



NATIONAL ROAD FUND AGENCY

ANNUAL REPORT 2013



ABBREVIATIONS AND CRONYMS

ACC	-	Anti Corruption Commission
AfDB	-	African Development Bank
AGA	-	Annual General Assembly
AGM	-	Annual General Meeting
APL	-	Adaptable Programme Lending
ARMFA	-	African Road Maintenance Funds Association
AWP	-	Annual Work Programme
BADEA	-	Arab Bank for Economic Development in Africa
BEA	-	Budget and Economic Affairs
CAIP	-	Community Access Improvement Project
CFI	-	Construction Fund Initiative
COMESA	-	Common Market for Eastern and Southern Africa
CR	-	Credit
DANIDA	-	Danish International Development Agency
DBSA	-	Development Bank of Southern Africa
EAC	-	East African Community
EIB	-	European Investment Bank
EU	-	European Union
GRZ	-	Government of the Republic of Zambia
IDA	-	International Development Agency
IFG	-	International Focus Group
JICA ODA	-	Japanese International Cooperation Agency Official Development Assistance
K'b	-	Kwacha billion
K'm	-	Kwacha million
Km	-	Kilometre
LCC	-	Lusaka City Council
LRA	-	Local Road Authority
MAL	-	Ministry of Agriculture & Livestock
MEWD	-	Ministry of Energy and Water Development
MLGH	-	Ministry of Local Government and Housing
MOF	-	Ministry of Finance
MOJ	-	Ministry of Justice
MOU	-	Memorandum of Understanding
MTA	-	Ministry of Tourism and Arts
MTWSC	-	Ministry of Transport, Works, Supply and Communication
NCC	-	National Council for Construction
NDF	-	Nordic Development Fund
NRFA	-	National Road Fund Agency
NRFA's	-	National Road Fund Agency Integrity Committee
ORUC	-	Other Road User Charges
PRRC	-	Performance Based Road Contract



MISSION, VISION, GOAL, and VALUES

MISSION

To mobilise, manage and administer financial resources for developing and maintaining quality and safe road infrastructure and road transport services”.

VISION

A Good and Safe Road Network.

GOAL

To ensure efficient and effective provision of adequate financial resources for developing and maintaining quality and safe road infrastructure and transport services”.

CORE VALUES

- i. **Accountability and Responsibility**
- ii. **Efficiency and Effectiveness**
- iii. **Health and Safety**
- iv. **Integrity and Impartiality**
- v. **Professionalism**
- vi. **Service Ethics, Customer**



CHAIRMAN'S FOREWORD



I have pleasure in presenting the National Road Fund Agency (NRFA) Annual Report for the year ended 31st December 2013, together with the financial statements for the stated period in line with the provisions of the NRFA Act.

During the period under review, the NRFA Board provided timely and accurate policy guidance to the NRFA management to enable it effectively and efficiently conduct the Agency business under the three key thematic areas of resource mobilisation, Fiduciary Management and Value for Money.

The Agency mobilised financial resources for the road sector from a diverse of sources as prescribed by the Act and disbursed these finances to the implementing Agencies, the Road Development Agency (RDA), the Road Transport and Safety Agency (RTSA) and Local Road Authorities (LRA) under the Ministry of Local Government and Housing.

This funding facilitated the commencement of new road projects under Link Zambia 8000, Lusaka 400 and Pave Zambia 200 and enabled the Agency to finance various interventions which included emergency/holding maintenance, rehabilitation, and upgrading. Financial

allocations to these projects were done in accordance with the Public Finance Act and value for money ascertained through road inspections and pre-payment audits.

The NRFA enhanced both intra and inter-Agency synergies cooperation was particularly strengthened by close liaison with Road Sector Agencies through regular meetings by the committee of Chairpersons for the Road Sector Agencies to discuss areas of mutual interest.

During the period under review, the NRFA embarked on revising its 2011 - 2013 Strategic Plan and extended it to 2016, in order to align it to the Sixth National Development Plan for 2011 -2016 and other Government policy directives.

The NRFA, established through the Road Fund Act No. 13 of 2002, shall, in 2014 employ the realigned Strategic Plan as a necessary tool in the provision of strategic financial oversight to the road sector and attain higher achievements in road infrastructure development within the framework of the revised SNDP and the Government Policy Direction.

Looking ahead, the successful implementation of the Annual Work Plans within the strategic direction provided for under the NRFA's realigned Strategic Plan will only be achieved through the continued support of Government, cooperating partners, road users, implementing agencies and related stakeholders.

Felix Nkululwa
<http://www.pdf4free.com>
ACTING CHAIRMAN

DIRECTOR'S REPORT



As we come to the end of the 2013 calendar and financial year, I wish to highlight some of our key achievements and notable challenges in the context of our mandate and fiduciary oversight on all road sector finances, as well as our focus for 2014.

During the financial year ended 31st December 2013, we demonstrated our continued commitment in the provision of strategic financial oversight to the road sector and responded to all sector challenges in a consultative manner that reflects a strong foothold for a sustainable road fund.

Specifically, we dedicated our expertise and effort on the three thematic areas of Mobilisation, Fiduciary Management and Value for Money and the corporate fiduciary services we provided were a key benchmark amongst our stakeholders.

In this vein, all Sector funds were disbursed using laid down fiduciary oversight reviews, where technical and financial review processes and procedures were strictly followed as per the Public Finance Act resulting in value for money payments to Contractors and Consultants.

There was a general upward trend in resource mobilisation during the period under review, and this was augmented by the Tolling programme which was jumpstarted by the Road Development Agency. Mechanisms were put in place to ensure that the Tolling revenue was channeled to the Road Fund and more than US\$ 4 million was raised.

The major projects financed during the period under review include the unprecedented Link Zambia 8000

total of K170 million was disbursed during 2013.

The Agency continued to strengthen the sector management system through close monitoring of commitments vis-à-vis budgetary provisions and available funds, timely warnings on new projects, budgetary implications and enhanced coordination between road sector agencies.

In addition we are enhanced our Monitoring and Evaluation tools in our quest to ascertain value for money through road inspections, and a strengthened feedback mechanism to stakeholders.

Further, we led the process to empowering our local small and medium scale contractors through the Construction Finance Initiative (CFI) and signed nine Memoranda of Understanding with commercial banks, non banking financial institutions and equipment suppliers.

Our commitment to the highest possible standards of transparency, integrity and accountability in our operations with all stakeholders was recognised by the Anti Corruption Commission (ACC) through the handover, to the Agency's Integrity Committee (IC) of a "Commitment Award" given during the Commemoration of the World Anti-Corruption Day whose theme was "Zero Corruption, 100% Development" held on 9th December 2013, in Lusaka. The NRFA was among the four ICs out of the 32 ICs in Zambia that got this award. Others were Zambia Revenue Authority (ZRA), Luanshya Municipal Council and National Institute of Public Administration (NIPA).

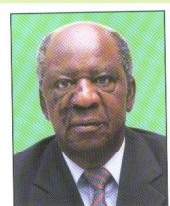
At the continental level, our operations were appreciated by the 34 Road Funds in Africa, as evidenced during the last Africa Road Maintenance Funds Association (ARMFA) Annual General Meeting in Mombasa, Kenya where delegates did not only resolve to adopt the NRFA model of a Third Generation Road Fund but entrusted the Agency with the ARMFA presidency.



ROAD MANAGEMENT INITIATIVE COMMITTEE OF MINISTERS



Hon. Yamfwa Mukanga , MP
Minister of Transport, Works,
Supply & Communications



Hon. Alexander Chikwanda,
MP Minister of Finance



Hon. Emmanuel Chenda
MP, Minister of
Agriculture & Livestock



Hon Emerine Kabanshi, MP
Minister of Local Govt. &
Housing



Hon. Winter Kabimba, MP
Minister of Justice



Hon. Christopher Yaluma,
MP Minister of Energy &
Water Development



Hon. Sylvia Masebo, MP,
Minister of Tourism and Arts

ROAD MANAGEMENT INITIATIVE COMMITTEE OF PERMANENT SECRETARIES



Mr. Bernard Chiwala, PS
Transport, Works, Supply &
Communications

NRFA BOARD OF DIRECTORS



Mr. Felix Nkulukusa, Acting Chairperson

NRFA MANAGEMENT TEAM



Dr. Anthony Mwanaumo
Director/CEO



CORPORATE SUPPORT

INTRODUCTION

This section highlights the key activities of the Corporate Support Department in 2013 regarding the department's operational mandate covering Human Resource Management, General Administration, Procurement and Public Relations. The Department is responsible for the recruitment and placement of staff with skill and experience to meet Agency objectives, and maintains Industrial Relations and Corporate Governance to promote industrial harmony and high productivity. In this regard, the Department interprets and maintains Conditions of Service and develops and implements effective Human Resource policies and strategies which support the achievement of Agency objectives. The key operations of the Corporate Support Department are outlined under the following subheads:

1.0 HUMAN RESOURCES

1.1 Staff Complement

As at 1st January 2013, the Agency had twenty four (24) employees in its establishment. The Manager in charge of Monitoring and Evaluation separated from the Agency and was replaced by one of the Agency's Road Engineers. A new Road Engineer was recruited. During the period under review the Agency had 33 male members of staff and 8 female members of staff representing. The age distribution for all members of staff at the Agency is as tabulated below:

1.2 Industrial Relations

During the period under review, the Corporate Support Department provided a cordial working environment for employees to facilitate equitable, innovative and productive workplace relations. As a result, there was no recorded industrial unrest and the Agency handled one staff disciplinary case which was dealt with administratively.

1.3 Performance Management System

An Annual Performance Evaluation exercise for all employees was conducted. Based on the results of the assessment, some employees qualified for notch increments and the award of notches was implemented. Further, the results also provided a medium for identification of training needs in each department.

1.4 Policy documents

The department was the custodian of the following documents and was responsible for their interpretation and enforcement.

- a. Staff Terms and Conditions of Service
- b. Disciplinary Code of Conduct and Grievance Procedure
- c. Board Charter
- d. Whistle Blower Policy
- e. Code of Ethics
- f. HIV/AIDS Workplace Policy

1.5 Health and Safety

The Agency believes that health and safety compliance is a long term investment in the well being of the organisation, its staff and its reputation. The Agency provided a healthy and safe working environment during the period under review by maintaining clean and habitable offices. Protective clothing was also procured for employees who work in areas that require such clothing.



Protective clothing was also procured

1.6 Training and Development

All Agency staff were appraised during the period under review. In order to meet the training needs identified during the Performance Appraisals as well as to enhance capacity in the Agency, various trainings and workshops for staff were conducted both internally and externally.

2.0 ADMINISTRATION

During the period under review, the department continued to coordinate Board, Committee, Management and Staff meetings of the Agency. The Department continued to manage Agency assets prudently. Insurance of Agency assets and personnel, service contracts for cleaning, security, information technology and other support services were put in place.

The following insurance covers were in place in 2013:

- Motor Vehicles
- Office Furniture
- Life Assurance
- Group Personal Accidents
- Fidelity Guarantee
- Fire / Building
- Computers and Office Equipment

The Agency provided office space to the following institutions:

- Public Private Partnership (PPP) Unit, Ministry of Finance
- Monitoring and Evaluation Unit, Ministry of Transport, Works, Supply and Communications; and
- Gitec Consult

The Department further provided logistical and secretarial services for various meetings. These included Inter Agency meetings, Committee of Chairpersons

3.0 PROCUREMENT

The Procurement Committee approved internal major procurement requirements of the Agency. The Agency procured various goods and services that were budgeted for the year under review. Major items whose value was above K50 million were procured through the Procurement Committee. Some of the major items that were procured during the period under review are as follows:-

- a. The Tender for the supply, delivery and installation and commissioning of an Electric Diesel Generator was awarded and executed
- b. The Contract for the tender to construct a guard house was awarded. The Guard house has since been constructed and awaits handover.
- c. The Contracts to supply and deliver attires for Zambia International Trade Fair and Lusaka Agriculture and Commercial Show were awarded and were executed.
- d. The Contract to supply and deliver printed copies of NRFA 2012 Annual Report was awarded and was executed.
- e. The Tender for the supply and delivery of one (1) 4 by 4 Board vehicle was awarded and the motor vehicle has since been delivered.
- f. Procurement of two (2) utility motor vehicles from Toyota Zambia was completed. The vehicles have since been delivered.
- j. Procurement of NRFA 2013 Insurances, Cleaning services, Security services, delivery of flowers and maintenance of outdoor plants was concluded and service providers were



A delegation from the Tanzania and Zanzibar Road Funds visiting the Agency

- a. The compilation, production and airing of Television documentaries on the Construction Finance Initiative (CFI), and the NRFA Video.
- b. Facilitation of signing ceremonies on the Memoranda of Understanding on the CFI with commercial banks including Finance Bank, Stanbic Bank, Cavmont Merchant Bank, Investrust Bank, Eco Bank, Zanaco and non banking financial institutions which are the Citizens Economic Empowerment Commission and Government Management Services, a supplier of road equipment.

5.0 INTEGRITY COMMITTEE

The Anti Corruption Commission (ACC) has initiated the formation of Integrity Committees (ICs) in various public and private institutions to help prevent corruption. An IC is, therefore a committee appointed by Management responsible for preventing corruption from occurring within its sphere of control. The NRFA IC is a key element in demonstrating the Agency's commitment to the highest standards of transparency, integrity and accountability in its operations with all stakeholders and is in line with the ACC. The NRFA IC which is chaired by the Head Corporate Support comprises 4 members drawn from each of the Agency's four departments. During the period under review, the NRF IC undertook the following activities:

- a. Spearheaded and facilitated the process of preventing corruption within NRFA;
- b. Produced and implemented the Institutional Corruption Prevention Action Plan.
- c. Prepared quarterly reports for submission by the Chief Executive Officer to the Secretary to the

Cabinet through the ACC highlighting the progress made in the implementation;

- d. Sensitised staff in ethics, integrity and anti-corruption strategies;
- e. Received, considered and provided redress to complaints relating to ethical issues.
- g. Recommended administrative action to management as a response to complaints deliberated on

The Agency's IC was among the four (4) ICs out of the 32 ICs in Zambia that was awarded a "Commitment Award" by the Anti-Corruption Commission (ACC). Others were Zambia Revenue Authority (ZRA), Luanshya Municipal Council and National Institute of Public Administration (NIPA). The award was given during the Commemoration of the World Anti-Corruption Day whose theme was "Zero Corruption, 100% Development" held on 9 December 2013 at the Government Complex.



6.0 THE 12th ARMFA ANNUAL GENERAL ASSEMBLY

The Agency, through its Director/Chief Executive Officer Dr. Anthony Mwanaumo, was elected President of the African Road Maintenance Funds Association (ARMFA). This followed the elections held at the ARMFA Conference and Annual General Assembly (AGA) held in Mombasa, Kenya from 4th - 8th November, 2013, which coincided with the ARMFA 10th Anniversary Celebrations. At the time of elections, Dr. Anthony Mwanaumo, was both the Chairperson of the ARMFA Southern Focal Group and the Auditor of the ARMFA Executive Bureau.

ARMFA, which is made of 34 African member countries was created under the patronage of the sub Saharan African Transport Policy Programme (SSATP) taking into account the importance of the road as a vector of socio-economic development of countries particularly in the fight against poverty and that cooperation between Road maintenance Funds contributes in creating the synergy necessary for ensuring the best conditions for the



mobilisation of financial resources.

The association has four Regional Focal Groups, Central, Eastern, Southern and Western. It focuses on the promotion of knowledge sharing and best practices in the mobilisation and management of resources for road network improvement in Africa by ensuring that road infrastructure is maintained according to international standards.





INTERNAL AUDIT

1.0 INTRODUCTION

Internal Audit continued to provide assurance services to the Board and management with the objective of improving the organisations internal controls, risk management and governance systems. A risk based audit approach based on the Board approved Audit Plan is followed in conducting all audit processes.

2.0 ACTIVITIES DURING THE YEAR

For the period under review the following major activities were undertaken by the department:

2.1 Quarterly Audit Reports

The department presented two quarterly audit reports to the Audit & Risk Management Committee as the Board of Directors tenure expired in June 2013. However, subsequent Audit Reports were issued to Management and corrective remedies were undertaken.

2.2 Project inspection visits

Audit in conjunction with the Monitoring & Evaluation department conducted inspections of the drainage works undertaken by the Local Road Authorities on the Copperbelt province.

2.3 Pre-audit of Payment Certificates and administration expenses.

The Department conducted routine work of pre auditing payment certificates and administration expenses.

2.4 Force Account works

Each year a provision of about 10% of the Annual Work plan is made for Force account works which are meant to cater for emergency repair works. These funds are disbursed by NRFA after applications for specific works are received from the RDA and MLGH. As part of its fiduciary duty, NRFA obtains financial and technical Progress Reports for all such works which the Audit department reviews to ensure value for money. As part of the audit, some Force account works were also inspected.

2.5 Audit of Local Road Authorities (LRAs) and Capacity Building

Subsequent to the disbursement of funds by the Danish Royal Embassy (DANIDA) under the Community Access Improvement Projects, follow up audits to ensure value for money were conducted for two LRAs, namely Mansa and Samfya. Trainings in Contract Management and Quality Control for 27 LRAs drawn from Southern, Eastern, Central, NorthWestern and Luapula Provinces, were held at Protea Hotel, Chisamba in March. The main thrust of the trainings were to keep Council officials abreast with the requirements of the Public Finance Act (No 15 Of 2004), Financial Regulations of 2006 and the Public Procurement Regulations, 2011. The quality control aspects of road infrastructure projects were also dealt with.



Weighbridges currently being used as collection points for Tolls

2.6 Other Activities

a) Audit of ZIPAR

DANIDA through NRFA provided funding of US \$ 229,500 to ZIPAR for the development of the Transport Sector Social Accounting Matrix and developing a Transport Indicator Database. This part of ZIPAR's activities were funded by DANIDA under a budget of US \$737,715 for 2012.

This audit was undertaken in July and covered the K1.26 million which was disbursed in 2012. The Audit revealed that funds were applied in accordance with the funding agreement and the accounting records were kept in a good manner.

stations.

d) Joint Audit of Tolls

Following the implementation of the tolling system by RDA on 1st November 2013, a systems audit was conducted jointly with RDA Internal Audit . This was intended to seal any loopholes in the system.

e) Special Audits

Two Special audits to review certain internal procedures and processes at the request of Management were conducted and reports were issued.

Management has since taken corrective action



FUND MANAGEMENT

1.0 Introduction

The National Road Fund Agency (NRFA) has been mandated to manage and administer the Road Fund which comprise two main sources of revenue, namely, Local Resources (Tolling Revenue, Fuel Levy, Other Road User Charges (ORUCs) and Government of the Republic of Zambia (GRZ) Project Direct Allocations) and External Resources from Cooperating Partners (CPs).

The Local Resources of Tolling Revenue, Fuel Levy and ORUCs are contributions by the road users and External Resources from CPs and are dedicated to the routine and periodic maintenance of the road network.

The GRZ Project Direct Allocations provide funding for the rehabilitation, upgrading and new construction of road projects that GRZ selects each year under national interest.

2.0 Notable Achievements during 2013

The notable major achievements during the year under review were:

(a) Unqualified audit of the 2013 Road Fund Accounts

The NRFA did successfully prepare unqualified audited quarterly and annual Road Fund Financial Statements for the year ended 31st December 2012 during 2013.

(c) Pave Zambia 2,000 Project launched during 2013

The Urban Roads Network Paving Blocks Project known as the Working on Roads Countrywide ("WORC") or "Pave Zambia 2,000" was successfully launched by his Excellency President Michael C Sata, the President of the Republic of Zambia on 18 September 2013 and a total of K54 million has since been paved and opened to the public by 31st December 2013. The Road Development Agency (RDA) commenced transporting the paving equipment to all its ten (10) Regional Offices during December 2013 and massive construction is expected to commence during 2014.

(d) Lusaka 400 Project made headway during 2013

The Lusaka 400 Project was successfully progressed during the year under review where a total of 9 km was paved and opened for traffic by 31 December 2013. A total of K170 million was disbursed during 2013.

(e) Small and medium contractor training programme at National Council for Construction (NCC)

The NCC was allocated K5 million in the 2013 AWP by NRFA to continue its training of small and medium enterprises. By 31st December 2013, a total of 774 persons were trained in Short Intensive training programmes ranging from one week to 16 weeks in Lusaka.

(f) Successful enhancement of the Construction

FUND MANAGEMENT

In addition, two (2) Insurance Companies, namely Advantage Insurance and Diamond Insurance; two (2) finance companies, namely Madison Finance Company and Citizen's Economic Empowerment Commission (CEEC); and one material supplier Savenda Management Services, signed the CFI MoUs with the RDA and NRFA by 31 December 2013.

Further, a total of 18 small and medium Local Contractors were able to access funding from Commercial Banks during 2013 under the CFI.

The CFI was in the process of being enhanced by 31 December 2013 and this will enable small and medium Local Companies to access funding to enable them participate in the Road Sector construction in 2014.



Signing of the MoU on CFI with CEEC



Signing of the MoU on CFI with Zanaco



Signing of the MoU on CFI with Investrust



Road Sector Agencies Sign the MoU on CFI with Cavmont Bank





FUND MANAGEMENT

3.0 Mobilisation, management and administration of the Road Fund.

The GRZ has been increasing its investment through

the Road Fund for the major rehabilitation, upgrading and maintenance of the road infrastructure being undertaken in the Country, with an average of 74% by 2013, as can be seen in Table 1, below:

No.	Source	2006	2007	2008	2009	2010	2011	2012	2013	Total
1	Budget – K million	858.22	787.48	1,210.38	1,356.84	1,294.48	3,043.99	4,272.70	4,607.03	17431.12
2	Receipts – K million	819.40	461.71	921.96	892.41	1,091.13	3,060.23	2,229.23	3,779.82	13,255.89
3	Disbursements – K million	536.55	445.16	919.27	1,182.98	1,120.64	2,198.84	2,562.56	3,949.73	12,915.73
4	Mobilisation capacity % – Receipts/ Budget	95	59	76	66	84	101	52	81	76
5	Absorption capacity %– Disbursements/Budget	63	57	76	87	87	72	60	86	74

Table 1: Total Road Fund Budget, Receipts and Disbursements from 2006 to 2013

The drastic rise in both receipts of 81% in 2013 from 52% in 2012 and disbursement of 86% in 2013 from 60% in 2012 mainly due to:

(a) The streamlined procurement process by the Zambia Public and Procurement Agency (ZPPA), which effective 1 January 2013 had authorised Implementing Road Sector Agencies and Institutions the procurement of goods and services, while retaining the oversight function.

(b) The Road Sector contractor base has been growing steadily by attracting both local and foreign contractors in 2013. This has been enhanced further by the CFI, resulting into a number of small and medium contractors become sub contractors, while others directly accessing contracts from the Road Sector.

(c) The increased staffing levels and harmonisation

of staff salaries at both the RDA and Road Transport and Safety Agency (RTSA) during 2013 has started yielding positive results The NRFA was in the process of commencing harmonisation and improvement of staff emoluments in 2014 in line with the ever increasing Road Sector workload and harmonised salaries with sister Agencies.

3.1 Mobilisation, management and administration of the Local Resources during 2013

There was a noticeable improvement in both receipts and disbursement levels during 2013 mainly due to the same factors highlighted above. However, the performance over the eight (8) year period - 2006 to 2013 - was above 100% on both mobilization and absorption capacity levels.

No.	Source	2006	2007	2008	2009	2010	2011	2012	2013	Total
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FUND MANAGEMENT

Below in Table 3, is the detailed summary Local 2013 Road Fund Budget, receipts and expenditure:

No.		Budget	Receipts	Expenditure	Variance – Receipts Vs Budget	Variance – Receipts/ Budget
	Local Resources	K million	K million	K million	K million	%
1	Fuel Levy & ORUC	886.72	941.73	941.73	55.01	106
2	GRZ - Project Funds	1,590.04	1,590.04	1,590.04	0	100
3	Supplementary Funding	1,308.01	986.38	986.38	(321.63)	75
	Total	3,784.86	3,518.15	3,518.15	(266.71)	93

Table 3: Local Road Fund Budget, Receipts and Disbursements during 2013

3.2 Mobilisation, Management and Administration of the External Resources during 2013 of periodic maintenance of the road network and the rehabilitation of roads that have deteriorated beyond the level for periodic maintenance as seen in Table 4 below.

The cooperating partners' External Road Fund sources continue to play a vital role in addressing the backlog

No.	Source	2006	2007	2008	2009	2010	2011	2012	2013	Total
1	Budget – K million	465.59	462.68	515.50	641.39	441.64	1,523.29	2,034.79	822.17	6,907.05
2	Receipts – K million	308.67	80.82	264.29	105.78	59.16	856.59	793.59	261.67	2,730.57
3	Disbursements – K million	224.00	70.00	152.54	170.54	62.38	730.07	774.78	431.58	2,615.89
4	Mobilisation capacity % – Receipts/ Budget	66	18	51	16	13	56	39	32	40
5	Absorption capacity % – Disbursements/Budget	48	15	29	26	14	48	38	52	38

Table 4: External Road Fund Budget, Receipts and Disbursements from 2006 to 2013

However, while it has always been agreed and planned that External Road Funds should supplement Local Road Funds halfway, there have always been low receipts, mainly due to low absorption capacity caused by:

(a) The delayed project implementation financed by BADEA, Exim Bank, Kuwait, and Saudi Arabia which could not take off during the year under review due to further delays in fulfillment of conditions precedent to the

effective commissioning of the projects;

(b) The non release of the first disbursement by the European Investment Bank (EIB) towards rehabilitation of the Great East Road, despite the GRZ fulfillment of all Conditions Precedent before 31 December 2013; and

(c) The European Union (EU), has continued to withholding funding to the Road Sector following the 2009 audit.

Below in Table 5, is the detailed External 2013 Road Fund budget, receipts and expenditure:

No.	External Funds	Budget	Receipts	Expenditure	Variance –	Variance –
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FUND MANAGEMENT

In detail, the Receipts and Disbursements from External Road Fund Sources by cooperating partner were made as follows:

3.2.1 The African Development Bank (AfDB) - Design and construction of the Kazungula Bridge, Border Post Facilities, Corridor Facilities and Transport Facilitation Programme

The African Development Bank (AfDB) signed a grant agreement with the Government of Zambia on 7th May 2007 for a total amount of AU 1.45 million to finance the design of the Kazungula Bridge and its Border Post Facilities, Corridor Facilities and Transport Facilitation Programme. The Grant proceeds for the design of the Kazungula Bridge and its Border Post Facilities, Corridor Facilities and Transport Facilitation Programme were fully disbursed by 31 December 2012.

The year 2013 was used to finalise and sign the Loan Financing Agreement on the construction of the Kazungula Bridge between the Financiers AfDB and Japan International Cooperation Association (JICA) and the two Countries Botswana and Zambia and as such there were no disbursements during the year under review.

3.2.2 African Development Bank (AfDB) - Rehabilitation of the Great East Road (Nyimba to Petauke to Sinda)

The African Development Bank (AfDB) and the GRZ signed Credit Agreement on 20 January 2011 for a total amount of AU 69.36 million to fund the rehabilitation of 114.78 km of the Great East Road from Nyimba to Petauke to Sinda.

A cumulative total of K43.51 million (US \$7.91 million) was disbursed on the works between Nyimba to Sinda as at 31 December 2013.

3.2.3 The Arab Bank for Economic Development in Africa (BADEA) and Saudi Arabia- Upgrading of the Kalabo to Sikongo to Angola Border Road.

The Arab Bank for Economic Development in Africa (BADEA) and the Government of the Republic of Zambia (GRZ) signed the Loan Agreement for a total amount of US \$46 million to fund the upgrading of the Kalabo - Sikongo - Angola Border Road on 31 July 2010. The Consultancy Agreement to re-design the Kalabo to Sikongo to Angola Border Road was signed between the Road Development Agency (RDA) and the Wanjui/Industrial Engineering and Consulting of Kuwait on 11 August 2011.



Senanga - Sesheke Road in Western Province

The Loan Agreement between the Government of the Republic of Zambia (GRZ) and Saudi Fund was signed on 3 May 2012.

The works will commence in 2014 after completion of the re-design consultancy in the first half of 2013.

3.2.4 DANIDA - Road Sector Program Support, Phase I (RSPS I)

The DANIDA Road Sector Program Support, Phase I (RSPS

Hennan, was completed during 2009 as the first part of establishing an improved road link between Mongu and Sesheke.

The consultancy by the University of Zambia to carry out the Environmental and Social Survey on the Mongu - Senanga - Sesheke road and comprehensive materials study along Senanga- Sesheke road were completed during 2009 and the final reports have since been released.

A cumulative total of K318.4 million was received and a cumulative total of K318.61 million has been disbursed



Part of the Development Bank of Southern Africa (DBSA) Funding went towards the upgrading of the Kabompo - Chavuma

3.2.5 Development Bank of Southern Africa (DBSA) - Upgrading of the Western Corridor Roads of Kabompo - Chavuma, Kalulushi - Lufwanyama and Senanga - Sesheke

The loan of K1,441.00 million (US \$262 million) was signed between the Agency and DBSA on 22nd December 2010 for the rehabilitation and construction of three Western Corridor Roads namely Kabompo - Chavuma, Kalulushi - Lufwanyama and Senanga - Sesheke.

The loan disbursements commenced during the first Quarter of 2011. A cumulative total of K1,314.89 million (US \$244.14 million) was received and K1,312.58 million disbursed as at 31 December 2013 and the two Roads, Kabompo - Chavuma and Senanga - Sesheke, were substantially paved and opened to traffic by 31 December

Road from Luangwa to Nyimba, Sinda to Katete, Chipata Town and Chipata to Mwami Border Post. The funds will be made available during 2014 upon commencement of implementation.

3.2.7 European Union (EU) - Budget Support Programme

The EU had allocated a total of K457.73 billion (Euro 96.0 million) in 2005 to support public expenditures in road rehabilitation and maintenance and a total of K379.11 million (Euro 75.8 million) has been disbursed under four budget support annual variable tranches and two fixed tranches by end of 2009. The balance of K111.10 million (Euro 20.20 million) has not been released as at 31 December 2013 following the 2009 Audit.

3.2.8 KfW - Rural Transport for Poverty Reduction in the Southern Province.

3.2.9 NORDIC Development Fund (NDF) - Rehabilitation of the Kafue National Park Spinal Road

The Nordic Development Fund (NDF) has made available credit of K52.70 billion (Euro 8.0 million) to the Road Rehabilitation and Maintenance Project (RRMP).

The works on the Kafue National Park Spinal Road two Lots awarded to Global Construction Limited for Lot 1 (contract sum of K18.40 billion) and China Jiangxi Corporation for International Economic and Technical Co-operation for Lot 2 (contract sum of K18.17 billion), both for a 15 months duration have advanced with cumulative total of K26.63 million disbursed as at 31st December 2013.

3.2.10 World Bank Loans

The World Bank (IDA)'s Road Rehabilitation Maintenance Programme (RRMP) support to GRZ under the second 10-year (2004-2013) ROADSIP II has been through the three phase 10 year Adaptable Programme Lending (APL), designed in 2004.

The World Bank had a total Portfolio of four Loans amounting to K907.50 million (US \$165 million) and plans were underway initiate negotiations for the fifth Loan of K550 million (US \$100 million) as at 31 December 2013. The implementation on the four Loans in details were as follows as at 31 December 2013:

(a) IDA RRMP APL I Loan -38660 ZA

The APL 1's total credit amount of K275.00 million (US\$50.00 million) was approved under IDA RRMP CR

38660ZA in June 2004. The major activities under this Credit, namely rehabilitation of Lusaka Chirundu and Chingola Kasumbalesa Roads, have been implemented and total disbursements were K274.29 million (US \$49.87 million) as at 31 December 2013. This Credit is closing on the extended date of 30 June 2014.

(b) IDA RRMP APL I Additional Financing I Loan - 38661 ZA

The First Additional credit to IDA RRMP APL I (CR 38661ZA) of K137.50 million (US\$25.00 million) was approved in March 2007 at the GRZ's request to finance repairs to bridges and river crossings damaged during the 2005 and 2006 floods.

A total of K93.25 million (US \$16.95 million) had been disbursed as at 31st December 2013, leaving the undisbursed balance of K36.52 million US \$6.64 million intended to finance the completion of the Chiawa Bridge. The Credit is closing on the extended date of 30 June 2014 and considerations are underway to incorporate its remaining finance and works into APL II.

(c) IDA RRMP APL I Additional Financing II Loan - 4821 ZM

The APL I Additional Financing II (APL I AF II) RRMP (CR 4821 ZM) Credit with the total amount of K82.50 million (US \$15.00 million) was approved in 2010 and became effective on 23rd September 2011. The Second Additional Financing scope is to construct the Chiawa and Mufuchiani Bridges and rehabilitate the 20km paved road between Lusaka and Chirundu (Km55 to Km75).



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A total of K62.98 million (US \$11.45 million) was disbursed as at 31st December 2013. This Credit is also closing on the extended date of 30 June 2014 and considerations are also underway to incorporate its remaining finance and works into APL II.

(d) IDA RRMP APL II Loan - 46540 ZM

The APL II Credit with the total amount of K412.50 million (US \$75.00 million) was approved on 22 December 2009 and became effective on 23 September 2010. The APL II project scope is to rehabilitate the 51km paved road between Lusaka and Chirundu (Km4 to Km55), construct the Mufuchani Bridge in Kitwe and various capacity building activities of the Road Sector Agencies and Institutions.

A total of K88.99 billion (US \$16.18 million) was disbursed as at 31st December 2013. This Credit closes on 30 June 2014 but it is expected to be extended to 30 June 2016 to accommodate the completion on the construct the Mufuchani Bridge in Kitwe and other works from AFI and II.

4.0 Forecasted 2014

4.1 Forecasted Mobilisation and Implementation of Projects from Local Resources beyond 2013

(a) Local Link Zambia 8,000 Project

The Link Zambia 8,000 Project Phase II is expected to commence during 2014 and close to 1,000 km of Phase I will be paved and opened to traffic by end of 2014.

(b) Pave Zambia 2,000 Project

Much of this Project will be fully implemented commencing the first Quarter of 2014 and all Provinces are likely to have at least 10km paved and opened to traffic by end of 2014.

(c) Lusaka 400 Project

This Project is likely to expand and pave more than 100km and open it to traffic by end of 2014.

(d) Tolling Programme

The RDA, under Tolls Act No. 14 of March 2011, commenced tolling through weighbridges on 1 November 2013 and had collected a total of K44 million by 31 December 2014. These collections are expected to increase with the completion of more weighbridge stations and likely expansion of toll collection from small cars during 2014.

(e) Construction Finance Initiative (CFI)

The Road Sector will complete signing the memorandum of understandings (MoU) with all the ten (10) individual commercial banks in 2014 and with the enhanced CFI, more small and medium contractors will access the Facility to the advantage of the Sector in terms of reduced unit rates through increased competition and increased Private Sector participation during 2014.

(f) Training of small and medium contractors by NCC

The NCC has been allocated K6 million in the 2014 AWP and with the partnerships currently being formed with Provincial Training Institutions, more small and medium contractors will be trained during 2014.



Small and Medium Scale Contractors to benefit from the CFI

4.2 Forecasted Mobilisation and Implementation of Projects from External Resources beyond 2013

(a) African Development Bank (AfDB) - Construction of the Kazungula Bridge

The African Development Bank (AfDB) and the Government of the Republic of Zambia has signed a Credit Agreement for a total amount of US \$81.00 million to jointly fund with the Japanese International Cooperation Agency Overseas Development Association (JICA ODA) the construction of the Kazungula Bridge on 10th February 2012. Construction of the Bridge was expected to commence during 2013.

Development Association (JICA ODA) and the Government of the Republic of Zambia was in the process of signing a Credit Agreement for a total amount of US \$51.00 million to jointly fund with the AfDB the construction of the Kazungula Bridge on 10th October 2012. Construction of the Bridge was expected to commence during 2014 after completion of Conditions Precedent during 2013.

(d) Tripartite Trust Fund

The Government of the Republic of Zambia and Tripartite comprising the Common Market for Eastern and Southern Africa (COMESA), The East African Community (EAC) and The Southern African Development Community (SADC), in collaboration with various donors signed the Grant



MONITORING AND EVALUATION

1.0 INTRODUCTION

The Monitoring and Evaluation Department is the technical wing of the National Road Fund Agency. The Department's main role is to ascertain and ensure Value for Money on road projects and related activities in the entire road sector through the following seven (07) core functional areas: -

- a. Certification of Payment Claims
- b. Physical Inspections of Projects
- c. Technical Audits
- d. Monitoring the AWP 2013 ongoing projects
- e. Monthly Summary and Quarterly Reports
- f. Technical Assistance to Implementing Agencies
- g. Administrative oversight activities

This report therefore presents details of the various activities undertaken under each of the seven (07) core functional areas as indicated in the sections 2 to 8.

2.0 Certification of Payments Claims

One of the core functions of NRFA is to pay for consultants, contractors, suppliers and service providers engaged by various implementing agencies namely; RDA, MLGH, RTSA and NCC for services, works and good supplied. This arrangement provides for effective checks and balances within the road sector. The agency has therefore put in place control systems to ensure that all payments are carefully scrutinized to minimize loss or misapplication of the road fund.

Certificates (IPCs). Under this certification process, various payment claims submitted by implementing agencies are adjusted for to various reasons such as mathematical errors, unsubstantiated and overstated quantities, poor quality works observed during inspections and failure to provide required documents to support the claims. In 2013, approximately K 22.9 million was recorded as savings made from adjustments made to the claims submitted. A total of K 50.3 million was recorded as savings made for the period 2011 to 2013. The table below shows the breakdown of the savings during 2013 including those made during the last two years.



3.0 Road Inspections

In addition to the desk top reviews during the processing of payments, the department also undertakes physical inspections to check and verify the progress, quality, quantity of works and other contractual obligations on site. These inspections are carried out jointly with

implementing agencies.

During 2013, the department undertook 8 inspections under which 35 projects were inspected as summarized in the table below.

No.	Date	Province	Projects inspected
1	21 st to 27 th Feb 2013	Eastern Province	1 Routine Maintenance 2 Great East Road, Luangwa – Mwami 3 PetaukeMwanjabantu Road 4 PetaukeNyamphande Road 5 KateteChanida Road 6 Katete - Zengwe – Chadiza Road 7 Chadiza – Lundazi Road 8 Chisengu – Mambwe Road 9 ChikomeniMwanya Road 10 Chipata – Lundazi Rehabilitation Road Project 11 Chipata – Mfuwe Upgrading Road Project 12 Chipata Township Rehabilitation and Upgrading Roads Lot 1 and 2
2	16th – 17th Mar 2013	North- Western	13 Inspection of the Kasempa Turn off to Chavuma Road
3	23rd to 26th May 2013.	Southern	14 Bottom Road 15 Chisekesi – Gwembe – Chipeco Road paved section 16 ADSP Feeder Roads
4	21st Apr to 28th Apr 2013	Western	17 Sesheke – Senanga Lot 1: Senanga to Sioma 18 Sesheke – Senanga Lot 2: Sesheke to km 70 19 Sesheke – Senanga Lot 3: km 70 to Sioma 20 Mongu – Kalabo Road



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In order to enhance effectiveness of the inspections, the department has developed an inspection form to be jointly signed with representatives from implementing agencies. The department has also developed an action matrix which is a tool for monitoring implementation of agreed measures after each inspection.

4.0 Technical Audits

4.1 Technical Audits on various road projects

The Department initiated procurement of a Consultant to undertake technical audits on the following 3 road projects of total length of 375 Km:

- a Isoka - Muyombe = 90 Km
- a Kasama-Mbala-Mpulungu Lot I & II = 210 Km
- c Kabompo - Mumbefhi = 75 Km

As at 31st December, 2013, the procurement had reached an advanced stage. This audit will be financed through the AWP 2014 under the NRFA M&E Budget line.

4.2 Technical Audit of LuanshyaKafulafuta Road

The M&E Department facilitated the engagement of a consultant to undertake a technical audit for the LuanshyaKafulafuta Road. The audit financed by World Bank was expected to commence in 2014.

4.3 Technical Audit of Force Account Works

The M&E Department updated its database on all force account works under the RDA and MLGH indicating the works done, amounts retired and the unretired amounts

Following this exercise, the department together with the Internal Audit Department

projects included Link Zambia 8000, The Urban Road Rehabilitation Programme (URRP), The Lusaka 400, Pave Zambia 2000, various routine maintenance, periodic maintenance, rehabilitation, upgrading and new construction projects under RDA and MLGH. The following present summaries of the various programmes under the RSAWP 2013.



The Pave Zambia 2000 Project was commissioned in the year under review

6.0 ROAD PROJECTS UNDER RDA

The RDA implemented numerous projects in all provinces in the country and these projects have various interventions which include; Routine maintenance, periodic maintenance, emergency/holding maintenance, rehabilitation, upgrading and new construction as described in the following sections.

6.1 Routine Maintenance Works

Routine Maintenance is applied on roads which are in good and fair condition in order to preserve the road



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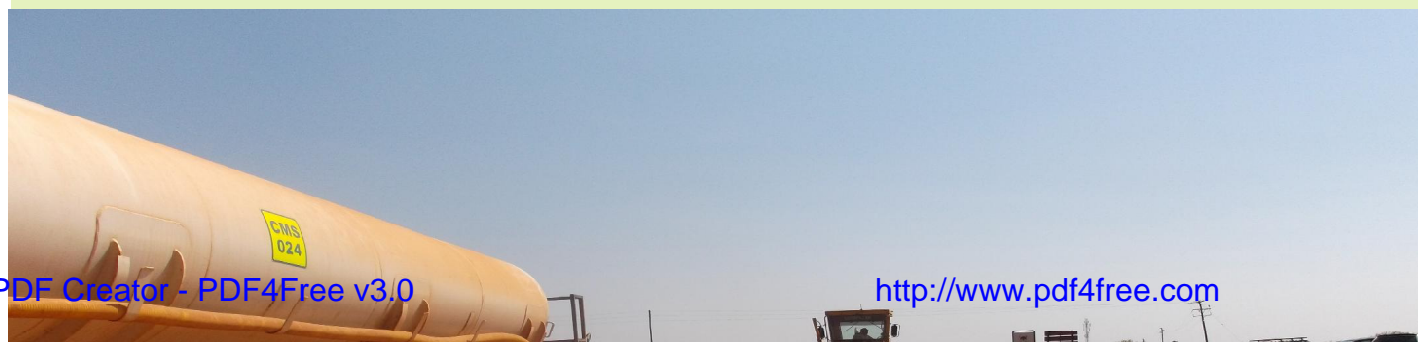
RDA in 2013 commenced procurement of new routine maintenance contracts after the previous ones expired. A total of 317 projects valued at K316.97Million were procured in 2013 and have been awarded contracts country wide. The contracts would be signed as soon as clearance is sought from the Attorney General's Office and works

are expected to commence in February 2014. Approximately 80 projects throughout the country have been re-advertised due to non-responsiveness among bidders. The contracts are for a period of three years and are renewable annually on satisfactory performance.

Performance Contracts under RDA – per province

Province	No. of Contracts	Contract Sum (K' million)
Central	39	37.60
Copperbelt	32	40.98
Eastern	62	63.52
Luapula	31	11.20
Lusaka	27	29.71
Muchinga	6	8.87
Northern	16	35.13
N/Western	52	41.61
Southern	34	36.85
Western	18	11.50
TOTAL	317	316.97

Table 5.1 RDA Performance Contracts





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6.2 Periodic Maintenance

Periodic Maintenance is applied on roads which are deteriorating from fair to poor condition in order to preserve the road asset and maintain the level of service for the road users. The general scope of works under paved periodic maintenance include pothole patching, edge break repairs, and resealing the paved roads either with hot asphalt concrete or surface dressing type of

surfacing including other works such as drainage and road furniture. As for gravel roads, the general scope includes mainly grading and spot re-gravelling.

RDA had 20 ongoing contracts under periodic maintenance valued at K 1.1 million as shown in the summary Table 5.2 below:

Periodic Maintenance Contracts under RDA	
No of contracts	20
Contract Length km	1,275.15
Total km opened to traffic	742.03
Value of Contract (K' million)	1,096.56
IPCs Certified to date	378.67
Amount Paid as at 31/12/13 (K' million)	377.18
Outstanding Payment as at 31/12/13 (K' million)	66.50

Table 5.2 RDA Periodic Maintenance

6.3 Emergency/Holding Maintenance

Emergency/Holding Maintenance is applied to road infrastructure and related structure which fail due to natural disasters and aging. Interventions include pothole patching, erosion prevention, reinstatement of crossing

points and vegetation control among others.

RDA had 61 ongoing and completed projects under emergency/holding maintenance and force account as shown in the summary Table 5.3 below:

Emergency/Holding works under RDA as at 31 December 2013	
No of Projects	61
Value Claimed (K' million)	41.90
Amount Certified (K' million)	37.96
Savings (K' million)	3.93
Amount Paid to RDA (K' million)	31.71

Table 5.3 Emergence works

6.3 Rehabilitation

6.3.1 Urban Road Rehabilitation Programme

Province, Kuluwe and Kapingiri Mponshi in Central Provinces and various districts on the Copperbelt. The Programme

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No.	Item	Unit	
1	Contracts Signed	No.	11
2	Total Value of Signed Contracts	K' million	1,089.29
3	Total Paid	K' million	801.90
4	Total Length	Km	307.00
5	Total Km opened to Traffic	Km	282.87

Table 5.4 Completed URRP Summary



Kasupe Road in Lusaka was rehabilitated under the Urban Roads Rehabilitation Programme

It should be noted that works have not been completed under Lots 5 and 6 as the initial contracts were terminated. New contracts have however been procured under Lot 5

and 6 and the contracts are currently running and the Progress was as tabulated in Table 5.5 below:

<http://www.pdf4free.com>



Financing arrangement is such that Ministry of Finance through NRFA provides 15% counterpart contribution in accordance with Loan Agreement while 85% is financed through the loan from Exim Bank China.

The L400 involve Engineering design, rehabilitation and construction/upgrading of selected Lusaka urban roads (approximately 400km) in Lusaka City. The general scope includes periodic Maintenance, Rehabilitation, Upgrading (from gravel to paved and single lanes to double lanes) and new construction of approximately 400 km roads, construction of 1 grade separated junction, construction of 90 Km of walkways and re-engineering of 10 junctions in the City of Lusaka.

6.3.2 Lusaka 400 (L400)

L400 is a project aimed at improving the condition of the road network and enhancing connectivity in Lusaka. The current status of the road network in Lusaka is approximately 14% good condition, 15% in fair condition and 71% in poor condition. Meanwhile the City has a high vehicle population and corresponding high levels of economic activities. L400 was therefore initiated in order to enhance mobility within the City through reduced traffic congestion, reduce travel times and reduced vehicle maintenance costs.

The project was launched on 16th August 2013. RDA is implementing the Project while AVIC International is the Contractor. The Project is financed through a Loan from Exim Bank China at a total cost of USD348 million. The

The Design and Build Concept was adopted and entails the contractor providing detailed design and undertaking the construction works in different parts of the City.

The contractor mobilised and was working on the following roads:

- a Mumbwa Road - paving for upgrading to double lanes is on going
- b Kabanana/Chazanga Road - paving for upgrading to paved lanes is on going
- c Chawama Road - paving for upgrading to paved lanes is on going

NRFA paid 15% of the USD 348 million as counterpart contribution towards the loan. The project was on course and progressing well. The Table 5.6 below presents a summary of the progress.

i. Rehabilitation Trunk Main and District Roads
Rehabilitation is applied on roads which are in poor condition and is meant to bring back the road to its original good and maintainable condition. The general scope of works under rehabilitation includes reconstruction of the pavement layers up to the surfacing as in periodic maintenance. It is however common to find one road having both types of interventions where periodic

maintenance is applied on some sections while rehabilitation is applied on others such as the current Tateyoyo to Kaoma and Chingola Solwezi Road projects.

During the period under review RDA carried out 25 rehabilitation projects under the AWP 2013 as summarized in the Table 57 below.

Rehabilitation Works Contracts under RDA	
No of contracts	25
Contract Length km	4,244.00
Total km opened to traffic	157.7
Value of Contract (K' million)	5,471.85
IPCs Certified to date	573.65
Amount Paid as at 31/12/13 (K' million)	573.65
Outstanding Payment as at 31/12/13 (K' million)	47.29

Table 5.7 Summary of Rehabilitation Projects

i. Rehabilitation of Unpaved Mining Roads
This is a project aimed at rehabilitation of unpaved roads for small scale mines across the country. The purpose was to improve access to the mines for the

miners and their customers in order to enhance local economic growth. The works were done in Kalomo, Mumbwa, Mkushi and Lundazi towns as shown in the summary Table 58 below:

No.	Item	Unit	
1	Contracts Signed	No.	7
2	Total Value of Signed Contracts	ZMW million	33.70
3	Total Certified	ZMW million	18.33
4	Total Length	Km	256.80
5	Total Km opened to Traffic	Km	154.00

Table 5.8 Summary of Rehabilitation Unpaved



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Thirteen (13) works contracts were signed as of December 2013 and the works were ongoing under Phase I covering a total of 1,313km of roads. A total of 151 km had been successfully up-graded to bituminous standard and opened to traffic.

Major projects under Phase I include the Leopards Hill to Katoba Basic School including the

State Lodge Roads which was substantially completed and the Kitwe to Chingola Dual Carriageway Project which due to its importance was brought forward from Phase II to Phase I. Considering the initial plan, approximately 48 per cent had been achieved in terms of completed length of roads under Phase I. The Table 59 below shows the length opened to traffic on selected roads.

Road Project	Km Paved
1. Upgrading And Re-Alignment of R231 from Great North Road At Matumbo to Luangwa Bridge (115 Km) Road in Muchinga Province of Zambia- Lot 2	22.50
2. Rehabilitation of the Kawambwa-Mushota-Luwingu Road and the Chisembe-Chibote-Chief Chama Road in Luapula Province (158km)	26.56
3. Upgrading to Bituminous Standard of the Leopards Hill Road (D152) from the State Lodge Junction to Katoba Basic School (43.8 Km) in Lusaka Province of Zambia	58.49
4. Upgrading Of D753/A2 Kenneth Kaunda Intl Airport Through Kasisi To Great East Road (24.7km) And D176 Ngwerereroad From T2 Great North Road At Kabangwe To D753 At Kasisi Mission Junction (23 Km) Including D564 From T4 At Caltex To D176 At Ngwerere Basic School (7km) And Zambezi Extension From Roma Park To Ngwerere (6km) Road In Lusaka Province Of Zambia-Lot 3	5.00
5.	
6. Upgrading of RD149 and D151 from Great East Road at Chongwe District Hospital to Katoba Basic School (48.5 km) Including D150 From Great East Road at CC Farms To RD149 (12.5 Km) Road – Lot 1 in Lusaka Province.	2.00
7. Upgrading To Bituminous Standard of 91km of D145 from Great East Road at Luangwa Bridge to Luangwa (Feira) in Lusaka Province-Lot4	35
8. Design and Construction of Mansa to Luwingu (M3) Road (175Km) in the Luapula and Northern Provinces and 30Km of Township Roads in Mansa and Luwingu	2.3
TOTAL	151.85

The Table 5.9 Ongoing Works



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As of 31st December, 2013, 7 provinces had so far been covered in terms of signed contracts (ongoing) as shown in Table 511 .

Province	Sum of Contract Sum (K) Million	Sum of Contract Length (Km)	Sum of Achieved Length (Km)
Copperbelt	792.98	397.84	-
Eastern	1,109.04	539.60	-
Luapula	1,393.49	791	40.10
Lusaka	2,189.02	585.10	100.49
Muchinga	1,066.60	301.00	17.00
Northern/Luapula	1,125.80	205.00	1.30
Grand Total	6,610.33	2,234.44	144.09

The Table 5.11 Ongoing Works Contrates per Province

The total value of the on-going works contracts under Phase I was ZMW6, 610.33 billion. The total amount that had been certified on these projects to date was ZMW1.44 billion. This information had been summarized by Province in the Table 512 below as of 31st December 2013.

Province	Contract Sum (K)	Amount Certified to Date (K)	Percentage
Copperbelt	561,813,606.44	114,474,491.97	20%
Eastern	1,070,310,859.41	160,546,628.99	15%
Luapula	258,773,699.00	67,536,852.09	26%
Lusaka	1,420,372,266.48	644,161,310.20	45%
Muchinga	1,066,600,688.23	290,808,527.47	27%
Northern/Luapula	1,125,878,537.11	168,881,780.57	15%
Grand Total	5,503,749,656.66	1,446,409,591.29	26%

The Table 5.12 Summary of Financial Status on Ongoing Works Contrates

6.4.2 Pave Zambia 2000

The Pave Zambia 2000 Project was initiated by Government in 2011 with the aim of providing improved access to various social amenities in urban and rural areas using the paving brick technology while providing employment opportunities especially to the youth. Low volume roads of total length of 2000 km are targeted in different

Government and Housing (MLGH) are involved in the selection of roads within their areas of jurisdiction.

Implementation of the project had commenced and about 0.8 km had been paved in Chawama including the open space at the main market in Petauke District which was handed over to the Council on 2 October 2013. Drainage works were ongoing at the Market in Petauke District.



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Construction Works Contracts under RDA	
No of contracts	5
Contract Length km	34.00
Total km opened to traffic	-
Value of Contract (K' million)	1,590.00
IPCs Certified to date (K' million)	698.57
Amount Paid as at 31/12/13 (K' million)	685.00
Outstanding Payment as at 31/12/13 (K' million)	1.09

Table 5.13 Summary of Construction Works

6.4.4 Force Account projects under RDA

NRFA had released funds to RDA for projects under the force account approach for mainly for emergency works. The funds were claimed by Regional Managers and funds were disbursed into respective Regional Accounts after approval by the RDA Head Office. NRFA being fund

managers agreed with the RDA to undertake Financial and Technical Audits on the Force Account starting 2014.

Table 5.14 below shows the funds disbursed to various Local Authorities and the savings captured from 2011 to 2013.

Year	Total Claimed (K)	Total Certified (K)	Total Paid (K)
2011	11,991,522.39	11,991,522.39	11,934,097.08
2012	29,220,287.16	29,409,412.93	25,632,488.26
2013	42,662,990.23	38,729,008.00	34,791,517.22
TOTAL	83,874,799.78	80,129,943.32	72,358,102.56

Table 5.14 Funds disbursed to various Local Authorities

6.4.5 Consultancy Services under RDA

RDA had a total of 32 consultancy contracts for various services ranging from feasibility studies, detailed designs and supervision under the Annual Work Plan

2013. The total value of these consultancy services contracts was at approximately K138.7 million. The consultancy contracts were ongoing at different stages. Table 5.15 below presents a summary of the consultancy projects.

Consultancy Services Contracts under RDA	
No of contracts	32
Contract Length km	N/A
Total km opened to traffic	N/A
Value of Contract (K' million)	296.11
IPCs Certified to date	190.84

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respective districts. There is however need to improve the capacity of LRAs so that they can plan, procure and effectively supervise projects on their own.

7.1 Routine Maintenance Works

16 routine maintenance contracts on both feeder

(unpaved) and urban (paved) roads were on going and implemented by Local Road Authorities under the MLGH. The total value of these contracts is K52.2 million and total length of 514.81 Km as indicated on the summary Table 5.16 below. It should be noted that the length opened to traffic is the same as the contract length because under routine maintenance the road is not closed.

Routine Maintenance	
No of contracts	16
Contract Length km	514.81
Total km opened to traffic	514.81
Value of Contract (K) million	52.22
IPCs Certified to date	90.63
Amount Paid as at 31/12/13 (K) million	42.86
Outstanding Payments as at 31/12/13 (K' million)	47.77

Table 5.16 Routine Contracts under MLGH

7.2 Periodic Maintenance and Spot Improvement of Feeder Roads under MLGH

MLGH through LRAs signed 41 periodic maintenance contracts and 52 Spot Improvement contracts on feeder (unpaved) roads in various districts in Eastern, Central,

Luapula, Western, North Western and Southern Provinces.

The Table 5.17 below presents a summary of the feeder Roads Periodic Maintenance and Spot Improvement Programme under MLGH.





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	Periodic Maintenance	Spot Improvement
No of contracts	41	52
Contract Length km	715.10	1,269.2
Total km opened to traffic	-	-
Value of Contract (K) million	194.26	109.49
IPCs Certified to date	72.48	22.16
Amount Paid as at 31/12/13 (K) million	39.81	16.81
Outstanding Payments as at 31/12/13 (K' million)	32.67	5.35

Table 5.17 Periodic Maintenance and Spot Improvements Contracts under MLGH

7.3 Rehabilitation and Upgrading of Urban Roads under MLGH Central, Southern, Luapula, Muchinga, Western, North Western and Northern Provinces.

MLGH through LRAs had 21 running contracts on rehabilitation and upgrading of urban (paved) roads in various districts being carried out in Lusaka, Eastern,

The Table 518 below presents a summary of the urban roads rehabilitation under MLGH.

Rehabilitation/ Upgrading of Urban Roads	
No of contracts	21
Contract Length km	390.23
Total km opened to traffic	
Value of Contract (K) million	1,808.05
IPCs Certified to date	485.76
Amount Paid as at 31/12/13 (K) million	409.56
Outstanding Payments as at 31/12/13 (K' million)	76.20

Table 5.18 Summary of the Urban Road Rehabilitation under MLGH

7.4 Rehabilitation and Construction of Feeder Roads under MLGH bridges in various districts of the country. The Table 519 below presents a summary of the feeder roads rehabilitation and construction under MLGH.

MLGH through LRAs had 25 running contracts on rehabilitation of feeder roads and 2 constructions of

7.5 Force Account Projects under MLGH

Local Road Authorities normally access funds under force account for emergency works. These funds were claimed by each district and funds were disbursed using the same

channel through the district councils. Table 520 below shows the funds disbursed to various Local Authorities and the savings captured from 2011 to 2013.

Year	Total Claimed	Total Certified	Total Paid
2011	64,125.91	64,125.91	64,125.91
2012	17,723,202.76	15,991,838.54	14,787,052.19
2013	5,513,584.75	5,513,584.75	5,514,084.75
TOTAL	23,300,913.42	21,569,549.20	20,365,262.85

Table 5.20 Force Account for Emergence Works

7.6 Community Access Improvement Programme (CAIP) Danida Funded

MLGH was implementing the Community Access Improvement Programme (CAIP) in 12 Districts. The programme includes various small projects mainly for the construction of crossing points with different specifications coordinated and managed by respective Councils. Works are done using community labour and in

some cases Councils are contract out such works where adequate labour force or skills are lacking to implement such projects.

This programme was financed by Danida through NRFA. The NRFA further undertakes Financial and Technical Audits on the programme to determine the utilization of funds and the quality of works done. Reports are regularly submitted to MLGH and other relevant stakeholders.





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Table 5.21 below presents the Districts covered and the expenditure as at 31st December 2013.

No.	District	Number of Projects	Expenditure
1	Chadiza	17	3,841,404.00
2	Mumbwa	16	3,943,836.50
3	Kaoma	15	2,212,181.00
4	Chibombo	15	2,568,745.00
6	Petauke	10	216,969.00
7	Gwembe	13	3,305,504.00
8	Samfya	19	3,206,274.75
12	Nchelenge	20	4,121,657.94

Table 5.21 District Funded Under CAIP IC MAINTR

7.7 Consultancy Services under MLGH

MLGH had a total of 12 consultancy contracts for detailed designs and supervision of urban roads under the Annual

Work Plan for 2013. The total Value of these consultancy services contracts was about K109.075 million as indicated in the Table 522 below.

Consultancy Services Contracts under MLGH	
No of contracts	12
Contract Length km	N/A
Total km opened to traffic	N/A
Value of Contract (K) million	109.075
IPCs Certified to date	N/A
Amount Paid as at 31/12/13 (K) million	N/A
Outstanding Payments as at 31/12/13 (K' million)	

Consultancy Contracts under MLGH

amounts paid is added.

8.0 Monthly and Quarterly Road Sector Reports

The MoF has appreciated these reports as they provide good feedback on where the released funds are being applied. The reports are also helping the implementing



MONITORING AND EVALUATION

assessing the capacity levels for LRAs.

8.1.2 Project Monitoring Summary Sheet: A summary sheet has been developed to assist implementing agencies assess each IPC as IPCs are being certified.

8.1.3 Programme Monitoring Spreadsheet: A Programme Monitoring Form has been designed to assist implementing agencies monitor implementation of the respective Annual Work Plans. MLGH is now using the format developed by M&E to monitor other sector programmessuch as Water and Sanitation and Solid Waste Management. The M&E has been participating in other sector wide activities such as finalizing the Road Sector Framework 2012, the Construction Finance Initiative. The Department provided technical assistance to the Anti Corruption Commission.

8.2 Administrative Oversight Activities

The department has successfully chaired the following committees as part of administrative oversight within the Agency

Various Staff Loan Meeting

Various Evaluation Committees

Various Forex Committee meetings

Participated in preparation of various presentations

9.0 M&E 2014 Outlook 2014

During the year 2014, the department will embark on a number of activities as indicated below

checks on site through the use of testing equipment to be purchased in 2014. The department will continue to collaborate with implementing agencies during inspections.

9.3 HIV/AIDS Component in contracts

The intends to undertake an assessment of HIV/AIDS component on various contracts in order to provide lessons and recommendations on the utilization of funds and the impact this component is making on the ground.

9.4 Summary Monthly and Detailed Quarterly Reports

During 2014, the M&E Department will endeavour to prepare monthly and quarterly reports which shall contain update information on the implementation of key projects under the RSAWP 2014. This is intended to provide clear feedback to key stakeholders on the progress made on each project the funds applied.

9.5 NRFA Project Management System

In order to enhance monitoring and evaluation activities under the department in 2014 onwards through effective information management, a PMS has been planned in 2014. The system will be linked to the RDA PMS for easy exchange of information. A plan to extend such as system to other implementing agencies will be developed during 2014.

9.6 M&E Annual Business Plan

The department developed a business plan indicating activities planned for 2014 as per attached annex 3. It should be noted that this plan is aligned to the strategic plan 2014 to 2016 and will be reviewed on a quarterly basis.

10.0 Conclusion



ANNEXES

FINANCIAL STATEMENT - ROAD FUND



ANNEX 7.3.1 ROAD PROJECTS INSPECTED DURING 2009



ANNEX 7.3.1 ROAD PROJECTS INSPECTED DURING 2009



FINANCIAL STATEMENT - ROAD FUND



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