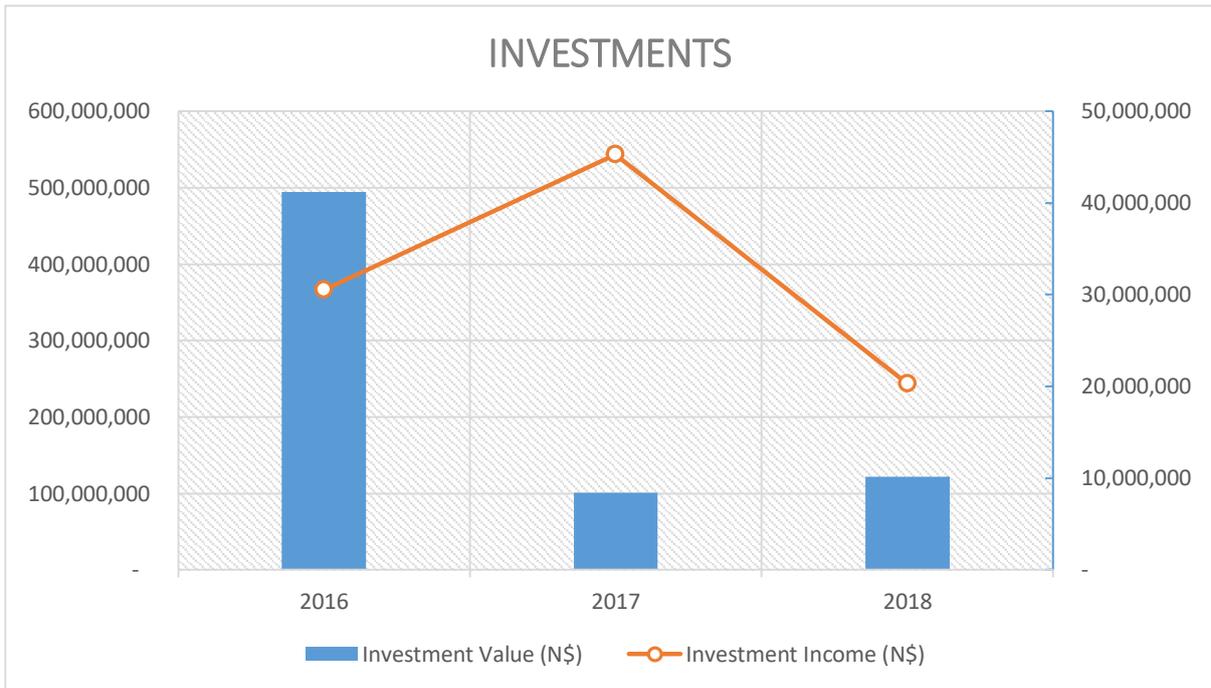
From the analysis it is evident that only a strategy of sustained annual RUC increases will it be possible to achieve a strategy of gradually increasing road maintenance expenditure in real terms towards the economically efficient optimum be feasible.

In particular, unless RUC fuel levies are increased annually, achieving optimal road maintenance funding will not only be impossible, but the funding of road maintenance will be at risk of being reduced in real terms.

## 6 PARTICULARS AND ANALYSIS OF ROAD FUND INVESTMENTS

The Fund has reviewed its current investment policy in an effort to drive off efficiency within the defined framework of its risk appetite.

The Fund held investments to the value of N\$121 million as at 31 March 2018. The investment trend can be outlined below over the past three years for the Fund. The investments were held in call, money market and fixed-term instruments across various asset managers.



## 7 PARTICULARS CONCERNING THE ROAD FUND ADMINISTRATION

### 7.1 Operational and Capital Budget of the Road Fund Administration for the Next Financial Year

This section details the particulars and analysis of the estimated expenditure of the RFA during this Business plan period. The operational and capital budget assumes a lot of activities planned for the coming year that would contribute towards the efficient management of the Road User Charging System (RUCS).

Key initiatives for the operational and capital budget relates to:

- Development and review of the road user charges (RUCs)
- Enhancement of traffic law enforcement operations;
- Mapping and alignment of the business continuity process;
- Development stakeholder engagement strategies;
- Staff Development and Empowerment programmes;
- Corporate branding of CBC Offices and RFA Villages, and related advertising
- Automation of some revenue collection techniques (Mass Distance Charges Charges)
- Development of the Enterprise Resource Planning (ERP) System and Information Communication Technology (ICT) solutions

Furthermore, the capital budget is committed towards:

- Staff accommodation housing units
- Office establishments at various strategic locations

### 7.2 Past and Future Financial Statements of the Road Fund Administration

The Fund realised Revenue of N\$2.38 Billion for the 2018 Financial Year, with expenses being N\$2.2 Billion. Despite tough economic environment, RFA's FY2017/18 performance remain solid and consistent with its approved five-year strategic plan and business plan.

The key highlights attributing to the good performance include:

- Revenue increased year-on-year from N\$2.21bn to N\$2.36bn (6.94% increase) complimented by annual RUCS tariff increase
- Fully funded all programmed road maintenance work on national road network as well as urban roads & traffic related law enforcement
- Expenditure on the Road Projects amounted to N\$1.69 billion (2017 N\$1.78 billion) – direct support of economic activity in the road sector
- Completion of 17 RFA staff accommodation housing units at various border posts

### 7.3 Management Plan: Organisational Structure and Staffing of the Road Fund Administration

The RFA theme of High Performance Culture (HPC), as embedded in the organisation's Strategic Plan, embraces the theory of the human capital as the essential asset of any institution. It is based on this statement that the RFA continues to engage its employees.

The organisation eventually earned the Gold Achiever Award, in the Small/Medium size company category for 2018 on the *Best Company To Work For* facilitated by Deloitte.

The conducted survey yielded the following results:

- 68.2% self-assessment (benchmark - 64.8%) – Employer Attractiveness category
- 74.3% self-assessment (benchmark of 71.7%) – Employee Engagement category.

The RFA staff compliment continue to grow and currently the total staff number of 143 of which 140 are filled. The staff compliment currently stands at a gender split of 59.3% female to 40.7% male. The staff are represented from average age range of 21 – 52 years.

The Table below displays the staff compliment per Employment Category:

Employment Category	Approved positions	Filled		Vacancies
		Female	Male	
Chief Executive Officer	1	0	1	0
Executives	6	2	4	0
Management & Professional	20	7	12	1
Skilled / Supervisory	27	14	13	0
Administration	88	59	27	2
Labour	1	1	0	0
<b>TOTAL</b>	<b>143</b>	<b>83</b>	<b>57</b>	<b>3</b>

To achieve the HPC, the following interventions will be undertaken:

- The Executive Management level organisational structure is continuously reviewed in order to ensure strategic alignment and cohesion.
- The overall performance indicator of the organisation was 3.7 out of 5 during the prior financial year. The organisation will continue to streamline the performance appraisals, with the involvement of all employees.
- The RFA endeavours to manage employee turnover and the current turnover stands at 3.0%.
- The organisation has a vigorous recruitment and selection programme in place that addresses vacancies.
- The Retention and Succession Strategy is to be executed to attract and retain the best possible talent to accomplish the mandate.
- RFA is conscious about the Employee Health and Safety and implements an Occupational Safety and Health Plan which is in Compliance with National Occupational Safety Association (NOSA) Standards.
- The RFA continuous to engaged in skills development interventions to its employees. The staff training needs are identified in the Individual Development Plan and is subsequently developed into the institutional training plan that is executed annually. This is to cater for the increased competency level requirements.

## 8 GOVERNANCE, LEGAL AND COMPLIANCE

The governance, legal and compliance framework has been established to ensure that the RFA is managed to ensure that the overall legal risk is minimised. In particular, the RFA has successfully appealed a regulatory matter in the Supreme Court, the impact of which would have been detrimental to administrative bodies. A cost order was made against the Respondent for the costs of both the High Court and Supreme Court. These costs will be repaid to the RFA by the Respondents.

During the current financial year, various statutory compliance functions were identified according to a risk matrix rating the compliance matters from high to low. This risk matrix has been elevated to the Audit, Investment, Risk and Compliance Sub-Committee of the Board for mandatory monitoring and evaluation purposes. An update is provided to the Committee each quarter on compliance to the legislative provisions flagged. This enables the RFA to manage compliance issues that are high risk in nature pro-actively.

Furthermore, the RFA Amendment Act Project has reached an advanced stage, which includes a Position Paper that was approved by the RFA Board of Directors, and the Honourable Minister of Finance. The Amendments to the Bill has been finalised, however these amendments need to be translated so that there is a new Bill for consideration integrating the amendments. The next stage of the project is to conclude the stakeholder engagements to discuss the amendments and receive inputs. Thereafter the final drafting instructions will be finalised.

From a governance perspective the RFA has adopted the NAMCode as its governance framework. In order to aid the implementation of the NAMCode an assessment was made with regards to the state of governance within the RFA. The implementation matrix was implemented and is regularly being tracked, focusing on those areas in which the RFA is not yet fully compliant and which are of risk to the institution, for remedial mitigation measures.

## 9 CORPORATE OVERVIEW

### 9.1 Stakeholder Management and Engagement

The RFA engages with a multitude of stakeholders in the execution of its mandate, and committed to its strategic objective of bringing about strong stakeholder engagement across all sectors.

It is a priority for the RFA that its stakeholders have trust and confidence in the organisation. For this reason, the process of identifying and fulfilling stakeholder's expectations, creating platforms and means to communicate with them is managed in a structured and methodical manner.

In alignment with NDP5, Harambee Prosperity Plan and Vision 2030; the RFA participates at strategic fora, which includes Africa Roads Maintenance Funds Association (ARMFA), Namibia Chamber of Commerce and Industry (NCCI), International Road Federation (IRF), Walvis Bay Corridor Group (WBCG) and various road subsector role players regularly.

The Board and Executive Management focused on strengthening and maintaining key stakeholder relations through proactive engagements. This afforded them with the opportunity to share collective views, perceptions, expectations and concerns relating to the RFA's operational context.

In order to attain this strategic objective, the RFA will embark upon interventions to improve the corporate identity and the institutional brand.

Key stakeholder engagements that will receive specific attention will include, *inter alia*, the following:

- Inauguration of the RFA Staff Accommodation at various border posts;
- Formation of strategic alliances through the Public Enterprises (PE) CEO Forum, NCCI, WBCG, Joint RFA and RA Management Committee, ARMFA and the Namibia Working Group for Intelligent Transport Systems;
- Annual stakeholder consultation on the RFA Business Plan;
- Strategic Plan Review and launch of the new Strategic Plan 2019 to 2024;
- Launch of the RFA rebranding;
- Technical Workshop for Traffic Law Enforcement entities;
- Annual General Meeting with the Minister of Finance in collaboration with the Minister of Public Enterprise;
- Participation in the Ongwediva Annual Trade Fair, Keetmanshoop, Erongo Regional Show and the prominent Windhoek Agricultural and Industrial Shows;
- Participation in Road Safety Campaign at selected road blocks on the national road network with National Road Safety Council and the Motor Vehicle Accident Fund;
- Internal stakeholder engagements, namely greenest RFA Village House Competition;
- Stakeholder engagement session with the four petroleum houses (fuel levy clients);
- Media stakeholder engagement sessions;
- Launch of the Customer Service Charter;
- RFA annual Awards and Staff Year-end Function.

## **9.2 Code of Ethics**

The RFA core values provide the framework which enables the organisation to execute its mission whilst driving towards its vision. These values govern the behaviour of employees within the workplace as well as with all external stakeholders.

In view of the foresaid RFA recognises employees' outstanding performance, through annual prize award recognitions. As part of the PE sector RFA will participate in the Annual SOE games to be hosted in Lüderitz in June 2019.

## **9.3 Corporate Social Investment**

As a responsible Corporate Social Citizen, the RFA will continue to participate in the annual Cycle Classic Rotary Club Windhoek event and the annual Clash Calendar in support of the hearing impaired children. In addition, RFA will continue to commit itself as a strategic corporate social partner in communities, such as at border post, where it is operational.

## **9.4 Information Communication Technology's (ICT) Strategic Perspective**

The RFA made excellent progress towards delivering on its ICT strategic initiatives during 2018/2019 Financial Year. The organisation's performance highlights over the current financial year has been as follows:

- Introduction of the Biometric Time Attendance Systems at all border posts offices as well as the RFA Head Office;
- Automation and roll-out of a Human Capital Online Recruitment and Selection Portal;
- Establishment of an Auto Attendant System on the RFA's Head Office PABX Telephone system;
- Implementation of SharePoint Intranet system.

Going forward, a number of new and additional opportunities which are anticipated in the coming year, will be embarked upon with the same level of enthusiasm and dedication.

The RFA is excited to initiate the project to implement a new Enterprise Resource Planning System (ERP).

The current legacy ERP system has been in place at the RFA since July 2009. During the last quarter of 2016 fiscal year a review was completed on the current ERP system, which revealed major gaps between the current and future state requirements of the ERP System.

Hence the RFA's determinations to implement a new ERP system which will meet the current business challenges and align business processes with the organisational goals.

Furthermore, the organisation has implemented Namibia's corporate governance code, namely NamCode, in order to improve and align the RFA's ICT governance framework. Additional to the NamCode governance framework, the organisation will be implementing COBIT 5 Framework to fully support the governance of ICT principles at a global level.

**Appendix**

**Financial Tables of the Business Plan for the Financial Years 2020 to 2024**

PROJECTS AND PROGRAMMES TO BE FUNDED INSIDE THE ROAD USER CHARGING SYSTEM			CURRENT YEAR REQUEST		BUDGET REQUESTS RECEIVED FOR BUSINESS PLAN PERIOD (RFA Act s. 20(2))										Total Amount of Funding - RUCS	Total Co-funding - GRN/Donors
Budget Category / Subcategory / Item	Exp. Class	Funding Responsib.	FY2017		FY2018		FY2019		FY2020		FY2021		FY2022		Total Amount of Funding - RUCS	Total Co-funding - GRN/Donors
			RUCS	GRN/Donor	RUCS	GRN/Donors	RUCS	GRN/Donors	RUCS	GRN/Donors	RUCS	GRN/Donors	RUCS	GRN/Donors		
<b>Budget Headings, Items and Funding Responsibilities</b>			<b>Budget Request Detail of Administrative Expenditure, Projects and Programmes [N\$]</b>													
<b>01 Management of the National Road Network RFA Act s. 17(1)(a)</b>			2,218,059,061	260,000,000	2,107,550,000	1,560,934,788	2,288,514,802	782,492,480	2,063,522,353	844,182,074	2,169,733,358	482,424,561	2,287,066,748	478,107,873	10,916,387,260	4,148,141,776
<b>01.01 RA Administration</b>			526,858,061	0	523,592,470	0	547,777,774	0	472,302,203	0	502,524,691	0	533,105,959	0	2,579,303,096	0
NARA2001-M01	RA Administration Operations	Adm RFA	390,078,610	0	441,150,025	0	461,213,207	0	455,102,596	0	485,067,090	0	515,386,495	0	2,357,919,413	0
NARA2004-T01	RA Head Office Development	Proj RFA	78,987,451	0	11,000,000	0	11,550,000	0	0	0	0	0	0	0	22,550,000	0
NARA2004-T02	RA Regional Offices Devel. & Maint.	Proj RFA	25,000,000	0	25,000,000	0	26,250,000	0	0	0	0	0	0	0	51,250,000	0
NARA2009-T01	RA IT Systems Development	Proj RFA	11,900,000	0	13,600,000	0	14,280,000	0	17,199,606	0	17,457,600	0	17,719,464	0	80,256,671	0
NARA2018-T03	RA Post Retirement Medical Benefits	Proj RFA	20,892,000	0	32,842,445	0	34,484,567	0	0	0	0	0	0	0	67,327,012	0
<b>01.02 Network Planning and Consultation</b>			32,070,000	10,000,000	55,500,000	0	52,500,000	0	45,000,000	20,000,000	40,200,000	20,000,000	42,700,000	20,000,000	235,900,000	60,000,000
NARA2001-M02	Network Planning and Consultation	Prog RFA+GRN	32,070,000	10,000,000	55,500,000	0	52,500,000	0	45,000,000	20,000,000	40,200,000	20,000,000	42,700,000	20,000,000	235,900,000	60,000,000
<b>01.03 Roadworks - Maintenance</b>			1,131,254,000	250,000,000	1,362,629,001	736,714,788	1,487,802,999	700,455,480	1,467,904,000	824,182,074	1,547,227,901	462,424,561	1,623,989,295	458,107,873	7,489,553,196	3,181,884,776
NARA2001-M03	Unpaved Road Maintenance	Prog RFA	508,251,210	155,000,000	672,085,695	543,668,931	655,322,341	609,803,445	736,824,248	586,972,498	851,665,460	400,733,207	894,248,733	412,781,951	3,810,146,477	2,553,960,032
NARA2001-M04	Paved Road Maintenance	Prog RFA	485,836,339	95,000,000	516,498,888	193,045,857	669,156,171	560,189,040	237,209,576	516,727,194	61,691,354	542,563,553	45,325,922	2,805,134,846	627,924,744	
NARA2009-M01	Structures maintenance and repair works	Prog RFA	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NARA2001-M05	Miscellaneous Road Maintenance	Prog RFA+GRN	137,166,451	0	174,044,418	0	163,324,487	0	170,890,712	0	178,835,247	0	187,177,009	0	874,271,873	0
<b>01.04 Roadworks - Rehabilitation</b>			275,657,000	0	106,445,529	774,220,000	83,873,529	82,037,000	1,350,000	0	0	0	0	0	191,669,058	856,257,000
NARA2015-T10	TR1/6: Windhoek Okahandja road rehab. Section 3 (Phase I, 10km)	Proj RFA	45,357,000	0	1,500,000	0	0	0	0	0	0	0	0	0	1,500,000	0
NARA2017-T02	TR1/6: Windhoek Okahandja road rehab. (Phase II - KFW loan rest)	Proj RFA	105,000,000	0	0	430,000,000	0	0	0	0	0	0	0	0	430,000,000	0
NARA2011-T01	Bridge no. 157 on TR1/4: Rehoboth Mariental	Proj RFA	800,000	0	0	0	0	0	0	0	0	0	0	0	0	0
NARA2011-T02	Bridge no. 2312 on TR1/4: Rehoboth Mariental	Proj RFA	800,000	0	0	0	0	0	0	0	0	0	0	0	0	0
NARA2012-T01	Bridge no. 158 on MR 1/4: Rehoboth Mariental	Proj RFA	800,000	0	0	0	0	0	0	0	0	0	0	0	0	0
NARA2016-T04	TR8/4: Rundu road safety improvements	Proj RFA	N/A	0	0	0	11,000,000	0	1,350,000	0	0	0	0	0	12,350,000	0
NARA2016-T05	MR120 Oshakati - Okatana (4.4 km) rehab.	Proj RFA	96,000,000	0	150,000	0	0	0	0	0	0	0	0	0	150,000	0
NARA2017-T01	TR2/2: Road over Rail Bridge, Swakopmund	Proj RFA	18,000,000	0	20,500,000	0	2,000,000	0	0	0	0	0	0	0	22,500,000	0
NARA2015-T02	Bridge no. 250 on DR210: Homs River Bridge, Warmbad	Proj RFA	8,900,000	0	1,500,000	0	350,000	0	0	0	0	0	0	0	1,850,000	0
NARA2018-T01	TR10/2: Enhana - Onhuno road rehabilitation (47 km)	Proj RFA	0	0	70,000,000	144,220,000	57,728,000	82,037,000	0	0	0	0	0	0	127,728,000	226,257,000
NARA2018-T02	TR2/3: Omaruru - Karibib - Usakos - Arandis - Swakopmund (222 km)	Proj RFA	0	0	12,795,529	200,000,000	12,795,529	0	0	0	0	0	0	0	25,591,058	200,000,000
<b>01.05 Roadworks - Development</b>			180,850,000	0	6,000,000	50,000,000	2,300,000	0	0	0	0	0	0	0	8,300,000	50,000,000
NARA2003-T05	MR120: Onunho - Endola - Okatana road upgrading (36km)	Proj RFA	179,000,000	0	5,000,000	50,000,000	2,300,000	0	0	0	0	0	0	0	7,300,000	50,000,000
NARA2010-T14	DR 3615: Onamutuku - Oshikuku road upgrading (16km)	Proj RFA	1,850,000	0	1,000,000	0	0	0	0	0	0	0	0	0	1,000,000	0
<b>01.07 Road Management System</b>			50,370,000	0	35,615,000	0	59,796,500	0	64,076,150	0	69,933,765	0	76,927,142	0	306,348,557	0
NARA2001-M06	Road Management System	Prog RFA	50,370,000	0	35,615,000	0	59,796,500	0	64,076,150	0	69,933,765	0	76,927,142	0	306,348,557	0
NARA2015-T01	RMS Development Project	Proj RFA	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>01.08 Overload Control</b>			21,000,000	0	17,768,000	0	54,464,000	0	12,890,000	0	9,847,001	0	10,344,352	0	105,313,353	0
NARA2015-T11	Weighbridge: Keetmanshoop	Proj RFA	11,000,000	0	9,500,000	0	21,500,000	0	600,000	0	0	0	0	0	31,600,000	0
NARA2015-T12	Weighbridge: Otjivarongo/ Otavi	Proj RFA	N/A	0	0	0	22,000,000	0	1,500,000	0	0	0	0	0	23,500,000	0
NARA2015-T13	Weighbridge: Rundu	Proj RFA	N/A	0	0	0	2,200,000	0	1,500,000	0	0	0	0	0	3,700,000	0
NARA2001-M07	Road Traffic and Transport Inspectorate	Prog RFA	10,000,000	0	8,268,000	0	8,764,000	0	9,290,000	0	9,847,001	0	10,344,352	0	46,513,353	0
<b>02 Administrative Expenditure of the RFA &amp; RUCS RFA Act s. 17(1)(b)</b>			134,179,000	0	184,023,990	0	170,178,000	0	174,438,600	0	160,605,600	0	139,201,000	0	828,447,190	0
<b>02.01 RFA Administration Account</b>			90,979,000	0	97,800,000	0	103,668,000	0	109,888,000	0	116,482,000	0	123,471,000	0	551,309,000	0
NRFA2001-M01	RFA Administration Operations	Adm RFA	90,979,000	0	97,800,000	0	103,668,000	0	109,888,000	0	116,482,000	0	123,471,000	0	551,309,000	0
<b>02.02 Road Fund Account</b>			43,200,000	0	86,223,990	0	66,510,000	0	64,550,600	0	44,123,600	0	15,730,000	0	277,138,190	0
NRFA2014-T01	RFA Office Construction	Proj RFA	2,000,000	0	2,000,000	0	0	0	0	0	0	0	0	0	2,000,000	0
NRFA2014-T02	CBC Accommodation Construction	Proj RFA	32,700,000	0	24,500,000	0	2,500,000	0	0	0	0	0	0	0	27,000,000	0
NRFA2004-T01	Development of RUCS	Proj RFA	2,500,000	0	43,723,990	0	50,000,000	0	50,000,000	0	29,000,000	0	0	0	172,723,990	0
NRFA2016-M01	Road Fund Equipment	Adm RFA	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NRFA2016-M02	Road Fund Other Expenses	Adm RFA	6,000,000	0	6,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	26,000,000	0
NRFA2016-M03	Fuel Levy Refunds	Adm RFA	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0
NRFA2018-T01	Technical Assistance AA	Proj RFA	0	0	10,000,000	0	9,010,000	0	9,550,600	0	10,123,600	0	10,730,000	0	49,414,200	0
<b>03 Urban Roads Contributions RFA Act s. 17(1)(c)</b>			167,455,060	0	268,275,241	0	187,854,837	0	200,353,341	0	214,863,147	0	233,294,650	0	1,104,641,215	0
<b>03.02 Local Authority Roads</b>			161,408,896	0	261,640,795	0	181,002,440	0	193,152,441	0	207,169,990	0	225,313,596	0	1,068,279,261	0
LAAR2005-M01	Arandis Town	Prog RFA	3,721,746	0	3,549,923	0	2,686,399	0	2,955,039	0	3,250,543	0	3,250,542	0	15,692,446	0
LAAS2005-M01	Aranos Town	Prog RFA	374,427	0	397,641	0	437,406	0	490,769	0	549,662	0	615,621	0	2,491,099	0
LAAB2005-M01	Aroab Village	Prog RFA	372,831	0	394,917	0	434,409	0	486,538	0	544,922	0	626,661	0	2,487,447	0
LABA2006-M01	Berseba Village	Prog RFA	291,965	0	309,654	0	340,619	0	381,494	0	427,273	0	478,546	0	1,937,586	0
LABE2009-M01	Bethanie Village	Prog RFA	292,000	0	317,856	0	317,856	0	347,610	0	289,033	0	437,064	0	1,709,419	0
LAEE2005-M01	Enhana Town	Prog RFA	422,000	0	447,000	0	498,000	0	498,000	0	522,900	0	549,045	0	2,489,945	0
LAGN2005-M01	Gibeon Village	Prog RFA	410,952	0	437,931	0	462,041	0	485,643	0	515,559	0	541,337	0	2,442,511	0
LAGO2005-M01	Gobabis Municipality	Prog RFA	1,640,000	0	1,737,010	0	1,737,010	0	1,910,711	0	2,140,062	0	2,386,012	0	9,910,805	0
LAGS2005-M01	Gochas Village	Prog RFA	373,000	0	394,477	0	433,631	0	488,127	0	544,504	0	546,252	0	2,406,991	0
LAGR2005-M01	Grootfontein Municipality	Prog RFA	1,540,000	0	1,632,000	0	1,725,000	0	1,817,000	0	1,907,850	0	2,003,243	0	9,085,093	0
LAHN2009-M01	Helao Nafidi Town	Prog RFA	1,356,000	0	1,437,000	0	1,519,000	0	1,600	0	1,680	0	1,764	0	2,961,044	0
LAHB2005-M01	Henties Bay Municipality															



PROJECTS AND PROGRAMMES TO BE FUNDED OUTSIDE THE ROAD USER CHARGING SYSTEM	CURR. BUDG.	EXPENDITURE ESTIMATE FOR BUSINESS PLAN PERIOD						
		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total for 5 Years
		GRN	GRN	GRN	GRN	GRN	GRN	GRN
<b>Budget Category / Subcategory / Item</b>								
<b>Budget Headings, Items and Funding Contributions</b>		<b>Funding of Projects and Programmes</b>						
<b>01 Management of the National Road Network</b>	<b>1,646,780,000</b>	<b>1,381,885,000</b>	<b>4,536,950,000</b>	<b>3,359,372,000</b>	<b>1,897,410,000</b>	<b>336,000,000</b>	<b>11,158,917,000</b>	
<b>01.04 Roadworks - Rehabilitation</b>	<b>618,488,000</b>	<b>777,000,000</b>	<b>2,254,000,000</b>	<b>1,828,000,000</b>	<b>827,010,000</b>	<b>170,000,000</b>	<b>5,856,010,000</b>	
TR1/6: Windhoek-Okahandja (97km)	180,357,000	260,000,000	381,500,000	401,000,000	290,000,000	100,000,000	1,432,500,000	
TR2/1 Swakopmund - Walvis Bay road rehabilitation (30 km)	0	5,000,000	153,000,000	103,000,000	2,010,000	0	263,010,000	
TR1/5: Windhoek - Rehoboth, (84 km)	2,500,000	0	165,000,000	125,000,000	10,000,000	2,000,000	302,000,000	
TR1/11: Ongwediva - Ondangwa - Omuthiya (142km)	15,000,000	5,000,000	433,000,000	237,000,000	15,000,000	2,000,000	692,000,000	
TR9/1: Windhoek - HKIA (44km)	140,631,000	195,000,000	350,000,000	240,000,000	200,000,000	2,000,000	987,000,000	
MR44: Swakopmund - Walvis Bay road upgrading (44km)	106,000,000	180,000,000	220,000,000	190,000,000	190,000,000	2,000,000	782,000,000	
TR1/4 Rehoboth - Mariental road rehabilitation, Phase 1(180 km)	0	0	0	0	0	0	0	
Grunau - Keetmanshoop- Mariental road rehabilitation (386 km)	84,000,000	129,000,000	210,000,000	152,000,000	10,000,000	2,000,000	503,000,000	
Oshikango by-pass road rehabilitation (20km)	22,500,000	3,000,000	71,500,000	20,000,000	0	0	94,500,000	
Onhuno- Eenhana road rehabilitation (47 km)	55,000,000	0	0	0	0	0	0	
T0203: Omaruru - Karibib - Usakos - Arandis - Swakopmund (222 km)	12,500,000	0	270,000,000	360,000,000	110,000,000	60,000,000	800,000,000	
<b>01.05 Roadworks - Development</b>	<b>1,028,292,000</b>	<b>604,885,000</b>	<b>2,282,950,000</b>	<b>1,531,372,000</b>	<b>1,070,400,000</b>	<b>166,000,000</b>	<b>5,302,907,000</b>	
<b>Paved Roads:</b>	<b>841,852,000</b>	<b>418,500,000</b>	<b>1,518,500,000</b>	<b>1,079,492,000</b>	<b>502,000,000</b>	<b>160,000,000</b>	<b>3,392,492,000</b>	
MR91: Gobabis- Aminuis- Aranos(245 km) (N\$1,240,952,576.39)	116,685,000	120,000,000	205,000,000	13,000,000	0	0	338,000,000	
Otjinene - Grootfontein :231 km( N\$622,443,993.81)	110,000,000	58,000,000	155,000,000	10,000,000	0	0	223,000,000	
MR 121: Eenhana - Oshigambo:48.3km (N\$203,648,459.39)	1,500,000	0	0	0	0	0	0	
DR 3603: Onayena - Okankolo:23 km (N\$114,411,157.93)	1,500,000	0	0	0	0	0	0	
MR125: Liselo - Linyanti - Kongola:205km(N\$860,498,979.75)	35,300,000	1,500,000	0	0	0	0	1,500,000	
DR3611 Oshikuku- Okalongo(Wa Kasamane Gate):8km ( N\$ 38,561,701.49)	32,150,000	1,000,000	0	0	0	0	1,000,000	
MR118: Oranjemund- Roshpinah:100km (N\$614,478,940.76)	13,815,000	11,000,000	10,000,000	0	0	0	21,000,000	
DR 3608: Omafo- Ongenga- Outapi: 98 km (N\$852,546,044)	27,025,000	0	0	0	0	0	0	
MR67: Omakange- Ruacana: 85 km ( N\$532,034,888.35)	2,000,000	0	0	0	0	0	0	
DR3609: Oshakati - Ongenga:37km(N\$196,409,470)	100,740,000	1,000,000	0	0	0	0	1,000,000	
MR59&MR112: Okahandja- Otjizondju- Okondjatu road upgrading (180km)	0	0	158,000,000	72,000,000	2,000,000	0	232,000,000	
MR115: Okakarara-Okondjatu (100 km)	0	0	158,000,000	72,000,000	2,000,000	0		
TR10/2: Phase 1 and 2 Rundu-Elundu- Eenhana Upgrading to Bitumen Standards (25 km)	55,000,000	0	0	0	0	0	0	
Swakopmund- Henties Bay- Kamanjab road upgrading 402 km(134 km phase 1)	106,734,000	180,000,000	340,000,000	210,000,000	150,000,000	2,000,000	882,000,000	
Upgrading of Omaruru-Karibib – Usakos – Swakopmund (222km) to 2+1 Cross Section	12,500,000	0	0	0	0	0	0	
Upgrading of 1635 Du Plessis Plaas – 1688 Epukiro Post 3 to Bitumen (47km)	2,500,000	3,000,000	80,000,000	70,000,000	2,000,000	0	155,000,000	
TR/12 Oshikango via Odibo - TR10/2 Ohengobe Road Upgrading (35.8)	2,500,000	2,000,000	88,000,000	77,000,000	2,000,000	0	169,000,000	
Construction and Tarring of the road from Opuwo to Epupa	2,500,000	2,000,000	65,000,000	105,000,000	90,000,000	2,000,000	264,000,000	
Construction and Tarring of the road from Opuwo to Sesfontein	2,500,000	2,000,000	65,000,000	105,000,000	90,000,000	2,000,000	264,000,000	
Ngoma-Muyako-Bukalo Road upgrading to bitumen standards (55km)	0	0	55,000,000	160,000,000	2,000,000	0	217,000,000	
MR27: Keetmanshoop-Aroab-Klein Menasse upgrading (204km)	0	0	2,500,000	20,492,000	150,000,000	150,000,000	322,992,000	
Divundu-Muhembo road upgrading to bitumen standards (32.3km)	2,500,000	0	110,000,000	55,000,000	2,000,000	0	167,000,000	
DR3063 Onathing- Onayena (10km)	0	0	5,000,000	55,000,000	5,000,000	2,000,000	67,000,000	
MR121 Onethindi-Oshigambo (23km)	0	0	5,000,000	55,000,000	5,000,000	2,000,000	67,000,000	
DR 3508:Namalubi-Isize - Sifuha - Malindi - Luhonono (Schuckmannsburg)upgrading to bitumen standard (55km)	106,000,000	37,000,000	12,000,000	0	0	0		
MR120: Onunho - Endola - Okatana road upgrading (36km)	106,903,000		5,000,000	0	0	0		
MR 121: Eenhana - Oshigambo:48.3km (N\$203,648,459.39)	1,500,000							
<b>Gravel Roads:</b>	<b>80,242,000</b>	<b>114,500,000</b>	<b>575,750,000</b>	<b>362,130,000</b>	<b>568,400,000</b>	<b>6,000,000</b>	<b>1,560,080,000</b>	
DR3524 Ngoma - Nakabolelwa:18km (N\$52,899,627.56)	0	0	0	0	0	0	0	
DR3524 Ngoma - Nakabolelwa-Kasika phase 2 :30km	0	0	44,000,000	22,000,000	700,000	0		
Tjova (TR8/4) - Divayi :24.7km( N\$40,566,804.07)	950,000	0	0	0	0	0	0	
Kamupupu - Mbururu :19.9km (N\$28,982,605.16)	350,000	0	0	0	0	0	0	

PROJECTS AND PROGRAMMES TO BE FUNDED OUTSIDE THE ROAD USER CHARGING SYSTEM Budget Category / Subcategory / Item	CURR. BUDG.	EXPENDITURE ESTIMATE FOR BUSINESS PLAN PERIOD						
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total for 5 Years	
	GRN	GRN	GRN	GRN	GRN	GRN	GRN	
<b>Budget Headings, Items and Funding Contributions</b>		<b>Funding of Projects and Programmes</b>						
DR3649 Onelulago - Epembe -DR3602: 42km( N\$59,661,901.28)	350,000	0	0	0	0	0	0	
DR3673 Omuthiya - Onanke :33.4km( N\$ 44,801,459.99)	0	0	0	0	0	0	0	
DR3657: Oshapapa (Oshali) - Epumbu :33km N\$47,775,824.02))	0	0	0	0	0	0	0	
Onayena -(Onankali) Omahenge :24.4km(N\$51,376,652.64)	0	0	0	0	0	0	0	
Amwaanda - Omutambo Maowe gravel road construction (111km)	50,100,000	700,000	700,000	0	0	0	1,400,000	
Masokotwani (MR125) -Machita gravel road construction (32km)	2,000,000	4,000,000	33,000,000	22,000,000	500,200,000	2,000,000	561,200,000	
Okathitu - MR123 road gravelling (12km)	0	4,000,000	30,000,000	700,000	0	0	34,700,000	
TR10/2 Oupili - Onkumbula gravel road construction (40km)	2,000,000	2,400,000	32,000,000	700,000	0	0	35,100,000	
DR3650: Onakalunga-Epinga gravel road construction (19km)	0	30,500,000	10,000,000	200,000	0	0	40,700,000	
Endola - Eembo gravel road construction (19km)	0	33,000,000	32,000,000	700,000	0	0	65,700,000	
Mpora (TR8/3) - Bravo - TR15/1 gravel road construction (137km)	0	2,400,000	155,000,000	105,000,000	29,000,000	2,000,000	293,400,000	
DR4107: Ongwediva- Endola gravel road construction (17 km)	0	0	0	0	0	0	0	
DR3671: Onamutai-Ongwediva	0	0	0	0	0	0	0	
DR3424: Mungunda (TR8/4) - Shakambu gravel road construction (36.6km)	1,881,000	3,500,000	55,000,000	28,000,000	500,000	0	87,000,000	
DR3672: TR1/11 - Mangetti West quarantine camp gravel road const Phase 2 (50 Km)	10,000,000	28,000,000	26,000,000	700,000	0	0	54,700,000	
TR10/2: Enyana - Olukula (47.4)	0	0	5,000,000	1,000,000	0	0	6,000,000	
MR15/1: Tsintsabis - DR3444: Gava (130km)	0	2,500,000	110,000,000	88,000,000	38,000,000	2,000,000	240,500,000	
Uukwiyuushona (DR3605) -Ompundja gravel road construction (35.5km)	6,606,000	0	5,000,000	13,000,000	0	0	18,000,000	
DR3654: Omuthiya - Elambo (DR3630) gravel road construction (48.8)	4,000,000	3,500,000	22,250,000	0	0	0	25,750,000	
TR 102 Omukukutu - Ombothe gravel road construction	0	0	0	7,000,000	0	0	7,000,000	
Ohneileiwa - Onedute gravel road construction (12km)	0	0	5,800,000	8,330,000	0	0	14,130,000	
DR3624: TR 10/2 - Omundaungilo gravel road construction (16km)	2,005,000	0	5,000,000	21,800,000	0	0	26,800,000	
DR3678: Ondjungulume-Uuvudhiya-Eengombe-Opona	0	0	5,000,000	43,000,000	0	0	48,000,000	
<b>Labour-based Roads:</b>	<b>92,698,000</b>	<b>70,735,000</b>	<b>188,700,000</b>	<b>89,750,000</b>	<b>0</b>	<b>0</b>	<b>350,335,000</b>	
MR111 Epato (MR111) - Onkani (Onaushe):46km( N\$66,836,508.12)	8,335,000	835,000	0	0	0	0	835,000	
Uukwiyuushona -Omuntele ( Amilema) :80.7km(61,458,862.35)	17,826,000	3,400,000	700,000	0	0	0	4,100,000	
Eembahu (TR10/2) - Oshiweda :32km( N\$ 58,551,023.64)	0	0	0	0	0	0	0	
Etomba (DR3639) - Omundaungilo :71km	54,537,000	3,000,000	500,000	0	0	0	3,500,000	
TR15/1 - Luwaya (50Km)	0	0	5,000,000	10,000,000	0	0	17,500,000	
DR3619: Onaanda - Otamanzi	0	2,500,000	16,000,000	18,500,000	0	0	34,500,000	
DR3662: Tsandi (MR123) - lipanda school (28Km)	0	0	0	5,000,000	0	0	5,000,000	
DR3622: Omukukutu - Omboloka (25Km)	0	3,000,000	50,500,000	0	0	0	53,500,000	
DR3545 & DR357: Impalila Island Road (15.2 km)	0	0	0	0	0	0	0	
Access Roads to Schools and Clinics	12,000,000	58,000,000	66,000,000	6,250,000	0	0	130,250,000	
MR 92 (Ombathi) - MR111 (Epato) gravel road construction (32.7)	0	0	0	0	0	0	0	
Lizauli-Sachona	0	0	0	0	0	0	0	
Roving Betterment Unit	0	0	0	0	0	0	0	
Maintenance of Roads: Flood Damaged Infrastructure Repair	0	0	50,000,000	50,000,000	0	0	100,000,000	
<b>Bridges:</b>	<b>0</b>	<b>1,150,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,150,000</b>	
Construction of bridges linking Okahandja to Ovitoto	0	0	0	0	0	0	0	
Construction of Oute Bridge - Opuwo to Etanga road	13,500,000	1,150,000	0	0	0	0	1,150,000	
<b>Grand Total</b>	<b>1,646,780,000</b>	<b>1,381,885,000</b>	<b>4,536,950,000</b>	<b>3,359,372,000</b>	<b>1,897,410,000</b>	<b>336,000,000</b>	<b>11,158,917,000</b>	

**NOTE:** This table has been prepared from latest information provided by the Roads Authority. Funding is entirely provided by and amendments are at the discretion of the Government of the Republic of Namibia.

PROJECTS AND PROGRAMMES TO BE FUNDED INSIDE THE ROAD USER CHARGING SYSTEM			PREVIOUS DETERMINATION		AMOUNT OF FUNDING DETERMINATION FOR BUSINESS PLAN PERIOD - INCLUDING COST ESCALATION ESTIMATE (RFA Act s. 20(4)(a))										TOTAL BUS. PLAN PERIOD		TOTAL - PROJECTS ONLY	
Budget Category / Subcategory / Item	Exp. Class	Funding Responsib.	Pre-FY2018 (Projects only)		FY2018		FY2019		FY2020		FY2021		FY2022		Total Amount of Funding - RUCS	Total Co-funding - GRN/Donors	Total Amount of Funding - RUCS	Total Co-funding - GRN/Donors
			RUCS	GRN/Donors	RUCS	GRN/Donors	RUCS	GRN/Donors	RUCS	GRN/Donors	RUCS	GRN/Donors	RUCS	GRN/Donors				
<b>Budget Headings, Items and Funding Responsibilities</b>																		
<b>01 Management of the National Road Network RFA Act s. 17(1)(a)</b>			558,394,000	0	2,377,239,000	1,560,935,000	2,288,515,000	782,492,000	2,063,523,000	844,182,000	2,169,733,000	482,424,000	2,287,066,000	478,108,000	11,186,076,000	4,148,141,000	1,308,237,000	906,257,000
<b>01.01 RA Administration</b>			90,887,000	0	523,592,000	0	547,778,000	0	472,303,000	0	502,525,000	0	533,105,000	0	2,579,303,000	0	312,271,000	0
NARA2001-M01	Adm	RFA	0	0	441,150,000	0	461,213,000	0	455,103,000	0	485,067,000	0	515,386,000	0	2,357,919,000	0	0	0
NARA2004-T01	Proj	RFA	78,987,000	0	11,000,000	0	11,550,000	0	0	0	0	0	0	22,550,000	0	101,537,000	0	
NARA2004-T02	Proj	RFA	0	0	25,000,000	0	26,250,000	0	0	0	0	0	0	51,250,000	0	51,250,000	0	
NARA2009-T01	Proj	RFA	11,900,000	0	13,600,000	0	14,280,000	0	17,200,000	0	17,458,000	0	17,719,000	0	80,257,000	0	92,157,000	0
NARA2018-T03	Proj	RFA	0	0	32,842,000	0	34,485,000	0	0	0	0	0	0	67,327,000	0	67,327,000	0	
<b>01.02 Network Planning and Consultation</b>			0	0	55,500,000	0	52,500,000	0	45,000,000	20,000,000	40,200,000	20,000,000	42,700,000	20,000,000	235,900,000	60,000,000	0	0
NARA2001-M02	Prog	RFA+GRN	0	0	55,500,000	0	52,500,000	0	45,000,000	20,000,000	40,200,000	20,000,000	42,700,000	20,000,000	235,900,000	60,000,000	0	0
<b>01.03 Roadworks - Maintenance</b>			0	0	1,362,629,000	736,715,000	1,487,802,000	700,455,000	1,467,904,000	824,182,000	1,547,227,000	462,424,000	1,623,990,000	458,108,000	7,489,552,000	3,181,884,000	0	0
NARA2001-M03	Prog	RFA	0	0	672,086,000	543,669,000	655,322,000	609,803,000	736,824,000	586,972,000	851,665,000	400,733,000	894,249,000	412,782,000	3,810,146,000	2,553,959,000	0	0
NARA2001-M04	Prog	RFA	0	0	516,499,000	193,046,000	669,156,000	90,652,000	560,189,000	237,210,000	516,727,000	61,691,000	542,564,000	45,326,000	2,805,135,000	627,925,000	0	0
NARA2009-M01	Prog	RFA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
NARA2001-M05	Prog	RFA+GRN	0	0	174,044,000	0	163,324,000	0	170,891,000	0	178,835,000	0	187,177,000	0	874,271,000	0	0	0
<b>01.04 Roadworks - Rehabilitation</b>			275,657,000	0	376,135,000	774,220,000	83,874,000	82,037,000	1,350,000	0	0	0	0	0	461,359,000	856,257,000	737,016,000	856,257,000
NARA2015-T10	Proj	RFA	45,357,000	0	1,500,000	0	0	0	0	0	0	0	0	1,500,000	0	46,857,000	0	
NARA2017-T02	Proj	RFA	105,000,000	0	269,689,000	430,000,000	0	0	0	0	0	0	0	269,689,000	430,000,000	374,689,000	430,000,000	
NARA2011-T01	Proj	RFA	800,000	0	0	0	0	0	0	0	0	0	0	800,000	0	800,000	0	
NARA2011-T02	Proj	RFA	800,000	0	0	0	0	0	0	0	0	0	0	800,000	0	800,000	0	
NARA2012-T01	Proj	RFA	800,000	0	0	0	0	0	0	0	0	0	0	800,000	0	800,000	0	
NARA2016-T04	Proj	RFA	0	0	0	0	11,000,000	0	1,350,000	0	0	0	0	12,350,000	0	12,350,000	0	
NARA2016-T05	Proj	RFA	96,000,000	0	150,000	0	0	0	0	0	0	0	0	150,000	0	96,150,000	0	
NARA2017-T01	Proj	RFA	18,000,000	0	20,500,000	0	2,000,000	0	0	0	0	0	0	22,500,000	0	40,500,000	0	
NARA2015-T02	Proj	RFA	8,900,000	0	1,500,000	0	350,000	0	0	0	0	0	0	1,850,000	0	10,750,000	0	
NARA2018-T01	Proj	RFA	0	0	70,000,000	144,220,000	57,728,000	82,037,000	0	0	0	0	0	127,728,000	226,257,000	127,728,000	226,257,000	
NARA2018-T02	Proj	RFA	0	0	12,796,000	200,000,000	12,796,000	0	0	0	0	0	0	25,592,000	200,000,000	25,592,000	200,000,000	
<b>01.05 Roadworks - Development</b>			180,850,000	0	6,000,000	50,000,000	2,300,000	0	0	0	0	0	0	8,300,000	50,000,000	189,150,000	50,000,000	
NARA2003-T05	Proj	RFA	179,000,000	0	5,000,000	50,000,000	2,300,000	0	0	0	0	0	0	7,300,000	50,000,000	186,300,000	50,000,000	
NARA2010-T14	Proj	RFA	1,850,000	0	1,000,000	0	0	0	0	0	0	0	0	1,000,000	0	2,850,000	0	
<b>01.07 Road Management System</b>			0	0	35,615,000	0	59,797,000	0	64,076,000	0	69,934,000	0	76,927,000	0	306,349,000	0	0	0
NARA2001-M06	Prog	RFA	0	0	35,615,000	0	59,797,000	0	64,076,000	0	69,934,000	0	76,927,000	0	306,349,000	0	0	0
NARA2015-T01	Prog	RFA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>01.08 Overload Control</b>			11,000,000	0	17,768,000	0	54,464,000	0	12,890,000	0	9,847,000	0	10,344,000	0	105,313,000	0	69,800,000	0
NARA2015-T11	Proj	RFA	11,000,000	0	9,500,000	0	21,500,000	0	600,000	0	0	0	0	31,600,000	0	42,600,000	0	
NARA2015-T12	Proj	RFA	0	0	0	0	22,000,000	0	1,500,000	0	0	0	0	23,500,000	0	23,500,000	0	
NARA2015-T13	Proj	RFA	0	0	0	0	2,200,000	0	1,500,000	0	0	0	0	3,700,000	0	3,700,000	0	
NARA2001-M07	Prog	RFA	0	0	8,268,000	0	8,764,000	0	9,290,000	0	9,847,000	0	10,344,000	0	46,513,000	0	0	0
<b>02 Administrative Expenditure of the RFA &amp; RUCS RFA Act s. 17(1)(b)</b>			34,700,000	0	411,193,000	0	412,804,000	0	450,521,000	0	452,582,000	0	447,071,000	0	2,174,171,000	0	285,839,000	0
<b>02.01 RFA Administration Account</b>			0	0	97,800,000	0	103,668,000	0	109,888,000	0	116,482,000	0	123,471,000	0	551,309,000	0	0	0
NRFA2001-M01	Adm	RFA	0	0	97,800,000	0	103,668,000	0	109,888,000	0	116,482,000	0	123,471,000	0	551,309,000	0	0	0
<b>02.02 Road Fund Account</b>			34,700,000	0	313,393,000	0	309,136,000	0	340,633,000	0	336,100,000	0	323,600,000	0	1,622,862,000	0	285,839,000	0
NRFA2014-T01	Proj	RFA	2,000,000	0	2,000,000	0	0	0	0	0	0	0	0	2,000,000	0	4,000,000	0	
NRFA2014-T02	Proj	RFA	32,700,000	0	24,500,000	0	2,500,000	0	0	0	0	0	0	27,000,000	0	59,700,000	0	
NRFA2004-T01	Proj	RFA	0	0	43,724,000	0	50,000,000	0	50,000,000	0	29,000,000	0	0	172,724,000	0	172,724,000	0	
NRFA2016-M01	Adm	RFA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
NRFA2016-M02	Adm	RFA	0	0	6,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	26,000,000	0	0	0
NRFA2016-M03	Adm	RFA	0	0	227,169,000	0	242,626,000	0	276,082,000	0	291,976,000	0	307,870,000	0	1,345,723,000	0	0	0
NRFA2018-T01	Proj	RFA	0	0	10,000,000	0	9,010,000	0	9,551,000	0	10,124,000	0	10,730,000	0	49,415,000	0	49,415,000	0
<b>03 Urban Roads Contributions RFA Act s. 17(1)(c)</b>			0	0	268,275,000	0	187,857,000	0	200,355,000	0	214,861,000	0	233,299,000	0	1,104,647,000	0	0	0
<b>03.02 Local Authority Roads</b>			0	0	261,640,000	0	181,004,000	0	193,154,000	0	207,167,000	0	225,317,000	0	1,068,282,000	0	0	0
LAAR2005-M01	Prog	RFA	0	0	3,550,000	0	2,686,000	0	2,955,000	0	3,251,000	0	3,251,000	0	15,693,000	0	0	0
LAAS2005-M01	Prog	RFA	0	0	398,000	0	437,000	0	491,000	0	550,000	0	616,000	0	2,492,000	0	0	0
LAAB2005-M01	Prog	RFA	0	0	395,000	0	434,000	0	487,000	0	545,000	0	627,000	0	2,488,000	0	0	0
LABA2006-M01	Prog	RFA	0	0	310,000	0	341,000	0	381,000	0	427,000	0	479,000	0	1,938,000	0	0	0
LABE2009-M01	Prog	RFA	0	0	318,000	0	318,000	0	348,000	0	289,000	0	437,000	0	1,710,000	0	0	0
LAE2005-M01	Prog	RFA	0	0	447,000	0	473,000	0	498,000	0	523,000	0	549,000	0	2,490,000	0	0	0
LAGN2005-M01	Prog	RFA	0	0	438,000	0	462,000	0	486,000	0	516,000	0	541,000	0	2,443,000	0	0	0
LAGO2005-M01	Prog	RFA	0	0	1,737,000	0	1,737,000	0	1,911,000	0	2,140,000	0	2,386,000	0	9,911,000	0	0	0
LAGS2005-M01	Prog	RFA	0	0	394,000	0	434,000	0	488,000	0	545,000	0	546,000	0	2,407,000	0	0	0
LAGR2005-M01	Prog	RFA	0	0	1,632,000	0	1,725,000	0	1,817,000	0	1,908,000	0	2,003,000	0	9,085,000	0	0	0
LAHN2009-M01	Prog	RFA	0	0	1,437,000	0	1,519,000	0	2,000	0	2,000	0	2,000	0	2,962,000	0	0	0
LAHB2005-M01	Prog	RFA	0	0	425,000	0	449,000	0	508,000	0	559,000	0	627,000	0	2,568,000	0	0	0
LAKD2005-M01	Prog	RFA	0	0	1,837,000	0	300,000	0	311,000	0	313,000	0	329,000	0	3,090,000	0	0	0
LAKB2005-M01	Prog	RFA	0	0	395,000	0	418,000	0	440,000	0	462,000	0	485,000	0	2,200,000	0	0	0
LAKG2005-M01	Prog	RFA	0	0	500,000	0	529,000	0										



PROJECTS AND PROGRAMMES TO BE FUNDED INSIDE THE ROAD USER CHARGING SYSTEM			PREVIOUS YEAR ACTUAL		CURRENT YEAR ESTIMATE		MANNER OF FUNDING DETERMINATION FOR BUSINESS PLAN PERIOD - INCLUDING COST ESCALATION ESTIMATE (RFA Act s. 20(4)(b))											
Budget Category / Subcategory / Item	Exp. Class	Funding Responsib.	FY2016		FY2017		FY2018		FY2019		FY2020		FY2021		FY2022		Total for 5 Years	
			RUCS	GRN/Donor	RUCS	GRN/Donor	RUCS	GRN/Donors	RUCS	GRN/Donors	RUCS	GRN/Donors	RUCS	GRN/Donors	RUCS	GRN/Donors	RUCS	GRN/Donors
<b>Budget Headings, Items and Funding Responsibilities</b>																		
<b>01 - 08, 12 - 14: Adjusted Total Administrative, Projects and Programmes Expenditure</b>			1,866,565,000	0	2,293,998,000	0	2,371,960,220	480,000,000	2,484,072,913	700,455,000	2,655,106,708	844,182,000	2,825,419,630	482,424,000	2,994,712,128	504,794,000	13,331,271,600	3,011,855,000
01 - 08, 12 - 14: Total Specified Administrative, Projects and Programmes Expenditure			1,866,565,000	0	2,293,998,000	0	2,371,960,220	480,000,000	2,484,072,913	700,455,000	2,655,106,708	844,182,000	2,825,419,630	482,424,000	2,994,712,128	504,794,000	13,331,271,600	3,011,855,000
Adjustment: Estimated current year transfers to Roads Authority, not specified otherwise (Note 1)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustment: Estimated current year expenditure - Other (Note 1)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>09 Financing of Loans assigned by GRN RFA Act s. 17(1)(j)</b>			1,555,872	0	1,786,000	0	1,786,000	0	6,182,841	0	6,093,000	0	6,004,000	0	5,915,000	0	25,980,841	0
09.01 Capital redemption			0	0	0	0	0	0	4,463,841	0	4,464,000	0	4,464,000	0	4,464,000	0	17,855,841	0
NRFA2001-N KFW 2009 Loan Capital			0	0	0	0	0	0	4,463,841	0	4,464,000	0	4,464,000	0	4,464,000	0	17,855,841	0
09.02 Interest & Other Charges			1,555,872	0	1,786,000	0	1,786,000	0	1,719,000	0	1,629,000	0	1,540,000	0	1,451,000	0	8,125,000	0
NRFA2001-N KFW 2009 Loan Charges			1,555,872	0	1,786,000	0	1,786,000	0	1,719,000	0	1,629,000	0	1,540,000	0	1,451,000	0	8,125,000	0
<b>10 Financing of Loans obtained by RFA RFA Act s. 17(1)(j)</b>			361,393,128	0	34,491,000	0	34,938,000	0	80,182,000	0	76,595,000	0	72,842,000	0	69,164,000	0	333,721,000	0
10.01 Capital redemption			330,000,000	0	0	0	0	0	47,077,000	0	47,092,000	0	47,092,000	0	47,092,000	0	188,353,000	0
NRFA2001-N RFA16 Loan Stock Capital			330,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NRFA2016-N KFW 2015 Loan Capital			0	0	0	0	0	0	47,077,000	0	47,092,000	0	47,092,000	0	47,092,000	0	188,353,000	0
10.02 Interest & Other Charges			31,393,128	0	34,491,000	0	34,938,000	0	33,105,000	0	29,503,000	0	25,750,000	0	22,072,000	0	145,368,000	0
NRFA2001-N RFA16 Loan Stock Charges			26,125,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NRFA2016-N KFW 2015 Loan Charges			5,268,128	0	34,491,000	0	34,938,000	0	33,105,000	0	29,503,000	0	25,750,000	0	22,072,000	0	145,368,000	0
<b>11 Financing of Reserve Fund RFA Act s. 17(1)(j) &amp; 17(1)(k)</b>			251,918,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.01 Capital transfers to reserves			251,918,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposits to Reserve Fund			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposits to RFA Loan Stock Sinking Fund			251,918,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL OF EXPENDITURE INSIDE THE ROAD USER CHARGING SYSTEM (incl. adjustments where appl.)</b>			<b>2,481,432,000</b>	<b>0</b>	<b>2,330,275,000</b>	<b>0</b>	<b>2,408,684,220</b>	<b>480,000,000</b>	<b>2,570,437,754</b>	<b>700,455,000</b>	<b>2,737,794,708</b>	<b>844,182,000</b>	<b>2,904,265,630</b>	<b>482,424,000</b>	<b>3,069,791,128</b>	<b>504,794,000</b>	<b>13,690,973,441</b>	<b>3,011,855,000</b>
<b>Budget Headings, Items and Funding Responsibilities</b>																		
<b>01 Management of the National Road Network RFA Act s. 17(1)(a)</b>			1,467,102,000	0	1,772,098,000	0	1,747,634,000	480,000,000	1,865,673,000	700,455,000	2,012,005,000	844,182,000	2,178,814,000	482,424,000	2,326,777,000	478,108,000	10,130,903,000	2,985,169,000
01.01 RA Administration			N/A	0	510,729,000	0	443,851,000	0	473,311,000	0	444,042,000	0	465,642,000	0	488,312,000	0	2,315,158,000	0
NARA2001-M01 RA Administration Operations			N/A	0	394,108,000	0	387,158,000	0	406,516,000	0	426,842,000	0	448,184,000	0	470,593,000	0	2,139,293,000	0
NARA2004-T01 RA Head Office Development			N/A	0	78,987,000	0	7,000,000	0	0	0	0	0	0	0	0	0	7,000,000	0
NARA2004-T02 RA Regional Offices Devel. & Maint.			N/A	0	4,842,000	0	6,250,000	0	26,250,000	0	0	0	0	0	0	0	32,500,000	0
NARA2009-T01 RA IT Systems Development			N/A	0	11,900,000	0	10,600,000	0	14,280,000	0	17,200,000	0	17,458,000	0	17,719,000	0	77,257,000	0
NARA2018-T03 RA Post Retirement Medical Benefits			N/A	0	20,892,000	0	32,843,000	0	26,265,000	0	0	0	0	0	0	0	59,108,000	0
01.02 Network Planning and Consultation			N/A	0	26,000,000	0	26,000,000	0	27,560,000	0	29,214,000	20,000,000	30,967,000	20,000,000	32,825,000	20,000,000	146,566,000	60,000,000
NARA2001-M02 Network Planning and Consultation			N/A	0	26,000,000	0	26,000,000	0	27,560,000	0	29,214,000	20,000,000	30,967,000	20,000,000	32,825,000	20,000,000	146,566,000	60,000,000
01.03 Roadworks - Maintenance			N/A	0	1,000,000,000	0	1,181,543,000	0	1,174,994,000	700,455,000	1,363,610,000	824,182,000	1,639,353,000	462,424,000	1,762,337,000	458,108,000	7,121,837,000	2,445,169,000
NARA2001-M03 Unpaved Road Maintenance			N/A	0	503,041,000	0	600,202,000	0	525,306,000	609,803,000	674,627,000	586,972,000	968,917,000	400,733,000	1,132,257,000	412,782,000	3,901,309,000	2,010,290,000
NARA2001-M04 Paved Road Maintenance			N/A	0	369,456,000	0	434,820,000	0	522,264,000	90,652,000	518,092,000	237,210,000	491,601,000	61,691,000	442,903,000	45,326,000	2,409,680,000	434,879,000
NARA2009-M01 Structures maintenance and repair works			N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NARA2001-M05 Miscellaneous Road Maintenance			N/A	0	127,503,000	0	146,521,000	0	127,424,000	0	170,891,000	0	178,835,000	0	187,177,000	0	810,848,000	0
01.04 Roadworks - Rehabilitation			N/A	0	188,100,000	0	61,940,000	430,000,000	112,000,000	0	133,000,000	0	2,000,000	0	0	0	308,940,000	430,000,000
NARA2015-T10 TR1/6: Windhoek Okahandja road rehab. Section 3 (Phase I, 10km)			N/A	0	114,000,000	0	1,500,000	0	0	0	0	0	0	0	0	0	1,500,000	0
NARA2017-T02 TR1/6: Windhoek Okahandja road rehab. (Phase II - KFW loan rest)			N/A	0	73,000,000	0	0	430,000,000	0	0	0	0	0	0	0	0	0	430,000,000
NARA2011-T01 Bridge no. 157 on TR1/4: Rehoboth Mariental			N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NARA2011-T02 Bridge no. 2312 on TR1/4: Rehoboth Mariental			N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NARA2012-T01 Bridge no. 158 on MR 1/4: Rehoboth Mariental			N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NARA2016-T04 TR8/4: Rundu road safety improvements			N/A	0	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
NARA2016-T05 MR120 Oshakati - Okatana (4.4 km) rehab.			N/A	0	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
NARA2017-T01 TR2/2: Road over Rail Bridge, Swakopmund			N/A	0	1,100,000	0	9,000,000	0	2,000,000	0	0	0	0	0	0	0	11,000,000	0
NARA2015-T02 Bridge no. 250 on DR210: Homs River Bridge, Warmbad			N/A	0	N/A	0	500,000	0	0	0	0	0	0	0	0	0	500,000	0
NARA2018-T01 TR10/2: Eenhana - Onhuno road rehabilitation (47 km)			N/A	0	N/A	0	50,940,000	0	110,000,000	0	133,000,000	0	2,000,000	0	0	0	295,940,000	0
NARA2018-T02 TR2/3: Omaruru - Karibib - Usakos - Arandis - Swakopmund (222 km)			N/A	0	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
01.05 Roadworks - Development			N/A	0	2,417,000	0	0	50,000,000	0	0	0	0	0	0	0	0	0	50,000,000
NARA2003-T05 MR120: Onunho - Endola - Okatana road upgrading (36km)			N/A	0	1,765,000	0	0	50,000,000	0	0	0	0	0	0	0	0	0	50,000,000
NARA2010-T14 DR 3615: Onamutuku - Oshikuku road upgrading (16km)			N/A	0	652,000	0	0	0	0	0	0	0	0	0	0	0	0	0
01.07 Road Management System			N/A	0	36,000,000	0	26,500,000	0	28,090,000	0	29,775,000	0	31,562,000	0	33,456,000	0	149,383,000	0
NARA2001-M06 Road Management System			N/A	0	36,000,000	0	26,500,000	0	28,090,000	0	29,775,000	0	31,562,000	0	33,456,000	0	149,383,000	0
NARA2015-T01 RMS Development Project			N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
01.08 Overload Control			N/A	0	8,852,000	0	7,800,000	0	49,718,000	0	12,364,000	0	9,290,000	0	9,847,000	0	89,019,000	0
NARA2015-T11 Weighbridge: Keetmanshoop			N/A	0	1,052,000	0	0	0	19,500,000	0	600,000	0	0	0	0	0	20,100,000	0
NARA2015-T12 Weighbridge: Otjiwarongo/ Otavi			N/A	0	N/A	0	0	0	19,750,000	0	1,500,000	0	0	0	0	0	21,250,000	0
NARA2015-T13 Weighbridge: Rundu			N/A	0	N/A	0	0	0	2,200,000	0	1,500,000	0	0	0	0	3,700,000	0	
NARA2001-M07 Road Traffic and Transport Inspectorate			N/A	0	7,800,000	0	7,800,000	0	8,268,000	0	8,764,000	0	9,290,000	0	9,847,000	0	43,969,000	0
<b>02 Administrative Expenditure of the RFA &amp; RUCS RFA Act s. 17(1)(b)</b>			302,003,000	0	376,513,000	0	440,293,000	0	402,804,000	0	420,521,000	0	442,582,000	0	447,071,000	0	2,153,271,000	0
02.01 RFA Administration Account			65,945,000	0	82,300,000	0	97,800,000	0	103,668,000									

PROJECTS AND PROGRAMMES TO BE FUNDED INSIDE THE ROAD USER CHARGING SYSTEM			PREVIOUS YEAR ACTUAL		CURRENT YEAR ESTIMATE		MANNER OF FUNDING DETERMINATION FOR BUSINESS PLAN PERIOD - INCLUDING COST ESCALATION ESTIMATE (RFA Act s. 20(4)(b))											
Budget Category / Subcategory / Item	Exp. Class	Funding Responsib.	FY2016		FY2017		FY2018		FY2019		FY2020		FY2021		FY2022		Total for 5 Years	
			RUCS	GRN/Donor	RUCS	GRN/Donor	RUCS	GRN/Donors	RUCS	GRN/Donors	RUCS	GRN/Donors	RUCS	GRN/Donors	RUCS	GRN/Donors	RUCS	GRN/Donors
LAKG2005-M01	Prog	RFA	N/A	0	N/A	0	500,000	0	530,000	0	583,000	0	653,000	0	731,000	0	2,997,000	0
LAKA2005-M01	Prog	RFA	N/A	0	N/A	0	651,000	0	690,000	0	759,000	0	850,000	0	952,000	0	3,902,000	0
LAKM2005-M01	Prog	RFA	N/A	0	N/A	0	2,250,000	0	2,385,000	0	2,624,000	0	2,939,000	0	3,292,000	0	13,490,000	0
LAKP2005-M01	Prog	RFA	N/A	0	N/A	0	1,453,000	0	1,540,000	0	1,694,000	0	1,897,000	0	2,125,000	0	8,709,000	0
LAKX2005-M01	Prog	RFA	N/A	0	N/A	0	868,000	0	920,000	0	1,012,000	0	1,133,000	0	1,269,000	0	5,202,000	0
LAKS2009-M01	Prog	RFA	N/A	0	N/A	0	395,000	0	419,000	0	461,000	0	516,000	0	578,000	0	2,369,000	0
LALZ2005-M01	Prog	RFA	N/A	0	N/A	0	409,000	0	434,000	0	477,000	0	534,000	0	598,000	0	2,452,000	0
LALZ2005-M01	Prog	RFA	N/A	0	N/A	0	1,575,000	0	1,670,000	0	1,837,000	0	2,057,000	0	2,304,000	0	9,443,000	0
LAME2005-M01	Prog	RFA	N/A	0	N/A	0	409,000	0	434,000	0	477,000	0	534,000	0	598,000	0	2,452,000	0
LAML2005-M01	Prog	RFA	N/A	0	N/A	0	1,173,000	0	1,243,000	0	1,367,000	0	1,531,000	0	1,715,000	0	7,029,000	0
LANK2009-M01	Prog	RFA	N/A	0	N/A	0	371,000	0	393,000	0	432,000	0	484,000	0	542,000	0	2,222,000	0
LAOJ2005-M01	Prog	RFA	N/A	0	N/A	0	1,292,000	0	1,370,000	0	1,507,000	0	1,688,000	0	1,891,000	0	7,748,000	0
LAOH2009-M01	Prog	RFA	N/A	0	N/A	0	372,000	0	394,000	0	433,000	0	485,000	0	543,000	0	2,227,000	0
LAOA2005-M01	Prog	RFA	N/A	0	N/A	0	767,000	0	813,000	0	894,000	0	1,001,000	0	1,121,000	0	4,596,000	0
LAOM2005-M01	Prog	RFA	N/A	0	N/A	0	950,000	0	1,007,000	0	1,108,000	0	1,241,000	0	1,390,000	0	5,696,000	0
LAOY2009-M01	Prog	RFA	N/A	0	N/A	0	372,000	0	394,000	0	433,000	0	485,000	0	543,000	0	2,227,000	0
LAON2005-M01	Prog	RFA	N/A	0	N/A	0	1,417,000	0	1,502,000	0	1,652,000	0	1,850,000	0	2,072,000	0	8,493,000	0
LAOV2005-M01	Prog	RFA	N/A	0	N/A	0	1,398,000	0	1,482,000	0	1,630,000	0	1,826,000	0	2,045,000	0	8,381,000	0
LAOP2005-M01	Prog	RFA	N/A	0	N/A	0	519,000	0	550,000	0	605,000	0	678,000	0	759,000	0	3,111,000	0
LAOD2014-M01	Prog	RFA	N/A	0	N/A	0	2,247,000	0	2,382,000	0	2,620,000	0	2,934,000	0	3,286,000	0	13,469,000	0
LAOS2005-M01	Prog	RFA	N/A	0	N/A	0	3,550,000	0	3,551,000	0	3,906,000	0	4,375,000	0	4,900,000	0	20,082,000	0
LAOK2010-M01	Prog	RFA	N/A	0	N/A	0	351,000	0	372,000	0	409,000	0	458,000	0	513,000	0	2,103,000	0
LAOI2005-M01	Prog	RFA	N/A	0	N/A	0	541,000	0	573,000	0	630,000	0	706,000	0	791,000	0	3,241,000	0
LAOT2005-M01	Prog	RFA	N/A	0	N/A	0	1,804,000	0	1,912,000	0	2,103,000	0	2,355,000	0	2,638,000	0	10,812,000	0
LAOU2005-M01	Prog	RFA	N/A	0	N/A	0	690,000	0	731,000	0	804,000	0	900,000	0	1,008,000	0	4,133,000	0
LAOO2005-M01	Prog	RFA	N/A	0	N/A	0	822,000	0	871,000	0	958,000	0	1,073,000	0	1,202,000	0	4,926,000	0
LARE2005-M01	Prog	RFA	N/A	0	N/A	0	2,526,000	0	2,678,000	0	2,946,000	0	3,300,000	0	3,696,000	0	15,146,000	0
LARA2009-M01	Prog	RFA	N/A	0	N/A	0	410,000	0	435,000	0	479,000	0	536,000	0	600,000	0	2,460,000	0
LARU2005-M01	Prog	RFA	N/A	0	N/A	0	4,382,000	0	4,645,000	0	5,110,000	0	5,723,000	0	6,410,000	0	26,270,000	0
LAST2005-M01	Prog	RFA	N/A	0	N/A	0	395,000	0	419,000	0	461,000	0	516,000	0	578,000	0	2,369,000	0
LASW2005-M01	Prog	RFA	N/A	0	N/A	0	2,727,000	0	2,891,000	0	3,180,000	0	3,562,000	0	3,989,000	0	16,349,000	0
LATS2005-M01	Prog	RFA	N/A	0	N/A	0	395,000	0	419,000	0	461,000	0	516,000	0	578,000	0	2,369,000	0
LATB2005-M01	Prog	RFA	N/A	0	N/A	0	1,979,000	0	2,098,000	0	2,308,000	0	2,585,000	0	2,895,000	0	11,865,000	0
LAUS2005-M01	Prog	RFA	N/A	0	N/A	0	591,000	0	626,000	0	689,000	0	772,000	0	865,000	0	3,543,000	0
LAWB2005-M01	Prog	RFA	N/A	0	N/A	0	4,805,000	0	5,093,000	0	5,602,000	0	6,274,000	0	7,027,000	0	28,801,000	0
LAWK2005-M01	Prog	RFA	N/A	0	N/A	0	22,000,000	0	23,320,000	0	25,652,000	0	28,730,000	0	32,178,000	0	131,880,000	0
LAWI2009-M01	Prog	RFA	N/A	0	N/A	0	268,000	0	284,000	0	312,000	0	349,000	0	391,000	0	1,604,000	0
LABU2016-M01	Prog	RFA	N/A	0	N/A	0	281,000	0	298,000	0	328,000	0	367,000	0	411,000	0	1,685,000	0
LANE2016-M01	Prog	RFA	N/A	0	N/A	0	281,000	0	298,000	0	328,000	0	367,000	0	411,000	0	1,685,000	0
LAOG2018-M01	Prog	RFA	N/A	0	N/A	0	281,000	0	298,000	0	328,000	0	367,000	0	411,000	0	1,685,000	0
LATA2018-M01	Prog	RFA	N/A	0	N/A	0	281,000	0	298,000	0	328,000	0	367,000	0	411,000	0	1,685,000	0
LADI2018-M01	Prog	RFA	N/A	0	N/A	0	281,000	0	298,000	0	328,000	0	367,000	0	411,000	0	1,685,000	0
LAOB2018-M01	Prog	RFA	N/A	0	N/A	0	300,000	0	318,000	0	350,000	0	392,000	0	439,000	0	1,799,000	0
<b>03.03 Regional Council Roads</b>			N/A	0	4,000,000	0	<b>6,362,000</b>	0	<b>6,745,000</b>	0	<b>7,421,000</b>	0	<b>8,314,000</b>	0	<b>9,314,000</b>	0	<b>38,156,000</b>	0
RCCA2012-M01	Prog	RFA	N/A	0	N/A	0	350,000	0	371,000	0	408,000	0	457,000	0	512,000	0	2,098,000	0
RCER2012-M01	Prog	RFA	N/A	0	N/A	0	710,000	0	753,000	0	828,000	0	927,000	0	1,038,000	0	4,256,000	0
RCHA2012-M01	Prog	RFA	N/A	0	N/A	0	498,000	0	528,000	0	581,000	0	651,000	0	729,000	0	2,987,000	0
RCKA2011-M01	Prog	RFA	N/A	0	N/A	0	350,000	0	371,000	0	408,000	0	457,000	0	512,000	0	2,098,000	0
RCKO2012-M01	Prog	RFA	N/A	0	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
RCKW2017-M01	Prog	RFA	N/A	0	N/A	0	647,000	0	686,000	0	755,000	0	846,000	0	948,000	0	3,882,000	0
RCKE2017-M01	Prog	RFA	N/A	0	N/A	0	647,000	0	686,000	0	755,000	0	846,000	0	948,000	0	3,882,000	0
RCKH2012-M01	Prog	RFA	N/A	0	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
RCKU2012-M01	Prog	RFA	N/A	0	N/A	0	297,000	0	315,000	0	347,000	0	389,000	0	436,000	0	1,784,000	0
RCOH2012-M01	Prog	RFA	N/A	0	N/A	0	647,000	0	686,000	0	755,000	0	846,000	0	948,000	0	3,882,000	0
RCOM2012-M01	Prog	RFA	N/A	0	N/A	0	318,000	0	337,000	0	371,000	0	416,000	0	466,000	0	1,908,000	0
RCOI2012-M01	Prog	RFA	N/A	0	N/A	0	530,000	0	562,000	0	618,000	0	692,000	0	775,000	0	3,177,000	0
RCOS2012-M01	Prog	RFA	N/A	0	N/A	0	329,000	0	349,000	0	384,000	0	430,000	0	482,000	0	1,974,000	0
RCOO2011-M01	Prog	RFA	N/A	0	N/A	0	233,000	0	247,000	0	272,000	0	305,000	0	342,000	0	1,399,000	0
RCOT2011-M01	Prog	RFA	N/A	0	N/A	0	806,000	0	854,000	0	939,000	0	1,052,000	0	1,178,000	0	4,829,000	0
<b>04 Operation of Traffic Information System RFA Act s. 17(1)(d)</b>			N/A	0	30,700,000	0	<b>39,456,000</b>	0	<b>46,012,000</b>	0	<b>47,376,000</b>	0	<b>50,124,000</b>	0	<b>53,245,000</b>	0	<b>236,213,000</b>	0
<b>04.01 Traffic Information System</b>			N/A	0	30,700,000	0	<b>39,456,000</b>	0	<b>46,012,000</b>	0	<b>47,376,000</b>	0	<b>50,124,000</b>	0	<b>53,245,000</b>	0	<b>236,213,000</b>	0
NARA2001-M08	Prog	RFA	N/A	0	30,700,000	0	39,456,000	0	46,012,000	0	47,376,000	0	50,124,000	0	53,245,000	0	236,213,000	0
<b>05 Traffic Law Enforcement and Adjudication RFA Act s. 17(1)(e)</b>			28,990,000	0	30,687,000	0	<b>32,128,220</b>	0	<b>34,479,913</b>	0	<b>36,548,708</b>	0	<b>38,741,630</b>	0	<b>41,066,128</b>	0	<b>182,964,600</b>	0
<b>05.01 Traffic Law Enforcement</b>			28,990,000	0	30,687,000	0	<b>32,128,220</b>	0	<b>34,479,913</b>	0	<b>36,548,708</b>	0	<b>38,741,630</b>	0	<b>41,066,128</b>	0	<b>182,964,600</b>	0
NPOL2009-M01	Prog	RFA	N/A	0	N/A	0	7,310,820	0	7,749,469	0	8,214,437	0	8,707,304	0	9,229,742	0	41,211,772	0
LAHB2004-M01	Prog	RFA	N/A	0	N/A	0	255,460	0	270,788	0	287,035	0	304,257	0	322,512	0	1,440,052	0
LAKP2004-M01	Prog	RFA	N/A	0	N/A	0	1,151,160	0	1,220,230	0	1,293,443	0	1,371,050	0	1,453,313	0	6,489,196	0
LAOT2010-M01	Prog	RFA	N/A	0	N/A	0	758,960	0	804,498	0	852,767	0	903,934	0	958,170	0	4,278,328	0
LASW2004-M01	Prog	RFA	N/A	0	N/A	0	2,629,860	0	2,787,652	0	2,954,911							

PROJECTS AND PROGRAMMES TO BE FUNDED INSIDE THE ROAD USER CHARGING SYSTEM			PREVIOUS YEAR ACTUAL		CURRENT YEAR ESTIMATE		MANNER OF FUNDING DETERMINATION FOR BUSINESS PLAN PERIOD - INCLUDING COST ESCALATION ESTIMATE (RFA Act s. 20(4)(b))													
Budget Category / Subcategory / Item			FY2016		FY2017		FY2018		FY2019		FY2020		FY2021		FY2022		Total for 5 Years			
			RUCS	GRN/Donor	RUCS	GRN/Donor	RUCS	GRN/Donors	RUCS	GRN/Donors	RUCS	GRN/Donors	RUCS	GRN/Donors	RUCS	GRN/Donors	RUCS	GRN/Donors		
13	Insurance against Damage Liability	RFA Act s. 17(1)(m)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
13.01	Insurance against Damage Liability		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	NRFA2001-M08	Insurance against Damage liability	Adm	RFA	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
14	Other Expenditure Approved by Minister	RFA Act s. 17(1)(n)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
14.01	Other Expenditure Approved by Minister		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	NRFA2001-M09	Other Expenditure approved by Minister	Prog	RFA	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
<b>Total Specified Expenditure</b>					1,866,565,000	0	2,293,998,000	0	2,371,960,220	480,000,000	2,484,072,913	700,455,000	2,655,106,708	844,182,000	2,825,419,630	482,424,000	2,994,712,128	504,794,000	39,993,814,800	9,035,565,000

NOTES:  
(1) The adjustment is required due to: (i) previous projects/programmes not continued in this BP; (ii) expenditure data for individual projects/programmes not available from RA and RFA accounting systems, and therefore accounted for as a lump sum.



