



Road Fund Administration (RFA) Annual Stakeholder Consultation on its Business Plan for the Period 2018/2019-2022/2023

RFA CEO - Mr Ali Ipinge
**Remarks at the 2017 Annual Business Plan Stakeholders Consultative
Workshop**

Date: Tuesday, 14 November 2017

Venue: Safari Court Hotel, Windhoek, Namibia

- Director of Ceremonies
- RFA Board of Directors;
- CEO's and Chief Regional Officers of various Public Enterprises, Local Authorities and Regional Councils
- Government officials at National, Regional and Local Governance levels
- Representatives of GIZ, KfW and other Development Partners
- Esteemed Stakeholders
- Distinguished Invited Guests
- Road Fund Administration Management and Staff present,
- Members of the media
- Ladies and gentlemen,

A hearty welcome to you all to our 17th Annual Business Plan consultation meeting.

This very important meeting is taking place on the backdrop of sluggish economic conditions facing our country.

The significance of this consultative meeting is justified in the context of the need to take stock of the journey of the past financial year i.e. 2017/2018 and to plan ahead (for 2018/2019) for the financial support of road maintenance programmes and projects, as contemplated in the Road Fund Administration Act, (Act 18 of 1999).

It is no secret that the current economic climate in the country has resulted in a slowdown in overall infrastructure spending by our Government, of which we as RFA are also not immune to.

However, as a responsible custodian of the Road User Charging System (RUCS), the Road Fund has initiated prudent fiscal measures to ensure we navigate through this tough economic climate and at the same attempt to fulfil our core mandate.

As per our unique legislative mandate, the RFA is required to manage the Namibian RUCS in such a manner as to secure and allocate sufficient funding for the achievement of a **safe and economically efficient** road sector.

The principles of **economic efficiency** (optimal use of resources with minimal wastage), **safety** (from the perspective of safe road design, construction and/or maintenance), **equity** (fair and justified distribution of scarce resources: the how) and **transparency** (where and why resources are allocated); are well enshrined in the RFA Act and provide the fundamentals on how the RFA goes about its day-to-day business.

These principles are there to ensure that the monies contributed by the road users through the various instruments of the RUCS, are utilised for their intended purposes; and provide direct benefits and “value for money” to the road users.

To realise the “value-for-money” principle, the RFA during the current financial year, commenced with a Technical Assistance program to Local Authorities and Regional Councils. I am pleased to state that this concept is an outcome of prior RFA business plan stakeholder sessions. Another testimony that the recommendations from you as stakeholders are not falling on deaf ears.

The development of transport infrastructure has been prioritized in all NDP's and in NDP 4, our government took it a bit further with the ambitious aim of making Namibia a logistics and distribution hub within SADC.

We are proud to have been part of the progress that has been made on our national roads and are confident that we will achieve the goals set out in the Harambee Prosperity Plan and the new NDP 5.

The collection of sufficient or optimum funding has been a challenge and will continue to be so in the foreseeable future resulting in the backlog of maintenance of the national road network. This is a critical aspect that the sector should discuss and address, with a view to meet the targets of NDP5 and HPP.

However, the RFA remains committed to fund the economically warranted programmes and projects of the Roads Authority and other Approved Authorities.

In order to put the whole picture into perspective and for your appreciation, I would like to mention few outcomes/results of the past financial year (however, more will be elaborated by my chairperson):

- For the previous financial year (FY2016/17), the RFA collected an amount of approximately N\$2.2 billion. The related expenditures or investment made into the road sector for the same period amounted to N\$1.92 billion. The growth trend reflects a 5.7% increase in revenue from the previous corresponding period (FY2015/16).
- In terms of the major road maintenance programme, a total of 412km road sections have been re-gravelled at an investment of N\$162 million, in addition, 409 km of road sections have been treated with resurfacing activities to a tune of N\$210 million.
- Investment in traffic related road maintenance at Local Authority (LA) and Regional Council (RC) level will see the RFA provide a more “hands on approach” through the use of appointed Technical Consultants, further resulting in capacity building. It is therefore envisaged that the LA's will be in a position to manage their allocations better and do a bit more with their allocated funds.
- Although still in its development stages, the Fund is embarking on projects and studies aimed at looking for additional and yet sustainable revenue streams to enhance its resource base, in order to meet the ever increasing demand of road infrastructure funding.

Ladies and gentleman, you will agree with me that the RFA has made great strides to address some of the pressing needs facing our road users.

In this instance for the FY2018/2019, the total proposed budgetary allocation to Local Authorities (LA) and Regional Councils (RC) stands at N\$117 million as compared to the prior figure of N\$85 million, which reflects an upward increase of some 39%. Yet another indication of the RFA's ability to respond favourably to the recommendations made at this platform.

The RFA believes that such undertakings will make a difference in the lives of the urban street road users as they will now enjoy driving on better maintained roads.

In order to ensure proper budgeting, project planning and optimal utilisation of the allocated funds, the RFA is in a process to put into effect and sign Procedures Manuals with each Approved Authority and Regional Councils. It is envisaged to complete this process by the end of March 2018.

At this juncture, ladies and gentlemen,

Allow me to inform you that, we are launching the RFA **Fraud Prevention Hotline**, in partnership with Deloitte. Details of the Hotline will be provided later in the programme.

On behalf of the Board of Directors of the Road Fund, the Executive Management and Staff, let me officially welcome you all to this annual event and look forward to fruitful, interactive and participatory deliberations as we plan ahead to have better and safer roads in Namibia.

I thank you for your attention.