



**Road Fund Administration (RFA) Annual  
Stakeholder Consultation  
on its  
Business Plan for the Period 2021/2022-2025/2026**

**RFA Chairperson - Dr. Emma Haiyambo's  
Keynote Address at the 2020 Annual Business Plan  
Stakeholders Consultative Workshop**

**Date: Tuesday, 10 November 2020  
Venue: NIPAM, Windhoek, Namibia**

- Director of Ceremonies,
- My fellow RFA Board of Directors,
- Mr Ali Ipinge, RFA CEO, your Management team and staff,
- Mr Conrad Lutombi, CEO of RA, your Management team and staff,
- Representatives from the Ministries of Finance; Works and Transport; and Public Enterprises,
- CEO's from various Public Enterprises,
- CEO's and Chief Regional Officers from Local Authorities and Regional Councils,
- Representatives of Development Partners Institutions,
- Representatives of the Traffic Law Enforcement fraternity,
- Distinguished invited guests;
- Members of the media;
- Ladies and Gentlemen

Good morning

Welcome to the 20<sup>th</sup> RFA Stakeholder Engagement Session, where we as the stakeholders in the road sector are once again afforded the opportunity to craft the RFA's funding commitments to the road sector.

It has been a very long and difficult year for all of us, yet we have reconvened once again to deliberate on the RFA's five-year Business Plan, in the tradition of partnership and consultation. Once again, we are accorded the opportunity to scrutinise the RFA Business Plan and ensure that the Road User Charges are applied for the sole benefit of the Namibian Road Users.

Over the past four years, we have experienced a challenging economic climate, affecting businesses, institutions, households and individuals alike. For 2020, the Namibian economy is projected to contract by 6.6% in 2020 before recovering to a positive growth of 0.8% in 2021 and 1.5% in 2022.

However, the damage has been done. People have lost their jobs, business have been closed, disposable income has been severely affected, resulting in reduced consumer demand and transport demand, as people travel less and adjust to working from home. These factors have eroded revenues derived from Road User Charges.

The economic ramification posed by COVID-19 pandemic are still unfolding, and the RFA continues to scan the external environment and reassess its strategic priorities, to remain agile and adapt to the volatile, uncertain, complex and ambiguous world we live in.

In response to the COVID-19 pandemic, RFA remains cautiously optimistic with its revenue forecasts, based on the 0.8% economic growth rate for 2020. In the meantime, the cost of road maintenance continues to increase as the size of the road network continues to expand and input costs continue to rise. Consequently, the RFA has increased funding towards road maintenance. However, this has meant that Administrative costs at the RFA, RA and NaTIS remains constant, whilst funding towards the Local Authorities, Regional Councils and Traffic Law Enforcement Agencies has been reduced.

These changes were deemed necessary in order close the funding gap and decelerates the growth in the maintenance backlog. This intervention ultimately reduces the cost of vehicle maintenance for the road user and overall transport inflation and minimises second round inflationary effects that spread to the rest of the economy.

Ideally, higher Road User Charges would eliminate the funding gap and save the road user billions in additional vehicle maintenance costs. However, we are in the middle of an economic recession and understand that the road user is financially stressed.

This environment requires greater operational efficiencies, increased automation and deeper investments into information technology, innovation, research and development, with the limited funds at the Fund disposal.

The Draft Business Plan before you, presents a multi-year budget of income from the Road User Charges and other sources. N\$18.9 billion funding was requested by the Approved Authorities, however due to funding constraints, only N\$12.9 billion could be funded over the business plan period. Resulting in a funding shortfall of N\$6.0 billion.

Of the available funding, N\$8.1 billion or 63% goes directly into road related projects and programmes, in line with the national development goals as engendered in NDP5, the Harambee Prosperity Plan and MTEF.

Although funding remains suboptimal, these expenditures will go a long way to maintain the national and urban road network. Therefore, the RFA must endeavour to find more creative funding mechanisms to sustainably increase the revenue envelope from the current N\$2.7 billion to N\$3.9 billion required to maintain the quality of our N\$101 billion road network.

During these difficult times, particular attention must be paid towards cost diligence. The unit costs of the blading, regravelling and reseal programs must be tightly managed to ensure that the road user gets the value for money envisioned in the RFA Act. Similarly, the administrative expenditure of both RA and RFA must be tightly managed to ensure that more and more resources are invested in the maintenance and up-keep of the national road network.

Our consultations today, are to obtain your valuable contributions and inputs towards the finalisation of the Business Plan. Taking into account the budget requests received from the Roads Authority and other Approved Authorities and subject to the revenue envelope estimates.

It is our collective responsibility to ensure that the RFA remains committed to honour its mandate, to fund road maintenance, through effective partnerships and efficient administration of the Road User Charging System to support the national economy. Thereby, supporting the national ideal of transforming Namibia into the preferred transport and logistics hub in southern Africa.

There is no doubt that logistics expansion coupled with increased cargo movements, will not only bring economic growth, but also employment creation from the investments of warehouses and related logistics industries, and thus make Namibia an important player in the global logistics supply chain.

Against this backdrop, I wish you engaging and fruitful deliberations and with innovative ideas, to shape this Business Plan into a working document, we can all be proud of.

I thank you for your attention.