

**MINISTERIAL STATEMENT BY HON. MIKE MULONGOTI,  
MP; MINISTER OF WORKS AND SUPPLY ON THE  
OPERATIONS OF THE ROAD DEVELOPMENT AGENCY TO  
BE GIVEN ON THURSDAY 25<sup>TH</sup> MARCH, 2010 AT 14:30  
HOURS**

Mr. Speaker Sir,

I wish to thank you most sincerely for granting me permission to make a Ministerial Statement on the operations of the Road Development Agency.

Over the recent past, a number of issues have been raised on the operations of the Road Development Agency (RDA) through media reports as well as complaints from the General Public. Some people have insinuated that the RDA has failed to deliver to the peoples expectations. This is largely due to the poor state of the township and rural roads especially on the Copperbelt and in Lusaka. It has also been widely alleged that there is gross misappropriation of public resources at the RDA, thereby making it impossible for the institution to deliver. Mr Speaker, let me state from the on-set that my Ministry which supervises the RDA welcomes constructive criticism. This is why I now wish to clarify the operations and management of the RDA through this ministerial statement. I wish by this statement to clarify the operations and management at the RDA.

## **BACKGROUND**

The RDA was established through an Act of Parliament, Act No. 12 of 2002, which also established the National Road Fund Agency (NRFA) - to mobilise and disburse road funds; the Road Transport Safety Agency – to look after the road safety aspects. Full operations of the Agency began in 2006 as Government had to pave way for the smooth transition from the Roads Department to the Road Development Agency. Its operations and management lie under the mandate of the Ministry of Works and Supply.

## **ANNUAL WORK PLANS AND FUNDING**

Since its inception, the RDA has come up with annual work plans, predominantly aimed at clearing the maintenance and rehabilitation backlog of the road network around the country. Using the Highway Management System, the RDA has tried to optimise the type and size of roads to work on despite inadequate funding allocations. This has made it extremely difficult for the RDA to show meaningful gains on such a huge road network of approximately 67,000km in so short a time. Even after optimising the Core Road Network to 41,000km, the allocated resources have failed to meet the needs for the huge backlog. My Ministry has repeatedly told this august house that we need about ZMK 3.0 Trillion annually to keep the Core Road Network in a maintainable condition. However, this august house has only been able to approve about ZMK 1.2 Trillion per annum in the past three years.

Admittedly, the implication of such low levels of funding is that the RDA must reduce its Core Road Network by half, which really is not the solution. Alternatively, the funding levels must be increased to enable the institution fulfil its mandate knowing that roads are a prime engine of national economic growth.

The need to double the funding levels for the road infrastructure development cannot be over emphasised if the RDA is to achieve the objectives of RoadSIP II in 2013. One way we can generate more funds for the sector is to introduce tolls on some of our very busy roads. My Government has advertised for interested investors to install Toll gates on some of our roads.

## **PROCUREMENT**

The business of road construction costs a lot of money all over the world. Due to the colossal sums required, the RDA annual work plans cannot afford to be structured on the basis of completing project works in one fiscal year given the funds available. The only reasonable approach that RDA has taken is to procure works on a rolling basis, i.e. works procured in one financial year are rolled over to subsequent years until completion.

Of late, there have been expressions that this procurement approach amounts to over-commitment of Government. It is surprising where this new vocabulary has come from because the roll-over approach has been used since independence. To us, such is actually prudent procurement-scheduling aimed at avoiding inefficient piece-meal procurement confined to annual budget lines. Mr Speaker, let me remind the house, that budget lines are merely estimates, and do not necessarily reflect the actual contract sums which are only determined after tenders have been opened and evaluated.

The concern that this over-procurement will result in accumulation of debt to contractors is valid. We do not want to get back to debt arising from unpaid certificates and penalties that not only cost government more but erodes confidence in the contracting industry. The RDA has to manage this situation well and Government has to this effect provided the required finances to complete the stalled projects. For example, Kasama – Luwingu, Choma – Chitongo, Kasempa Turn-off to Kabompo etc, which had placed undue pressure on the roads budget in the past many years shall be completed within the next two years.

In addition, in order to expedite the procurement process, the Zambia Public Procurement Agency (ZPPA) has increased the RDA threshold for procurement of works to ZMK 40 billion which has added efficiency and effectiveness to procurements.

The Zimba – Livingstone road is one source of concern, the RDA takes full responsibility for procuring the first thirty (30) km, which is Government financed. However, the National Authorising Office of the European Union (NAO – EU) presided over the procurement of the next forty two (42) km, as the NAO is also the Contracting Authority (CA) on behalf of the European Union. The RDA should be commended for having taken proactive steps to commence reconstruction of the road and not blamed for escalations that were occasioned by other authorities.

### **MANAGEMENT OF THE RDA**

It is the considered view of the Ministry, that the management at RDA has performed above expectations in comparison with the available funding levels to the Road Sector. An asset preservation strategy is being emphasised in the annual work plans over construction of new roads which remain the responsibility of Government under Capital Projects. This is in line with the Road Sector Investment Programme, RoadSIP II.

Mr Speaker, You may wish to note that since the RDA management commenced its work, emphasis has been placed on completing the stalled projects. Rehabilitation of Chipata – Lundazi Road Phase I has been completed and the RDA has commenced plans for completing the remaining section. The rehabilitation of the Zimba – Livingstone road will be

completed later this year while periodic maintenance of Katete – Mwami, Katete – Chanida, Mongu – Senanga and Lusaka – Kabwe roads, have all been completed. Government through the RDA has also advanced arrangements for the commencement of works on the Mongu – Kalabo road after the floods this year, while works on the Solwezi – Mwinilunga are on-going. In addition, in order to support the heavy economic investments in the Roma and Chamba valley area, my Ministry secured ZMK8 Billion to construct a new 4km tarmac road to extend the Zambezi road. The above, Mr Speaker, are just examples of what RDA has been able to do.

Currently, Government is assisting RDA with the pending rehabilitation of the Great North road from Serenje to Nakonde. You will note that in anticipation of funding, the Agency procured works for the road could not commence works due to lack of funds. The result is what we see now- a badly deteriorated road. It is therefore not right to condemn the Ministry of Works and Supply or the RDA when the finances available do not allow for works to be carried out.

Mr Speaker, with regard to the recent heavy rainfall which has damaged a lot of our road infrastructure, I am satisfied to state that RDA has risen to the occasion and worked very closely with the Disaster Management and Mitigation Unit (DMMU), the Rural Roads Unit and the Zambia Defence forces, to reinstate crossing structures and washed away sections of roads though temporary. For example, the RDA has ensured

that works on the recently collapsed Sinazongwe – Sinazeze Road Works were commenced. This road carries very heavy loads of coal and farm produce but their safety can only be guaranteed once ZMK30 Billion is found to work on the drainage along on the road.

Before I conclude my statement, Mr Speaker, I would like to mention here that I have personally read the Draft Auditor General's report over the audit of the RDA and I have had the opportunity to speak with the Auditor General. I am satisfied that the Report has not established any theft or impropriety at the RDA contrary to the expectations and speculations in some quarters of our society. Based on what I read, I can confirm to our cooperating partners that there is no bomb-shell to expect out of the audit of the RDA. Admittedly, there are some system failures but this is in the nature of a developing and growing institution. The time period that the RDA has been in operation is just too little for one to judge them harshly. The men and women in the Agency are of high integrity and need the support of their fellow country men and women. I therefore look forward to the speedy closure of the protracted audit process so that we can resume the suspended financial co-operation with our Co-operating Partners.

In conclusion, Mr Speaker, I would like to urge the nation to give support and encouragement to the RDA. We all need good

roads in Zambia; they come at a price and my Government is working tirelessly to find the resources and together with my Ministry, RDA will get down to business immediately the rainy season is over.

Mr Speaker, I thank you.