

## **EXECUTIVE SUMMARY OF ROADS AUTHORITY FIVE YEAR STRATEGIC AND BUSINESS PLAN 2017 -22**

The Five Year Strategic and Business Plan (2017 -2022) is aimed at fulfilling the Roads Authority's mission of a developed and maintained public road network to a standard where all motorised and non-motorised traffic can reach every society of the country in adequate, safe, reliable, efficient and economic manner. This Five Year Business and Strategic Plan articulates the strategic issues, road programmes and resource requirements for road construction, maintenance and rehabilitation over the planned period covering 2017 to 2022.

The Five Year Business and Strategic Plan is also contributing towards the attainment of the goals and objectives of the Malawi Growth and Development Strategy 3 (MGDS-3), Transport Sector Investment Programme (TSIP) and the National Transport Master Plan (NTMP) (2016 -2036).

Thus in conclusion the RA 5-Year Strategic and Business Plan has been fully aligned to Government overall development policy the MGDS-3 and the sectoral level to the National Transport Plan, the Transport Sector Investment Plan and the National Transport Master Plan to ensure relevance, effectiveness, efficiency, economy and sustainability of development programmes.

In practical terms the 5-Year Strategic and Business Plan (2017-22) is aimed at transforming the country's road network from an average of fair condition in 2017 to an average of generally good condition by the year 2022 and presented in the table 1.1 below:

Table 1.1: Road Condition (2011 – 2022)

CONDITION	2011	2014	2017 (EST)	2022(DESIRED)	STRATEGIC ACTION
GOOD Km (%)	2,447 (40%)	1,639 (38%)	1,552 (36%)	2,768 (54%)	Routine Mtce
FAIR Km (%)	1,346 (33%)	1,725 (40%)	1,725 (40%)	1,384 (27%)	Periodic Mtce
POOR Km (%)	286 (7%)	949 (22%)	1,035 (24%)	974 (19%)	Rehabilitation
Total Km (%)	4,079 (100%)	4,312 (100%)	4,312	5,125 (100%)	

## Public Road Network Condition

The recent comprehensive Road Condition survey covering the paved network was carried out in 2011. Another road condition survey for the paved road network was carried out in 2014. The last survey showed that 38%; 40% and 22% was in good, fair and poor respectively. The 2014 road condition results have been projected in 2017 has shown that the condition has deteriorated due to inadequate funding, poor performance of contractors due to none payment of arrears that has affected their cash flows resulting in poor funding for programmed road works.

Results for 2017 estimated road condition survey has shown that 36 percent of the network is in good condition; 40 percent is in fair and 24 percent is in poor condition. The 2017 road condition results, when compared to the two previous ones carried out in 2011 and 2014 show that the condition of the paved network has deteriorated due to inadequate funding for the various periodic maintenance and rehabilitation programmes necessary to keep the road network in good condition.

## Transformative Approach to Conducting Business

The road condition results, therefore underscore the importance of undertaking transformative infrastructure development and management approach of in order to address the very poor trend of events in the roads sector. There is thus urgent need for increased and sustainable funding for the important preventative maintenance and rehabilitation programmes so

that the road asset is preserved and rebuilt to prevent road infrastructure degradation due to lack of adequate maintenance and rehabilitation. However, if the current trend in funding is not reversed as a matter of urgency, the road network is bound to deteriorate further and the country would lose the road infrastructure investment it had made since 1964 after independence. Hence the need to approach road investment programmes in a transformative approach by addressing the following strategic issues as a matter of urgency:

- 1) **Increased and sustainable Funding:** The business as usual approach in funding should be replaced with more robust approaches in securing adequate and sustainable funding for road programmes;
- 2) **Clearing the Backlog payments:** Over the last five or so years the roads sub-sector has accumulated huge arrears of payments due to the construction industry. This practice have had very negative impact on the industry and the sector in that the government had faced interest charges over and above the construction works and worst still the industry has been denied the necessary cash flow to finance road construction projects. There is need for the government to take critical steps in addressing this problem and clear the arrears as soon as possible; and
- 3) **Improved performance by RA and the Construction industry.** The RA has carried out a number of structural and institutional reforms which have been aimed at addressing some of the operational challenges that the organisation is facing. It is recommended that the organisation needs to address its image which has been dented of late by taking drastic actions to achieve acceptable governance issues in the way it conducts its business. Furthermore, there is need to address as a matter of urgency structural problems and conditions of service to motivate and transform the organisation to achieve acceptable operational efficiency. Any faltering in anyone of these assumptions would result in the organisation missing out on the achievement of its planned goals, objectives and strategic targets.

A summary of the Five Year Strategic and Business Plan is presented below for ease of understanding and appreciation.

**SUMMARY FIVE YEAR STRATEGIC & BUSINESS PLAN (2017-22)**

**2017-2022 SUMMARY STRATEGIC  
OUTCOMES, OBJECTIVES & BUSINESS  
PLAN**

<b>A. PHYSICAL OUTPUTS</b>								
		Unit	2017/18	2018/19	2019/20	2020/21	2021/22	TOTALS
<b>STRATEGIC OUTCOME ONE: OPTIMISED PRESERVATION OF ROAD INFRASTRUCTURE</b>								
Strategic Obj 1	Routine maintenance of the entire road network annually	km	15,808	15,808	15,808	15,808	15,808	15,808
Strategic Obj 2	Periodic maintenance on 563km of paved roads by 2022	km	100	175	250	325	400	1,250
Strategic Obj 3	Carry out periodic maintenance on 60km of unpaved roads by 2022	km	-	15	15	15	15	60
Strategic Obj 4	Rehabilitate 540 km of paved roads by 2022	km	108	108	108	108	108	540
Strategic Obj 5	Rehabilitate 190 km of unpaved roads by 2022	km	38	38	38	38	38	190
<b>STRATEGIC OUTCOME TWO: OPTIMISED IMPROVEMENT AND EXPANSION OF ROAD NETWORK</b>								
Strategic Obj 1	Upgrade 763 km of earth roads to paved standard by 2022	km	103	151	179	180	149	762
Strategic Obj 2	Capacity Improvement	km	4	15	15	15	15	64
Strategic Obj 3	Construct new roads	km	-	13	13	13	13	50
Strategic Obj 4	Timber bridge to concrete	m	137	260	260	260	260	1,177
Strategic Obj 5	Bailey Bridges to concrete	m	73	295	295	295	295	1,253
Strategic Obj 6	Single lane bridges to dual	No	1	1	1	1	1	5
Strategic Obj 7	New bridges							
Strategic Obj 8	Capacity Improvement (NMT)	km	-	20	20	20	20	80
<b>STRATEGIC OUTCOME THREE: INCREASED COMPLIANCE WITH REGULATIONS ON ROAD INFRASTRUCTURE</b>								
Strategic Obj 1	1000km of the paved main road network free of encroachers by 2022	km	-	125	125	125	125	500
	Sub total							
<b>STRATEGIC OUTCOME FOUR: CONSTRUCTION AND MAINTENANCE OF CLIMATE RESILIENT ROAD INFRASTRUCTURE</b>								
Strategic Obj 1	Enhance the climate resilience of the core road network infrastructure by 2022	No.	-	-	-	-	1	1

B. PROGRAMME BUDGETS (MK)								
			2017/18	2018/19	2019/20	2020/21	2021/22	TOTALS
<b>STRATEGIC OUTCOME ONE: OPTIMISED PRESERVATION OF ROAD INFRASTRUCTURE</b>								
Strategic Obj 1	Routine maintenance of the entire road network annually	MK	8,262,728,670	13,239,275,825	14,563,203,407	16,019,523,748	17,621,476,122	69,706,207,772
Strategic Obj 2	Periodic maintenance on 502km of paved roads by 2022	MK	11,238,400,000	21,633,920,000	33,996,160,000	48,614,508,800	65,816,565,760	181,299,554,560
Strategic Obj 3	Carry out periodic maintenance on 60km of unpaved roads by 2022	MK	-	204,187,500	224,606,250	247,066,875	271,773,563	947,634,188
Strategic Obj 4	Rehabilitate 540 km of paved roads by 2022	MK	26,492,400,000	29,141,640,000	32,055,804,000	35,261,384,400	38,787,522,840	161,738,751,240
Strategic Obj 5	Rehabilitate 190 km of unpaved roads by 2022	MK	5,483,500,000	6,031,850,000	6,635,035,000	7,298,538,500	8,028,392,350	33,477,315,850
	<b>Sub total</b>	MK	<b>51,477,028,670</b>	<b>70,250,873,325</b>	<b>87,474,808,657</b>	<b>107,441,022,323</b>	<b>130,525,730,635</b>	<b>447,169,463,609</b>
<b>STRATEGIC OUTCOME TWO: OPTIMISED IMPROVEMENT AND EXPANSION OF ROAD NETWORK</b>								
Strategic Obj 1	Upgrade 763 km of earth roads to paved standard by 2022	MK	72,501,400,000	117,076,850,000	152,570,231,000	168,701,454,900	153,563,006,960	664,412,942,860
Strategic Obj 2	Capacity Improvement	MK	5,995,000,000	24,502,500,000	26,952,750,000	29,648,025,000	32,503,020,000	119,601,295,000
Strategic Obj 3	Construct new roads	MK	-	10,175,000,000	11,192,500,000	12,311,750,000	13,542,925,000	47,222,175,000
Strategic Obj 4	Timber bridge to concrete	MK	331,540,000	692,120,000	761,332,000	837,465,200	921,211,720	3,543,668,920
Strategic Obj 5	Bailey Bridges to concrete		411,992,000	1,162,348,000	1,278,582,800	1,406,441,080	1,254,265,188	5,513,629,068
Strategic Obj 6	Single lane bridges to dual	MK	385,000,000	385,000,000	423,500,000	465,850,000	512,435,000	2,171,785,000
Strategic Obj 7	<i>New bridges</i>	MK	180,000,000	916,740,000	1,008,414,000	1,109,255,400	1,220,180,940	4,434,590,340
Strategic Obj 8	<i>Capacity Improvement (NMT)</i>	MK	100,000,000	737,000,000	810,700,000	891,770,000	980,947,000	3,520,417,000
	<b>Sub total</b>	MK	<b>79,904,932,000</b>	<b>155,647,558,000</b>	<b>194,998,009,800</b>	<b>215,372,011,580</b>	<b>204,497,991,808</b>	<b>850,420,503,188</b>
<b>STRATEGIC OUTCOME THREE: INCREASED COMPLIANCE WITH REGULATIONS ON ROAD INFRASTRUCTURE</b>								
Strategic Obj 2	1000km of the paved main road network free of encroachers by 2022	MK	-	75,625,000	83,187,500	91,506,250	100,656,875	350,975,625
	<b>Sub total</b>	MK	<b>-</b>	<b>75,625,000</b>	<b>83,187,500</b>	<b>91,506,250</b>	<b>100,656,875</b>	<b>350,975,625</b>
<b>STRATEGIC OUTCOME FOUR: CONSTRUCTION AND MAINTENANCE OF CLIMATE RESILIENT ROAD INFRASTRUCTURE</b>								
Strategic Obj 1	Enhance the climate resilience of the core road network infrastructure by 2022	MK	30,000,000	30,000,000	50,000,000	50,000,000	439,230,000	599,230,000
	<b>Sub total</b>	MK	<b>30,000,000</b>	<b>30,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>439,230,000</b>	<b>599,230,000</b>
<b>STRATEGIC OUTCOME FIVE: ENHANCE RESEARCH AND DEVELOPMENT IN RA OPERATIONS</b>								
Strategic Obj 1	Conduct Research	MK	25,000,000	75,000,000	82,500,000	90,750,000	99,825,000	373,075,000
	<b>Sub total</b>	MK	<b>25,000,000</b>	<b>75,000,000</b>	<b>82,500,000</b>	<b>90,750,000</b>	<b>99,825,000</b>	<b>373,075,000</b>
								-
	<b>TOTALS</b>	MK	<b>131,436,960,670</b>	<b>226,079,056,325</b>	<b>282,688,505,957</b>	<b>323,045,290,153</b>	<b>335,663,434,318</b>	<b>1,298,913,247,422</b>

C. OPERATING AND CAPITAL EXPENSES								
			2017/18	2018/19	2019/20	2020/21	2021/22	TOTALS
<b>STRATEGIC OUTCOME ONE: OPTIMISED PRESERVATION OF ROAD INFRASTRUCTURE</b>								
		MK	355,338,628	294,237,161	284,959,333	320,985,994	334,360,410	1,589,881,525
<b>STRATEGIC OUTCOME TWO: OPTIMISED IMPROVEMENT AND EXPANSION OF ROAD NETWORK</b>								
		MK	314,794,284	346,273,712	362,013,427	377,753,141	393,492,855	1,794,327,419

STRATEGIC OUTCOME THREE: INCREASED COMPLIANCE WITH REGULATIONS ON ROAD INFRASTRUCTURE		MK	140,216,192	166,989,491	167,056,351	174,319,670	181,582,990	830,164,694
STRATEGIC OUTCOME FOUR: CONSTRUCTION AND MAINTENANCE OF CLIMATE RESILIENT ROAD INFRASTRUCTURE		MK	97,369,501	73,431,754	97,556,248	80,107,368	106,039,401	454,504,272
STRATEGIC OUTCOME FIVE: ENHANCE RESEARCH AND DEVELOPMENT IN RA OPERATIONS		MK	83,162,820	83,162,821	83,162,822	83,162,823	83,162,824	415,814,112
STRATEGIC OUTCOME SIX: ENHANCED AND IMPROVED OPERATIONAL EFFICIENCY OF RA		MK	2,731,094,619	3,163,120,240	3,058,061,419	3,232,009,209	3,149,068,530	15,333,354,017
STRATEGIC OUTCOME SEVEN: IMPROVED MONITORING AND EVALUATION SYSTEM IN PLACE		MK	21,414,882	29,009,016	42,001,032	38,961,032	52,001,032	183,386,994
<b>TOTALS</b>		MK	<b>3,743,390,927</b>	<b>4,156,224,195</b>	<b>4,094,810,632</b>	<b>4,307,299,237</b>	<b>4,299,708,042</b>	<b>20,601,433,032</b>
<b>GRAND TOTALS</b>		MK	<b>135,180,351,597</b>	<b>230,235,280,520</b>	<b>286,783,316,589</b>	<b>327,352,589,390</b>	<b>339,963,142,360</b>	<b>1,319,514,680,454</b>

## ANNEX I

### Strategic Outcomes, Objectives and Business Plan (In US\$)

#### Strategic Outcomes, Objectives and Targets

The RA 5-Year Strategic and Business has seven strategic outcomes and several objectives and targets as outlined below:

B. PROGRAMME BUDGETS (USD)								
			2017/18	2018/19	2019/20	2020/21	2021/22	TOTALS
<b>STRATEGIC OUTCOME ONE: OPTIMISED PRESERVATION OF ROAD INFRASTRUCTURE</b>								
Strategic Obj 1	Routine maintenance of the entire road network annually	US\$	11,241,808	18,012,620	19,813,882	21,795,270	23,974,797	94,838,378
Strategic Obj 2	Periodic maintenance on 502km of paved roads by 2022	US\$	15,290,340	29,433,905	46,253,279	66,142,189	89,546,348	246,666,061
Strategic Obj 3	Carry out periodic maintenance on 60km of unpaved roads by 2022	US\$	-	277,806	305,587	336,145	369,760	1,289,298
Strategic Obj 4	Rehabilitate 540 km of paved roads by 2022	US\$	36,044,082	39,648,490	43,613,339	47,974,673	52,772,140	220,052,723
Strategic Obj 5	Rehabilitate 190 km of unpaved roads by 2022	US\$	7,460,544	8,206,599	9,027,259	9,929,984	10,922,983	45,547,369
	<b>Sub total</b>	US\$	<b>70,036,774</b>	<b>95,579,419</b>	<b>119,013,345</b>	<b>146,178,262</b>	<b>177,586,028</b>	<b>608,393,828</b>
<b>STRATEGIC OUTCOME TWO: OPTIMISED IMPROVEMENT AND EXPANSION OF ROAD NETWORK</b>								
Strategic Obj 1	Upgrade 763 km of earth roads to paved standard by 2022	US\$	98,641,361	159,288,231	207,578,546	229,525,789	208,929,261	903,963,188
Strategic Obj 2	Capacity Improvement	US\$	8,156,463	33,336,735	36,670,408	40,337,449	44,221,796	162,722,850
Strategic Obj 3	Construct new roads	US\$	-	13,843,537	15,227,891	16,750,680	18,425,748	64,247,857
Strategic Obj 4	Timber bridge to concrete	US\$	451,075	941,660	1,035,826	1,139,408	1,253,349	4,821,318
Strategic Obj 5	Bailey Bridges to concrete	US\$	560,533	1,581,426	1,739,568	1,913,525	1,706,483	7,501,536
Strategic Obj 6	Single lane bridges to dual	US\$	523,810	523,810	576,190	633,810	697,190	2,954,810
Strategic Obj 7	<i>New bridges</i>	US\$	244,898	1,247,265	1,371,992	1,509,191	1,660,110	6,033,456
Strategic Obj 8	<i>Capacity Improvement (NMT)</i>	US\$	136,054	1,002,721	1,102,993	1,213,293	1,334,622	4,789,683
	<b>Sub total</b>	US\$	<b>108,714,193</b>	<b>211,765,385</b>	<b>265,303,415</b>	<b>293,023,145</b>	<b>278,228,560</b>	<b>1,157,034,698</b>
<b>STRATEGIC OUTCOME THREE: INCREASED COMPLIANCE WITH REGULATIONS ON ROAD INFRASTRUCTURE</b>								
Strategic Obj 2	1000km of the paved main road network free of encroachers by 2022	US\$	-	102,891	113,180	124,498	136,948	477,518
	<b>Sub total</b>	US\$	<b>-</b>	<b>102,891</b>	<b>113,180</b>	<b>124,498</b>	<b>136,948</b>	<b>477,518</b>
<b>STRATEGIC OUTCOME FOUR: CONSTRUCTION AND MAINTENANCE OF CLIMATE RESILIENT ROAD INFRASTRUCTURE</b>								
Strategic Obj 1	Enhance the climate resilience of the core road network infrastructure by 2022	US\$	40,816	40,816	68,027	68,027	597,592	815,279
	<b>Sub total</b>	US\$	<b>40,816</b>	<b>40,816</b>	<b>68,027</b>	<b>68,027</b>	<b>597,592</b>	<b>815,279</b>
<b>STRATEGIC OUTCOME FIVE: ENHANCE RESEARCH AND DEVELOPMENT IN RA OPERATIONS</b>								
Strategic Obj 1	Conduct Research	US\$						

			34,014	102,041	112,245	123,469	135,816	507,585
	<b>Sub total</b>	US\$	<b>34,014</b>	<b>102,041</b>	<b>112,245</b>	<b>123,469</b>	<b>135,816</b>	<b>507,585</b>
								-
	<b>TOTALS</b>	US\$	<b>178,825,797</b>	<b>307,590,553</b>	<b>384,610,212</b>	<b>439,517,402</b>	<b>456,684,945</b>	<b>1,767,228,908</b>

<b>C. OPERATING EXPENSES (USD)</b>								
			<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>TOTALS</b>
STRATEGIC OUTCOME ONE: OPTIMISED PRESERVATION OF ROAD INFRASTRUCTURE	US\$		483,454	400,323	387,700	436,716	454,912	2,163,104
STRATEGIC OUTCOME TWO: OPTIMISED IMPROVEMENT AND EXPANSION OF ROAD NETWORK	US\$		428,292	471,121	492,535	513,950	535,364	2,441,262
STRATEGIC OUTCOME THREE: INCREASED COMPLIANCE WITH REGULATIONS ON ROAD INFRASTRUCTURE	US\$		190,770	227,197	227,288	237,170	247,052	1,129,476
STRATEGIC OUTCOME FOUR: CONSTRUCTION AND MAINTENANCE OF CLIMATE RESILIENT ROAD INFRASTRUCTURE	US\$		132,476	99,907	132,730	108,990	144,271	618,373
STRATEGIC OUTCOME FIVE: ENHANCE RESEARCH AND DEVELOPMENT IN RA OPERATIONS	US\$		113,147	113,147	113,147	113,147	113,147	565,733
STRATEGIC OUTCOME SIX: ENHANCED AND IMPROVED OPERATIONAL EFFICIENCY OF RA	US\$		3,715,775	4,303,565	4,160,628	4,397,291	4,284,447	20,861,706
STRATEGIC OUTCOME SEVEN: IMPROVED MONITORING AND EVALUATION SYSTEM IN PLACE	US\$		29,136	39,468	57,144	53,008	70,750	249,506
	<b>TOTALS</b>		<b>5,093,049</b>	<b>5,654,727</b>	<b>5,571,171</b>	<b>5,860,271</b>	<b>5,849,943</b>	<b>28,029,161</b>
<b>GRAND TOTALS</b>	US\$		<b>183,918,846</b>	<b>313,245,280</b>	<b>390,181,383</b>	<b>445,377,673</b>	<b>462,534,888</b>	<b>1,795,258,069</b>