



NATIONAL ROAD FUND AGENCY



STRATEGIC PLAN 2017 - 2021

A SUSTAINABLE ROAD FUND

BOARD CHAIRPERSON'S FOREWORD

I am pleased to present the National Road Fund Agency (NRFA) Strategic Plan covering a five year period from 2017 to 2021 which marks a significant milestone in providing a strategic policy direction to the Agency underpinned by our appointment as a Lead Tolls Agent in the implementation of Phase II of the National Road Tolling Programme.

The preparation process for the Strategic Plan 2017-2021 which builds on the gains of the preceding 2011-2016 Strategic Plan required a significant level of reflection and consultation to instil trust and confidence among all stakeholders as we envision a **Sustainable Road Fund**.

To achieve this vision, the Board will give specific strategic direction and serve as a platform in meeting stakeholder expectations as we enhance our pivotal role of providing fiduciary oversight on all road sector finances and broaden the resource envelop from traditional and non-traditional sources of funding within the framework of the 7th National Development Plan 2017 – 2021.

We shall count on the support of all stakeholders to consistently enhance operational efficiency, conduct our business in an open manner and subject ourselves to public scrutiny in line with the principles of corporate governance.

The Strategic Plan 2017 – 2021 presents an excellent avenue for shared service provision by the Board, Management and Staff of the Agency and with improved internal business processes, positive work culture and quality service delivery we shall bolster and communicate a positive corporate image and gain road user confidence and support necessary to effectively execute our mandate.

As a Board, we wish to highly commend staff and management for anchoring all Agency operational procedures on a solid Strategic Plan, which shall be reviewed with stakeholder input, in order to strategically realign it to respond to dynamic road sector demands.

We would like to thank all stakeholders for their contribution to the development of this Plan. We believe it has struck the right balance in maintaining what we do well and responding to future requirements and opportunities.

The publication of this Strategic Plan only signals the first step in a long journey of its implementation and the Board will be pleased to oversee its successful implementation.

Christabel Michel Banda



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Board Chairperson
National Road Fund Agency

DIRECTOR/CHIEF EXECUTIVE OFFICER'S EXECUTIVE SUMMARY

The NRFA Strategic Plan 2017 – 2021 provides a clear blue print for the Agency's long term approach to strategically execute its mandate as enshrined in the National Road Fund act No. 13 of 2002 with a renewed mission to **'proactively mobilize resources, and effectively manage and administer the Road Fund in a transparent and sustainable way to ensure value for money and stimulate socio-economic development.'**

The Strategic Plan's implementation timeframe is aligned to the Seventh National Development Plan (7NDP) 2017 – 2021 whose theme is “Accelerating development efforts towards Vision 2030 without leaving anyone behind.”

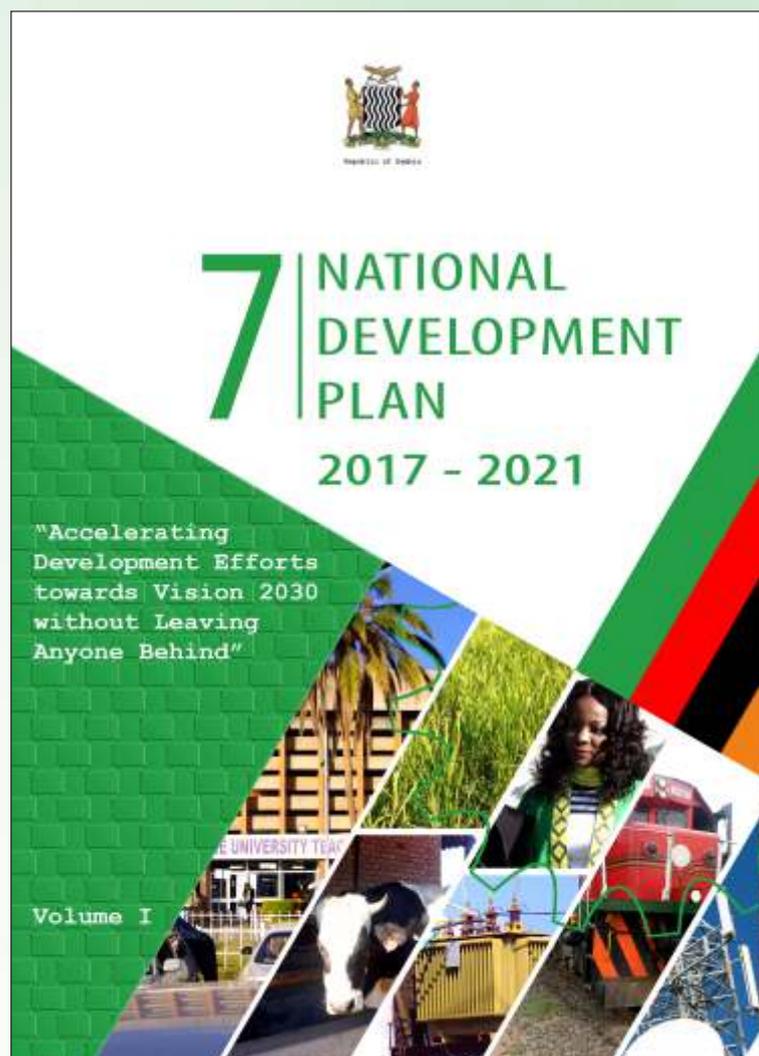
For its part, the 7NDP 2017 - 2021 is informed by a set of objectives including the improvement of infrastructure development in the transport and energy sectors, with emphasis on reliable, interconnected and relatively low cost transport and increased private sector participation, which are essential for achieving diversified and sustainable economic growth.

Therefore, the NRFA's Strategic Plan 2017-2021 is mutually supportive of the theme and key objectives of the 7NDP 2017 – 2021 and outlines a focused strategic direction as a critical enabler for the governance of the Agency.

The Strategic Plan 2017-2021 builds on the successes and challenges of the Agency's realigned Strategic Plan 2011 – 2016 and was developed through an all-inclusive stakeholder consultative process and comprehensive analysis of both the internal and external environments in which the Agency operated during the last five years.

Arising from the above consultative process and environmental analysis, an operational framework within which all strategic decisions relating to the effective execution of the Agency mandate was set, anchored on the longstanding Vision of **'A Sustainable Road Fund'**.

The Strategic Plan 2017-2021 is distinct departure from previous Strategic Plans as it comes along with two Strategic Themes of **'Service Excellency'** and **'Operational Efficiency'** both of which would ensure that the Agency was strategically repositioned to effectively respond

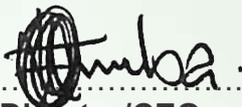


to stakeholder needs and concerns so as to achieve three mutually exclusive strategic results of '**Satisfied Stakeholders**', '**Positive Corporate Image**' and '**Excellent Service**'.

The new Mission, Vision and Strategic Themes are complimented by a set of all-encompassing core values of **Transparency, Accountability, Integrity, Teamwork, Excellence** and **Innovation** and the Agency would strive to achieve ten (10) strategic objectives with intended results, measures, targets and strategies.

This Balanced Scorecard Strategic Planning process was coordinated by a five member consulting team from Cabinet Office's Management Development Division (MDD) who dedicated time and effort in guiding a Core Team of Agency middle management staff with specific terms of reference. And integral to this process was the Board's approval of the Strategic Plan 2017-2021 which shall be implemented through business and individual work plans with annual reviews.

Eng. Wallece Mumba



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Director/CEO
National Road Fund Agency

LIST OF ACRONYMS

ATMS	:	Advanced Tolling Management System
CEO	:	Chief Executive Officer
CPI	:	Corruption Perception Index
CSO	:	Central Statistical Office
ESI	:	Employee Satisfaction Index
EURO	:	Euro Currency
GDP	:	Gross Domestic Product
GRZ	:	Government of the Republic of Zambia
IA	:	Institutional Assessment
ICT	:	Information Communication Technology
LUDs	:	Local User Discounts
MDD	:	Management Development Division
NRFA	:	National Road Fund Agency
OD	:	Organisational Development
OE	:	Operational Efficiency
PESTEL	:	Political Economical Sociological Technological Environmental Legal - frameworks
RDA	:	Road Development Agency
RMI	:	Road Management Initiative
Road SIP	:	Road Sector Investment Programme
RTSA	:	Road Transport and Safety Agency
PPP	:	Public Private Partnership
7NDP	:	7th National Development Plan
SE	:	Service Excellency
SI	:	Statutory Instrument
SLA	:	Service Level Agreements
SMART	:	Specific Measurable Achievable Realistic Time-bound
USD	:	United States Dollars
WVAT	:	Withholding Value Added Tax
VfM	:	Value for Money
WHT	:	Withholding Tax
ZMW	:	Zambian Kwacha
ZRA	:	Zambia Revenue Authority

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1.0 INTRODUCTION

1.1 Background

The National Road Fund Agency (NRFA) is part of a wider Road Sector, which has undergone structural transformation since the early 1980s. The reforms were aimed at transforming the sector into an engine for socio-economic growth, a key to increased production and incomes in the country and a catalyst for enhanced domestic, regional and international trade.

Specifically, in the mid-1980s and as part of the global World Bank initiative to assist Sub-Saharan African Countries improve and sustain their road networks and transport infrastructure, the Government of the Republic of Zambia (GRZ) formulated the Road Management Initiative (RMI). The overall objective of RMI was to address bottlenecks in the road sector and ensure that the country took responsibility for its internal transport policy, financing and institutional arrangements as well as improving capacity for the road sector. This was against a backdrop of substantial financial allocation and technical support to the road transport sector that yielded little or no benefits to the country.

The main achievement of RMI was the formulation of the Road Sector Investment Programme (RoadSIP), Phase I valued at USD500m and Phase II valued at USD1,642m. The two phases of the programme were implemented from 1997-2002 and 2004-2013, respectively. The scope for Phase I was to develop, maintain and rehabilitate about 35,000 Kms of gazetted roads while Phase II targeted an expanded Core Road Network of 40,454Kms.

The reforms also necessitated the creation of three (3) road sector agencies, namely; the NRFA in 2002, under the National Road Fund Act No. 13 of 2002, to administer and manage the road Fund; the Road Development Agency (RDA) in 2002 under the Public Roads Act No. 12 of 2002 to develop and manage the road infrastructure; and the Road Transport and Safety Agency (RTSA) in 2002 under the Road Traffic Act No. 11 of 2002 to manage road transport, traffic and safety in the country.

1.1.1 Corporate Mandate of NRFA

NRFA has an overall mandate to provide strategic financial oversight to the road sector and facilitate road infrastructure development in the country. In line with the Road Fund Act No. 13 of 2002, the main functions of NRFA include:

- (a) Administering and managing the Road Fund;
- (b) Preparing and publishing audited annual accounts of the Road Fund;
- (c) Recommending to the Minister responsible for finance fuel levy and other road user charges and tariffs as required;
- (d) Recommending to the Minister responsible for finance projects for funding;
- (e) Allocating resources for:
 - (i) construction, maintenance and rehabilitation of roads based on a percentage of the annual programme of the Road Development Agency (RDA); and
 - (ii) road transport, traffic and safety management based on a percentage of the annual work programme of the Road Transport and Safety Agency (RTSA);
- (f) Recommending funding for the development of new roads in consultation with RDA; and
- (g) Undertake such other activities as are conducive or incidental to its functions under this Act. The sources of funds managed and administered by the Agency include External (Loans and Grants) and Internal (Government appropriations, Fuel levy, other road user charges, Loans).

1.1.2 Management and Operational Structure

The NRFA is structured to promote Corporate Governance principles and practices, on the part of the Board Members, Management and the rest of the Staff of the Agency.

At the apex of the road sector structure is the Road Management Initiative (RMI) Committee of Ministers and Permanent Secretaries whose overall responsibility is to provide policy guidance to the road sector Agencies. The RMI Committee is chaired by the Minister responsible for Transport, Works and Communication with Ministers responsible for Finance, Energy and Water Development, Justice, Local Government, Agriculture and Tourism as members.

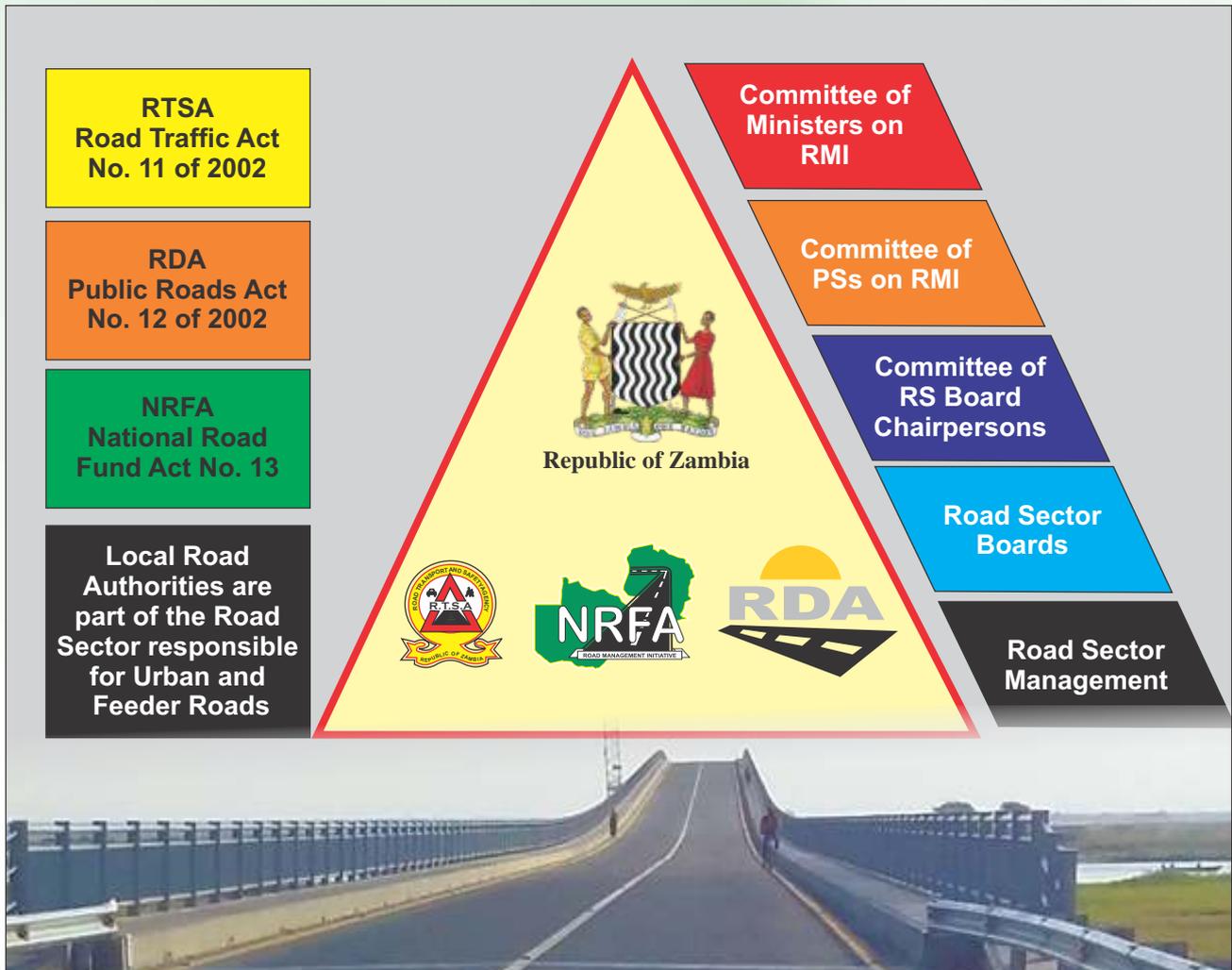


Figure 1 : Reporting Structure for the Road Sector.

The Committee of Chairpersons is an internal arrangement by the three Road Sector Agencies which enhances cooperation among them. The Committee comprising the Chairpersons of the Road Sector Agencies namely; RTSA, RDA and NRFA provides the linkage between the Road Sector Boards and the RMI Committees of Ministers and Permanent Secretaries. They also provide technical guidance and strategic direction to the Road Sector Management Team on a regular basis. Figure below shows the reporting structure for the Road Sector.

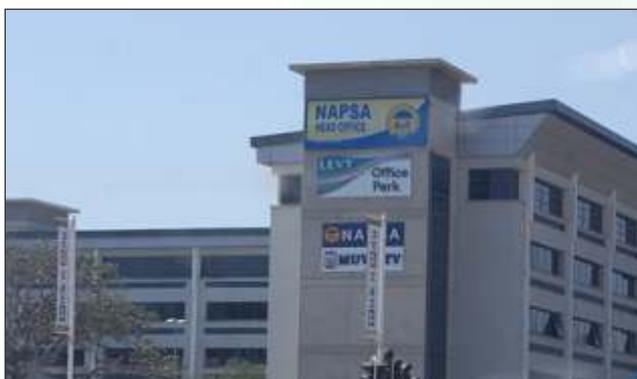
In addition, there is a thirteen (13) member Road Fund Board of Directors, which is responsible to the Ministry of Finance for setting the strategic direction, and ensuring attainment of set goals for the Fund. It is assisted in the discharge of its functions by three Committees, namely; Finance and Technical Committee, Administration Committee, and the Audit and Risk Management Committee. The day-to-day operations of the Fund are directed by a Management Team, headed by the Director/Chief Executive Officer, who is assisted by four Departmental Heads: Director Fund Management, Director Planning, Monitoring and Evaluation, Director Corporate Services and Director Internal Audit.

1.1.3 Operational Linkages

The NRFA was established on the principal of centralized operations and location to fund and finance the road sector requirements of the nation. This function is performed through direct payment of all recommended claims by implementing Agencies and the Ministry of Local Government. The appointment of the Agency as the Lead Tolls Agent by RDA on 1st September 2015 has, however, necessitated the presence of the Agency across the country to operate the toll stations. Further, in November 2016 the NRFA was appointed as Tax Agent by the Zambia Revenue Authority (ZRA) for withholding Tax (WHT) and withholding Value Added Tax (WVAT).September 2015 has, however, necessitated the presence of the Agency across the country to operate the toll stations. Further, in November 2016 the NRFA was appointed as Tax Agent by the Zambia Revenue Authority (ZRA) for withholding Tax (WHT) and withholding Value Added Tax (WVAT).



Zamtel is key to the successful implementation of the Road Tolling Program as it provides the NRFA with its Information Communication Technology (ICT) platforms



NAPSA is NRFA's strategic partner through the provision of Road financing facilities



NRFA is a Tax Agent of the Zambia Revenue Authority

1.2 Rationale and Methodology for Developing the 2017 – 2021 Strategic Plan

The development of the Agency's 2017-2021 Strategic Plan to provide focused operational framework was necessitated by the expiry of the previous Strategic Plan in December 2016, and the promulgation of the 7th National Development Plan (7NDP), 2017 – 2021 by His Excellency, Mr Edgar Chagwa Lungu, President of the Republic of Zambia. The 7NDP has prioritised road sector development as key to achieving diversified and resilient economy for sustained growth and socio-economic transformation.



President Lungu cuts the ribbon to mark the official opening of Katuba, Shimabala and Mumbwa Toll Gates as a home grown solution to sustainable Road Maintenance

1.3 Strategic Plan Coverage

The rest of the Plan is, therefore, laid out as follows: -

(i) Environmental Analysis

This Section analyses both the *external* and *internal* environments within which NRFA has been operating in the last three (3) years (Realigned 2014 - 2016), including that of the 7NDP. This provided the policy context for determining the strategic direction of the Agency for the next five (5) years in terms of the vision, strategic themes, mission, strategic results, strategic objectives, intended results, targets and strategies or initiatives. ,

Under the external analysis, the key political, economic, social, technological, and legal (PESTEL) developments are identified and their associated opportunities and/or threats are highlighted together with optimisation and mitigating measures. In addition,

the national priorities as highlighted in the 7NDP in general and those relating to the transport sector and in particular, to the road sector, are discussed. Further, the Agency's clients and stakeholders are analysed, highlighting their needs and interests/concerns.

In the internal analysis, the Agency's capabilities are analysed, revealing strengths and weaknesses and their associated optimisation and/or mitigating measures.

From the analyses, key issues, which if not addressed, could lead to the Agency failing to effectively execute its mandate, missing a great opportunity, and/or losing public confidence or revenue are identified.

(ii) Vision

The Section provides a vision statement, describing the Agency's desired future successful state of being.

(iii) Mission

This Section describes the Agency's fundamental purpose for its continued existence for the next five (5) years. It underscores the underlying philosophy and core business of the Agency.

(iv) Strategic Themes

This Section describes the key result areas (KRAs) where the Agency must perform if it is to survive, prosper and be effective in the execution of its mandate.

(v) Strategic Results

The Section describes the desired outcomes in relation to the strategic themes and taking into account the mission and vision of the Agency thereby, highlighting the Agency's priorities to be pursued.

(vi) Strategic Objectives

This Section identifies continuous improvements to be made to accomplish the strategic results, the mission and, ultimately, the vision, taking into account the four (4) perspectives, namely; organization capacity, internal processes, financial/stewardship and customer/stakeholder satisfaction.

(vii) Intended Results

Under this Section, milestones or short to medium term targets or outputs are presented, demonstrating progress being made towards achieving the strategic objectives and ultimately, the strategic results.

(viii) Core Values

This Section provides a value statement for the Agency, describing the core values or beliefs, norms that will govern the behaviour and conduct of staff in the performance of their duties thereby, forming part of the Agency's positive organisational work culture in order to live up to the expectations of its clients and stakeholders.

(ix) Strategy Maps

This Section presents a visual/graphical representation of the value chain created or the logical cause and effect between and/or among the various strategic objectives across the four (4) perspectives.

(x) Measures

This Section describes the units to be used to measure the achievement of the intended results and, ultimately, the strategic results. The units are in terms of Percentage (%), Number, Time, Standard, Index and/or Ratio.

(xi) Strategies

The Section identifies the most feasible courses of action to achieve the intended results and, ultimately, the strategic results, taking into account available resources, the philosophy of the Agency, and the views of the stakeholders.

(xii) Pre-Conditions and Assumptions

Critical success factors that need to be in place for effective implementation of the Strategic Plan are analysed under this Section. These factors include the inherent risks.

(xiii) Assumptions

Factors that are crucial to the successful implementation of the Strategic Plan but which are largely outside the control of the Agency are also presented under this section.

(xiv) Linkages- Strategic Plan and Budgets (Plan Implementation)

The successful implementation of the Strategic Plan depends to a large extent on how resources are planned, mobilised and allocated to all the activities associated with the identified strategies to achieve the intended results, strategic results and strategic objectives. Accordingly, this Section provides general guidelines and underscores the importance of linking the Strategic Plan to the budgeting process to ensure that resources are available for its implementation.

(xv) Monitoring and Evaluation Mechanism

Monitoring and Evaluation (M&E) is crucial to the successful implementation of the Strategic Plan and, ultimately, to the achievement of the set strategic results. This Section provides general guidelines and underscores the importance of an M&E mechanism or framework to the successful implementation of the Strategic Plan and the realization of the desired impact.

(xvi) Structural Implications of the Strategic Plan

This Section presents the inevitable structural changes arising from the Strategic Plan developed to address the key issues affecting the Agency and effectively contribute to the realisation of the country's goal as espoused in 7NDP of creating a diversified and resilient economy for sustained growth and socio-economic transformation of the country. The structural implications are in terms of the core functions or business of the Agency derived from the redefined Strategic Plan.



M&E is critical to the successful implementation of the Strategic Plan

2.0 ENVIRONMENTAL ANALYSIS

2.1 External Environmental Analysis

The NRFA, which is part of the wider transport sector and in particular, the road sector like many other public institutions, has been and will continue to operate in a dynamic political, economic, social, technological and legal environment. Understanding this environment is critical to developing a realistic Strategic Plan.



Office Headquarters: NRFA is part of the wider transport sector in Zambia

2.1.1 PESTEL

2.1.1.1 Political Developments

At the political level, soon after assuming office in 2011, the Patriotic Front (PF) Government embarked on and begun implementing an ambitious road infrastructure development programme. The programme was aimed at transforming the country from being land-locked to land-linked so as to stimulate economic growth, facilitate easy movement of people and goods, thereby, promoting domestic, regional and international trade, creating employment and “putting more money in people's pockets”.

Among the major road infrastructure development projects initiated and funded through NRFA and Public-Private Partnerships (PPPs) include, projects such as the Link-Zambia 8000, the L400, the C-400 and Pave Zambia. All these projects were launched with positive political pronouncements and had impact in major cities, enhanced the movement of people, goods and services and stimulated economic activities in hitherto, economically depressed areas.



Chama Matumbo Road is among the major road infrastructure development projects initiated and funded through NRFA under the Link-Zambia 8000

2.1.1.2 Economic Developments

Data extracted from CSO (2017) indicates that the Zambian economy has undergone major stresses during the period 2014 to 2016 occasioned by both global and domestic developments, which included declining commodity prices, low power generation and depreciation of the Kwacha against major convertibles with direct adverse impact on the annual Gross Domestic Product (GDP).

On the overall, this resulted in reduced funding to the Road Sector with the attendant consequence of delayed commencement and completion of some projects, accumulation of a debt stock/arrears, which stood at K5 billion as of December, 2016. This led to high interest charges due to delayed payments to Contractors and Suppliers.

As a consequence, there has been increased complaints from Stakeholders due to non-remittance of Value-added-Tax and Withholding Tax VAT/WHT by the Agency.

In order to help achieve the goal of the Seventh National Development Plan (7NDP), 2017 – 2021 which are focused in three sectors namely agriculture, mining and tourism, the Road Sector will play a catalytical role in the sustainable growth and social-economic transformation of these sectors.

One of the key objectives of the 7NDP relevant to the Transport sector pursues to “improve infrastructure development in the transport and energy sectors, with emphasis on reliable, interconnected and relatively low-cost transport and increased private sector participation, which are essential for achieving diversified and sustainable economic growth” (7NDP, 2017, p77).

For the Road Fund specifically, the 7NDP directs emphasis towards proactive mobilisation of resources in support of the following:

- (a) Construction and maintenance of strategic road infrastructure to stimulate economic activities, ensure enhanced and safe connectivity across the country and preserve road asset investments;
- (b) Upgrading and rehabilitating of roads including, feeder roads and bridges to foster trade and development, facilitate movement of goods and services and reduce travel times and costs; and
- (c) Promoting well targeted infrastructure development in order to open up new tourist sites in the country;
- (d) Implementing key programmes in the sector, which include Link Zambia 8000, L400, Pave Zambia, Feeder Road Rehabilitation and the C400, among others; and
- (e) Developing tolls and collecting road user charges to finance the programmes in the road sub-sector as well as pursuing PPPs as a financing mechanism for road construction.



The 7NDP directs emphasis towards proactive mobilisation of resources in support of Tolls and collecting road user charges to finance Road Programmes

2.1.1.3 Social Developments

According to CSO (2016), more than 80 percent of the employed in Zambia are in the informal sector, characterised by low levels of income, productivity, limited or no access to social security, low capital investments and technology, thereby offering limited prospects to contribute to national development and ultimately improving the standard of living of the majority of the people. Overall, the unemployment rate is high at 7.4 percent of the total labour force with urban unemployment rate estimated at 11.5 percent while the rural unemployment rate is estimated at 4.2 percent. Youth unemployment is estimated at 10.5 percent (CSO, 2016, p.26).

This state of affair, especially among the youth, has given rise to an increase in anti-social vices such as vandalism of road infrastructure and furniture thereby, contributing to high maintenance costs. The continued roll out of major road infrastructure development projects such as the Link Zambia 8000 and Pave Zambia 2000 and the implementation of the Job Creation and Industrialisation Strategy will, therefore, result in increased employment opportunities, and thus, reduced poverty levels among communities along construction sites and road network as well as reduced incidences of vandalism.

2.1.1.4 Technological Developments

The world in general has witnessed a developing phenomenon in the utilisation of Information Communication Technology (ICT) that has transformed the business world and revolutionised the way business is conducted. Further, global trends indicate growing investments into cost-effective electronic collection of Road User fees such as software around Advanced Toll Management Systems (ATMS). At country level, Government has established the Smart Zambia Institute to promote efficiency in the economy through the strategic application of ICT for job creation, value addition and global competitiveness. Accordingly, Government is implementing the e-government programme, which requires all Public Service institutions to offer electronic services including, e-payment solutions.

This initiative has a direct application in the recently launched nation-wide tolling programme, which NRFA, as the Lead Tolls Agent, must fully take advantage of and aim to increase revenue collection and improve the quality of service delivery to the road sector.

2.1.1.5 Legal Developments

While the NRFA has ambitions to grow its resource base it should be noted that the Road Fund Act No. 13 of 2002 does not explicitly mandate NRFA to mobilise, retain and utilise the funds so raised for road construction, rehabilitation, maintenance, and for road transport, traffic and safety management other than providing advisory services to the Ministry of Finance which is the sole institution mandated to do so under the Public Finance Act No. 15 of 2004. In addition, the Act does not explicitly mandate NRFA to conduct technical audits to ensure value for money, leading to loss of revenue in some instances.

On 5 January 2016, the Country amended the Republican Constitution whose Article 200 (2) (a) provides that revenues earmarked for special projects could be appropriated at source as opposed to such revenues and other monies mandatorily accruing to the Treasury through the Consolidated Fund (Control 99) as stipulated by the Public Finance Act. This development provides optimism for the Road Fund in its longstanding quest to leverage receipts vis-à-vis Road User Charges as a means for establishing a balance sheet to grow incomes.

2.1.1.6 Ecological/Environmental Developments

In the recent past, Zambia, like many other countries, has experienced some adverse effects of climate change e.g. the flash floods in 2014 – 2015 rainy season which caused damage to drainage systems and road infrastructure across the Country. This posed additional stress on available resources for emergency response to road maintenance.



Mbala Nakonde Road: Adverse effects of climate change such as the flash floods have caused damage to drainage systems and road infrastructure across the Country

As an Agency responsible for funding road infrastructure development in the country, every effort should be made to ensure that the infrastructure so developed at greater cost to the tax payers meets the highest standard specifications and can stand the test of time.

2.1.1.7 Clients and Stakeholders Analysis

An analysis of the clients revealed that their major need that NRFA should be addressing to their full satisfaction is timely and adequate financing for road transport, traffic and safety management; public road projects, which include urban and feeder road projects; and capacity building for local contractors.

With regard to stakeholders, the analysis revealed that their major interest/concerns include the following among others timely payments of obligations, prudent utilisation of resources, encourage capacity building, transparency in payment process, stakeholder communication and involvement.

2.2 Internal Analysis

2.2.1 Performance Assessment

As part of the internal analysis of the Agency, a performance assessment was conducted to ascertain the extent of implementation of the re-aligned 2014 – 2016 Strategic Plan, and the impact created, if any. The assessment revealed that the Agency had performed well with an overall percentage rating of 88. Performance, however, varied across the twenty-eight (28) objectives and between core and support objectives. The Agency scored highly on the core objectives with a rating of 99 percent while the score on support objectives was 80 percent, an indication of the need to enhance the capacity of the Directorate of Corporate Services.

2.2.2 Capability Assessment

In addition to assessing the performance, an assessment of the Agency's internal capability was conducted. The analysis revealed a number of strengths that needed to be optimised, and weaknesses that needed to be addressed.

Among the key strengths were:

- (a) Committed, professional and loyal staff with requisite skills and knowledge.
- (b) Availability of adequate financial resources
- (c) Supportive, Receptive and Committed Board and Management and
- (d) Credible and Reputable Institution



NRFA has committed Staff and interfaces with implementing Agencies

These strengths notwithstanding, the Agency has also some weaknesses. Among the weaknesses include:

- (a) **Legal limitations with regard to resource mobilisation, retention and utilisation as well as technical audits.**
The Road Fund Act No. 13 of 2002/Amendment Act 2006 does not explicitly mandate NRFA to mobilise, retain and utilise the resources other than providing advisory services to the Ministry of Finance (MOF). The MOF, is the sole institution mandated to do so under the Public Finance Act No. 15 of 2004 and the Agency does not have legal powers to enforce technical recommendations arising from technical audits.

These limitations constrain the Agency from effectively mobilising adequate resources and utilising them to meet the financial needs of the road sector, such as, maintenance of tolled roads, as well as ensure value for money. Consideration should, therefore, be given to reviewing the relevant Acts accordingly and putting in place an enabling legal framework.

- (b) Lack of a fully automated and integrated Management Information System.** Most of the systems, relating to procurement, administration and management of human resources, audit, and risk and records management are predominantly manual, while a few, such as Financial, Contract, and Tolls Management systems are semi-automated. Others, such as, Fleet and Information Management systems are not even in place.

The absence of an automated and integrated system has had an adverse effect on internal operations and quality of service delivery including, ineffective communication and internet services, and delayed approval of local user applications, and processing of payments and feedback to contractors, vendors and suppliers. It has also lead to misplacement and distortion of records as well as increased operational cost related to stationery and courier.

Addressing this challenge, therefore, will be one of the priorities for the Agency.

- (c) Inadequate Organisation Structure and Staffing levels.** The organisation structure of the Agency is centralized and inadequate to meet the expanded mandate, which includes the National Tolling programme. In addition, some of the critical functions, such as legal services, ICT and maintenance are not adequately provided for in the structure. Further, some of the Directorates are top heavy with very limited operatives, while others have huge gaps between salary grades thereby, not only complicating reporting relationships, but also undermining staff motivation and, ultimately operational efficiency and quality of service delivery such as, long turnaround time for legal services.

Accordingly, consideration will be given to putting in place an optimal organisation structure that effectively and efficiently meets the objectives of the Agency, including quality service delivery while taking into account the resource envelop.

- (d) Ineffective Strategic and Performance Management Systems.** There is generally inadequate understanding and appreciation of strategic and performance management in the Agency especially, among lower levels. Some of the operational plans are not standardized, inter-linked and translated into individual work plans with SMART targets. In some instances, there are no pre-set targets and instead, job descriptions are used as a basis for staff appraisal,

Some of the plans are also not well disseminated, understood and, their implementation not effectively coordinated, monitored and evaluated. There is also no clearly defined national/broad strategy for the tolling programme, leading to increased number of complaints including, the issue of how to determine local user discount requirement in the absence of proof of residence.

One of the underlying causes is lack of a clearly defined central coordinating structure (unit) for the Corporate Strategy. Strengthening strategic and performance management system, developing and implementing a capacity building programme in strategic management, and establishing a central coordinating authority for institutionalizing strategic and performance

management system (Planning, Implementation, and Monitoring and Evaluation) will be critical for effective execution of the mandate and contributing to the national development agenda.

(e) Inadequate Skills.

Some members of staff have inadequate skills relating to ICT; Microsoft office applications, such as, Excel, Power Point, Word etc.; report writing, technical analysis, management and leadership as well as supervision. This is mainly due to inadequate competence-based training programmes, lack of interest for some staff, and an ineffective staff performance appraisal system.

As a consequence, there is high dependence and undue pressure on a few skilled staff for performance of critical tasks, which sometimes affect quality of reports and service delivery. It will, therefore, be critical for the Agency to put in place competence-based capacity building programmes and strengthen and institutionalize performance management system.

3.0 STRATEGIC DIRECTION

Given the external and internal analyses including, the stakeholders and clients' analyses as well as the performance and capability assessments conducted, and the key issues arising therefrom, the Agency has set for itself an operational framework within which all strategic decisions relating to the effective execution of its mandate will be made as follows:

3.1 Vision

The NRFA shall, in the next five years, work towards achieving:

“A SUSTAINABLE ROAD FUND”.

Through this vision statement, the Board of Directors, Management and staff commit to implementing an open-door policy and subjecting the Agency's operations to public scrutiny, while maintaining the highest ethical and professional standards. In addition, through this vision statement, the Board and Management commit to strategically reposition the Agency to effectively respond to the needs of its clients and the concerns of its stakeholders.

Further, by this statement, the Agency pledges to pursue all means possible to mobilise adequate funding and put in place strategies, systems and procedures that will guarantee fiduciary management of resources, value for money and financial viability, while meeting the financial needs of the road sector.

3.2 Strategic Themes

To ensure that adequate attention is paid to all the key issues raised and the Agency remained focused on its core mandate, two (2) strategic themes have been developed to underpin the Agency's 2017 – 2021 Strategic Plan and to guide the Board and Management in their decisions-making. The two (2) strategic themes are **Service Excellence (SE) and Operational Efficiency (OE)**.

3.2.1 Service Excellence

Under SE, the Agency commits itself to addressing the key concerns raised by the stakeholders who include road users, implementing agencies, cooperating partners, staff, management and the Board. This is in order to consistently meet their needs.

3.2.2 Operational Efficiency

Under OE, the Agency commits to addressing all the key internal capability deficiencies which include, operational and management systems, logistics, staffing, legal framework, and organisational work culture. This is in a quest to deliver the highest level of SE in the most transparent and cost-effective manner.

3.2.3 Strategic Results

Through the pursuit of the two strategic themes, the Agency intends to achieve three (3) separate yet interlinked Strategic Results, namely Satisfied Stakeholders, Positive Corporate Image and Excellent Service.

3.2.4 Satisfied stakeholders

Under Satisfied Stakeholders, the Agency's quest is to meet or surpass stakeholders' expectations through consistently managing effectively and improving business processes and ultimately, the quality of service delivery.

3.2.5 Positive Corporate Image

With improved internal businesses processes, positive work culture and quality service delivery, the Agency will bolster and communicate a healthy/positive brand outlook, which will win it public confidence and support so much needed to effectively execute its mandate.

3.2.6 Excellent Service

Attainment of an Excellent Service will entail that the Agency is able to acknowledge and attend to stakeholder enquiries and demands in a timely manner.

In respect of all the three (3) strategic results, several key variables shall be adopted and used to measure progress towards and/or the attainment of the strategic results so as to ensure delivery of an excellent customer service on a sustainable basis.

3.3 Mission Statement

Consistent with the Vision, Strategic Themes and Strategic Results, for the next five (5) years, NRFA has committed itself as a mission:

“To proactively mobilize resources, and effectively manage and administer the Road Fund in a transparent and sustainable way to ensure value for money and stimulate socio-economic development”.

Through this Mission Statement, the Board, Management and Staff, with the support of stakeholders, shall endeavour to consistently enhance operational efficiency, fiduciary manage the resources, conduct its business in an open manner and subject itself to public scrutiny in line with the principles of corporate governance. This undertaking will go a long way in ensuring financial viability of the institution, sustainable development of the road sector and ultimately the economy.

3.4 Core Values,

The Agency, for the next five (5) years, shall anchor its business operations on a set of six (6) all-encompassing core values. The values are:

(a) Integrity:

We believe and uphold integrity as the foundation of our individual and corporate actions. With this value we pledge to be honest, trustworthy, ethical and respectful in all our actions.

(b) Accountability:

At the core of this value is reliability and personal responsibility for action. We will take responsibility for our actions and ownership of the consequences in our quest to deliver an excellent service that exceeds stakeholders' expectations.

(c) Transparency

We will conduct our business including decision making in an open manner consistent with our professional ethics and business rules.

(d) Teamwork

We believe teamwork synergises our individual strength and consolidates our further belief that together we can achieve more with less.

(e) Excellence

We believe excellence will drive the results that enable us to not only fulfil but exceed stakeholders' expectations. This value will inspire us to relentlessly pursue success and flawless execution of our mandate.

(f) Innovation

We believe in a creative and open minded workforce that brings innovation in decision making propelling better service delivery.

3.5 Strategic Objectives, Intended Results, Measures, Targets and Strategies

In the next five (5) years, the Agency commits to pursuing the following ten (10) strategic objectives with associated intended results, measures, targets and strategies (initiatives):

3.5.1 Strategic Objective 1: Exceed Stakeholders Expectation

Through this objective, NRFA commits itself to providing a service whose quality is beyond the expectations of the stakeholders. Thus, the Agency will put in place measures that address the bottlenecks in the value chain. The Agency will also put in place a mechanism to receive and manage stakeholders' feedback. This is in its quest to improve the quality of service and exceed the expectations of stakeholders.

3.5.2 Strategic Objective 2: Improve Fiduciary Management

This entails that the Agency will prudently take good care of the financial resources under its custody on behalf of stakeholders and apply them to the intended purpose.

3.5.3 Strategic Objective 3: Enhance Value for Money

This objective entails measuring quality and quantity by assessing the monetary cost of the product or services against the desired quality/ quantity within an agreed timeframe. Thus, the Agency will, among other things strengthen the mechanism for financial and technical audits as well as reducing operational cost or wastage and assuring value for money.

3.5.4 Strategic Objective 4: Increase revenue

In the context of the Road Fund, increasing revenue relates to three fundamentals which include, raising more funding, increasing the revenue base and reducing operational cost.

3.5.5 Strategic Objective 5: Improve Business Systems and Processes

This objective entails enhancing business systems and processes which are part of the structural capital, which complements human capital to perform the functions of the Agency. Thus, the Agency commits itself to transforming the way it interacts and delivers services to customers. It will thus, procure and install state-of-the-art ICT systems thereby, making service delivery more friendly, convenient, transparent, efficient and cost effective.

3.5.6 Strategic Objective 6: Strengthen legal mandate

This objective entails reviewing the current legal framework of the Agency in consultation with key stakeholders in order to give the effect of law to the expanded mandate and enable the Agency to effectively undertake technical audits and mobilise additional funding for the road infrastructure development.

3.5.7 Strategic Objective 7: Enhance Human Capital

This objective entails the Agency taking deliberate measures to build human capital, which is part of the Intellectual capital, representing the knowledge of the Agency that is vested in staff, their numbers, skills, innovation, attitude and behaviours.

3.5.8 Strategic Objective 8: Improve service delivery

This objective entails investing in systems and process improvements to enhance the quality of service delivery and meet clients' needs. It also entails the Agency utilizing the necessary resources including, financial, administrative and logistics for its operations to ensure attainment of set targets. The resources shall be utilized prudently to ensure continued support from the shareholder and other partners.

3.5.9 Strategic Objective 9: Enhance Supportive infrastructure

This objective will require the Agency to invest in state of the art infrastructure including intangible assets which are part of structural capital, such as, databases, and ICT but excluding business systems and processes.

3.5.10 Strategic Objective 10: Optimize Asset Capital

Asset Capital represents assets and also tools which form part of the working environment for human Capital and include all physical infrastructures such as land and buildings and other movable assets such as automobiles, computers, etc. The Agency will ensure that the asset capital is kept in good condition and is used to the greatest possible.



STRATEGIC THEMES, STRATEGIC RESULTS, STRATEGIC OBJECTIVES, INTENDED RESULTS, MEASURES, KEY PERFORMANCE INDICATORS AND STRATEGIES (INITIATIVES)

STRATEGIC THEME: Service Excellence				
STRATEGIC RESULT: (1) Satisfied Stakeholders; and (2) Positive Corporate Image				
STRATEGIC OBJECTIVE No. 1: Exceed Stakeholders Expectation				
INTENDED RESULT	MEASURES	BASELINE	KEY PERFORMANCE INDICATORS (KPIs)	STRATEGIES
Reduced Stakeholders' Complaints.	% Complaints	20 per day 20*22*12=5,280 per annum Verbal/Written (over delayed payments)	90% reduction in stakeholders' complaints by December, 2021.	Develop and implement a Stakeholders' Feedback Management mechanism
Increased Stakeholders' Compliments.	% Compliments	One (1) per month 12 per annum	80% increase in stakeholders' compliments (i.e., positive feedback) by December, 2021	Develop and implement a reward system for excellent service delivery by staff
Increased funding.	% increase in revenue generated from traditional sources attained by December, 2021	31% of Annual work Plan from GRZ and Fuel Levy and Other Road User Charges	40% increase in revenue generated from traditional sources by December, 2021	Develop and implement approaches/methods with a clear communication strategy which shall sell Agency accomplishments
Motivated staff	% Staff satisfaction Index	Not available	80% and above Score on Employee Satisfaction index attained by June, 2019 and maintained thereafter.	<ul style="list-style-type: none"> Develop and implement a mechanism for measuring employee satisfaction, Strengthen and institutionalize performance management system, Develop and implement a Staff feedback management system, Strengthen the workplace social support system, and Strengthen the administrative and logistical support systems
	Staff retention rate	90% 12/136 left in 2016	At least 90% of the staff retained annually	Develop and implement a Staff Retention Scheme.

STRATEGIC THEMES, STRATEGIC RESULTS, STRATEGIC OBJECTIVES, INTENDED RESULTS, MEASURES, KEY PERFORMANCE INDICATORS AND STRATEGIES (INITIATIVES)

STRATEGIC THEME: Service Excellence				
STRATEGIC RESULT: (1) Satisfied Stakeholders; and (2) Positive Corporate Image				
STRATEGIC OBJECTIVE No 2: Improve Fiduciary Management				
INTENDED RESULT	MEASURES	BASELINE	KEY PERFORMANCE INDICATORS (KPIs)	STRATEGIES
Improved accountability and transparency	% audit queries	External Audit – 5 queries	90% reduction in the number of recurring audit queries.	<ul style="list-style-type: none"> Strengthen internal controls, and Develop and implement Risk Management Strategy
		<ul style="list-style-type: none"> 38 Auditor General 's Queries 15 External Audit queries 	90% reduction in the number of audit queries.	
	Corruption Perception Index	Not Available	Corruption Perception Index (CPI) of at least less than 5% attained by December 2019 and maintained thereafter	<ul style="list-style-type: none"> Strengthen the Integrity Committee, and Develop and implement a programme for inculcating and enforcing ethical conduct.
	% Client satisfaction	Not Available	At least 80% client satisfaction levels attained by December 2018 and 90% thereafter	

STRATEGIC THEMES, STRATEGIC RESULTS, STRATEGIC OBJECTIVES, INTENDED RESULTS, MEASURES, KEY PERFORMANCE INDICATORS AND STRATEGIES (INITIATIVES)

STRATEGIC THEME: Service Excellence				
STRATEGIC RESULT: (1) Satisfied Stakeholders; and (2) Positive Corporate Image				
STRATEGIC OBJECTIVE No. 3: Enhance Value for Money				
INTENDED RESULT	MEASURES	BASELINE	KEY PERFORMANCE INDICATORS (KPIs)	STRATEGIES
Reduced waste	% Saving	-	10% saving against the total IPCs annually	<ul style="list-style-type: none"> Strengthen the technical and financial audit and evaluation system.
Improved economy, efficiency and effectiveness (3Es)	Client satisfaction rate	Not Available	At least 80% client satisfaction levels attained by December 2018 and 90% thereafter.	<ul style="list-style-type: none"> Strengthen NRFA Act No. 13 of 2002 to prove for sanctions.

STRATEGIC THEMES, STRATEGIC RESULTS, STRATEGIC OBJECTIVES, INTENDED RESULTS, MEASURES, KEY PERFORMANCE INDICATORS AND STRATEGIES (INITIATIVES)

STRATEGIC THEME: Service Excellence				
STRATEGIC RESULT: (1) Satisfied Stakeholders; and (2) Positive Corporate Image				
STRATEGIC OBJECTIVE No. 4: Increase Resources				
INTENDED RESULT	MEASURES	BASELINE	KEY PERFORMANCE INDICATORS (KPIs)	STRATEGIES
Increased budget and consistent funding	% growth in the budget funded	20%	50% increase in the budget by June, 2019 and 80% thereafter	<ul style="list-style-type: none"> Develop and implement a resource mobilization strategy with a supporting structure, Securitize future road user charges, Secure Contractor Facilitated Financing, and Strengthen Public-Private Partnerships on road infrastructure development.
	% funding of the budget	60%	100% funding of the budget annually	
	Non-traditional revenue as % of total revenue	Not available	25% of total revenue generated from non-traditional sources by June 2019 and maintained thereafter	

Timely payments	Turnaround time	> 365 days	Contractor/Supplier/Consultant Payments processed within Nine (9) working days	Engage Ministry of Finance to ring-fence new revenue streams to finance specific projects
Current debt stock reduced	% of debt stock	K 5 billion	80% of current debt stock reduced by December, 2021	Develop and implement a resource mobilization strategy with a supporting organization structure

STRATEGIC THEMES, STRATEGIC RESULTS, STRATEGIC OBJECTIVES, INTENDED RESULTS, MEASURES, KEY PERFORMANCE INDICATORS AND STRATEGIES (INITIATIVES)

STRATEGIC THEME: Service Excellence

STRATEGIC RESULT: (1) Satisfied Stakeholders; and (2) Positive Corporate Image

STRATEGIC OBJECTIVE No. 5: Improve Business Systems and Processes

INTENDED RESULT	MEASURES	BASELINE	KEY PERFORMANCE INDICATORS (KPIs)	STRATEGIES
Timely service delivery	Client satisfaction rate	20%	80% client satisfaction rate attained annually	<ul style="list-style-type: none"> Re-engineer and automate business processes, Develop and implement a competence based capacity building programme, and Develop and implement a systems maintenance programme.
Timely decision making	% Staff satisfaction	Not available	90% Staff satisfaction levels attained annually	Develop and implement a decision support system
	% of evidence-based decisions	Not available	100% of the decisions made based on objective facts	

STRATEGIC THEMES, STRATEGIC RESULTS, STRATEGIC OBJECTIVES, INTENDED RESULTS, MEASURES, KEY PERFORMANCE INDICATORS AND STRATEGIES (INITIATIVES)

STRATEGIC THEME: Service Excellence				
STRATEGIC RESULT: (1) Satisfied Stakeholders; and (2) Positive Corporate Image				
STRATEGIC OBJECTIVE No. 6: Strengthen Legal Mandate				
INTENDED RESULT	MEASURES	BASELINE	KEY PERFORMANCE INDICATORS (KPIs)	STRATEGIES
Improved Agency Sustainability	Road sector debt as a % of domestic debt	20% 5billion/ 20billion	15% attained by June, 2019 and sustained thereafter	<ul style="list-style-type: none"> Develop and implement a debt stock monitoring and management system Strengthen the National Road Fund Act No. 13 of 2002/ (Amendment 2006) to strengthen mandate of NRFA to mobilize resources, conduct Value for Money activities and become the Tolling Authority
	Road sector debt as a percentage of Medium Term Expenditure Framework (MTEF) projection	5/2.7 = 186%	10%	<p>Facilitate the development and implementation of a Resource-Based Procurement system (RBPS)</p> <ul style="list-style-type: none"> Engage relevant stakeholders to review the Tolls Acts No. 14 of 2011, Design a RoadSIP3 concept, Engage relevant stakeholders to review the Tolls Acts No. 14 of 2011, and Develop and implement a Resource Mobilization Strategy (RMS) with a supporting organizational structure.
	Road sector commitment as % of MTEF projection	5/2.7 = 186%	The Road Sector Debt should be 20% of MTEF projection attained by June, 2019	
	% of the annual budget financed from non- traditional sources	Not available	25% of the annual budget financed from non- traditional sources	

STRATEGIC THEMES, STRATEGIC RESULTS, STRATEGIC OBJECTIVES, INTENDED RESULTS, MEASURES, KEY PERFORMANCE INDICATORS AND STRATEGIES (INITIATIVES)

STRATEGIC THEME: Operational Efficiency					
STRATEGIC RESULT: (1) Satisfied stakeholders, and (2) Excellent Service					
STRATEGIC OBJECTIVE No. 7: Enhance Human Capital					
INTENDED RESULT	MEASURES	BASELINE	KEY PERFORMANCE INDICATORS (KPIs)	STRATEGIES	
Productive work force	Staff performance rate	Not available	75% of appraised staff scoring 80% and above	Strengthen the Performance Management System	
Motivated Staff	Staff satisfaction index	Staff satisfaction index	80% and above Score on Employee Satisfaction index attained by June, 2019 and maintained thereafter	<ul style="list-style-type: none"> Develop and implement a Staff feedback management system Strengthen the workplace social support system, and Strengthen the administrative and logistical support systems 	
	Staff retention rate	91.2 %	At least 90% of the staff retained annually	Develop and Implement a Staff Retention Scheme (SRS)	
Optimal staffing levels	% of staffing levels	95.8%	At least 90% of the approved staff establishment filled by December 2018 and maintained thereafter	<ul style="list-style-type: none"> Develop and implement an Open and Competitive Recruitment System (OCRS), Develop and Implement a Staff Retention Scheme, and Strengthen the Workplace Social Support System 	
Positive work culture	Staff performance rate	Not available	90% of appraised staff scoring above 80% on personal attributes	<ul style="list-style-type: none"> Strengthen the Performance Management System, Develop and implement a work culture remodeling programme, and Develop and implement a leadership and management training programme. 	
	% Client satisfaction rate	Not available	80% client satisfaction levels attained by 2021	Develop and implement a work culture remodeling programme	

STRATEGIC THEMES, STRATEGIC RESULTS, STRATEGIC OBJECTIVES, INTENDED RESULTS, MEASURES, KEY PERFORMANCE INDICATORS AND STRATEGIES (INITIATIVES)

STRATEGIC THEME: Operational Efficiency				
STRATEGIC RESULT: (1) Satisfied stakeholders, and (2) Excellent Service				
STRATEGIC OBJECTIVE No. 8: Improve Service Delivery				
INTENDED RESULT	MEASURES	BASELINE	KEY PERFORMANCE INDICATORS (KPIs)	STRATEGIES
Reduced complaints	Stakeholders Complaints rate	20 per day 20*22*12=5,280 per annum Verbal/Written (over delayed payments	At least 90% reduction in stakeholders' complaints attained by December 2018 and maintained thereafter	<ul style="list-style-type: none"> Strengthen Stakeholder Management system, Strengthen service delivery systems, Develop and implement a Service Delivery Charter, and Strengthen the Staff innovation Award Scheme (SIAS).
Increased funding	Stakeholder Compliments rate	One (1) per month 12 per annum	At least 80% positive feedback from clients attained by December 2018 and 90% thereafter	Develop and implement a resource mobilization strategy with a supporting organization structure
	% of budget	59%	40% increase in budget funding from revenue generated from traditional sources by December, 2021	

STRATEGIC THEMES, STRATEGIC RESULTS, STRATEGIC OBJECTIVES, INTENDED RESULTS, MEASURES, KEY PERFORMANCE INDICATORS AND STRATEGIES (INITIATIVES)

STRATEGIC THEME: Operational Efficiency				
STRATEGIC RESULT: (1) Satisfied stakeholders, and (2) Excellent Service				
STRATEGIC OBJECTIVE No.9.: Enhance Supportive Infrastructure				
INTENDED RESULT	MEASURES	BASELINE	KEY PERFORMANCE INDICATORS (KPIs)	STRATEGIES
Improved processing time	Turnaround time	15 days	Received IPCs processed within 5 days	<ul style="list-style-type: none"> Implement fully automated and integrated systems for IPC processing, Strengthen the Performance Management System (PMS), Develop and implement Service Level Agreements (SLAs) on all vendors contracts, and Streamline the Local User Discounts approval process.
		10 days	Local User Discounts (LUDs) Processed within 5 days	
		4 days	Electro-Mechanical and ICT faults at Toll Stations resolved within 48 Hours	<ul style="list-style-type: none"> Establish and fully operationalize a Maintenance Unit, Develop and implement a Faults Management System (FMS), and Strengthen the Performance Management System.
		30 seconds	Toll Processing completed within 9 seconds	Implement an Advanced Tolling Management System (ATMS)
	% client satisfaction	Not available	90% client satisfaction levels attained by December 2018 and maintained thereafter	Develop and implement a Stakeholder Feedback Management System

Improved productivity	Turnaround time	15 days	Received IPCs processed within an average of 5 days	<ul style="list-style-type: none"> Implement fully automated and integrated systems for IPC processing, and Develop Service Level Agreements (SLA) on all vendors' contracts.
	Operational expenditure to revenue ratio	5%	Operational expenditure less than 5% of the total revenue attained by December 2018 and maintained thereafter	Strengthen budget management and internal controls.
Conducive working environment	% Staff satisfaction	Not available	90% staff satisfaction levels attained by December 2018 and maintained thereafter	<ul style="list-style-type: none"> Develop and implement a Staff feedback management system, Develop and implement a system for interaction and information sharing, Strengthen the workplace social support system, and Strengthen the administrative and logistical support systems
Improved management and utilization of information	% Staff satisfaction level	Not available	80% client satisfaction levels attained by December 2018 and maintained at 90% thereafter	<ul style="list-style-type: none"> Develop and implement a Client feedback management system, and Develop and implement a staff feedback management system.
		Not available	90% staff satisfaction levels attained by December 2018 and maintained thereafter	<ul style="list-style-type: none"> Strengthen the management Information System, and Develop and implement competence based capacity building programmes

STRATEGIC THEMES, STRATEGIC RESULTS, STRATEGIC OBJECTIVES, INTENDED RESULTS, MEASURES, KEY PERFORMANCE INDICATORS AND STRATEGIES (INITIATIVES)

STRATEGIC THEME: Operational Efficiency				
STRATEGIC RESULT: (1) Satisfied stakeholders, and (2) Excellent Service				
STRATEGIC OBJECTIVE No. 10: Optimize asset capital				
INTENDED RESULT	MEASURES	BASELINE	KEY PERFORMANCE INDICATORS (KPIs)	STRATEGIES
Efficient Asset Management	% downtime	Not Available	At least 80% reduction in equipment downtime attained by December 2018 and maintained thereafter	Develop and implement a Shared Services System (SSS)
	% maintenance service	>90%	100% maintenance service	Develop and implement an Asset Management System and an appropriate supporting organization structure

4.0 ENABLING FACTORS

The successful implementation of this Strategic Plan is predicated on the following pre-conditions and assumptions:

4.1 Pre – conditions

These factors being within the control of NRFA should be actualised to the fullest extent possible:

- (a) Timely approval of the Strategic Plan by both Management and the Board of Directors;
- (b) Total ownership and commitment to the implementation of the Strategic Plan by the Board of Directors, Management, Staff and the Union;
- (c) Strict adherence to procedures, standards, guidelines and the Service Charter by Staff, Management and the Board of Directors;
- (d) An optimal Organisation Structure in place;
- (e) Adequate staffing levels with adequate knowledge, and right skills, serving in right positions; and
- (f) Dedicated and professional staff with positive work attitude and mind set.

4.2 Assumptions

These being factors outside the control of NRFA but critical to the successful implementation of the Plan, it will be incumbent upon the Agency to constantly monitor them and put in place measures to mitigate the adverse effects on the institution's capacity to effectively execute its mandate:

- (a) Total commitment by Executing Institutions to adhere to a Resource-Based Procurement system (RBPS);
- (b) Willingness by relevant institutions to review the National Road Fund Act No, 13 of 2002 and its Amendment No. 5 of 2006; the Tolls Act No. 14 of 2011, the Public Finance Act No. 13 of 2003, the Public Roads Act No. 12 of 2002, and the Road Traffic Act No. 11 of 2002 (e. g., amendment to Tolls Act No. 14 Of 2011 to designate NRFA as Tolls Authority);
- (c) An enabling Legislation supporting the expanded mandate of the Agency in place; and
- (d) Authorization by the Ministry of Finance to ring-fence revenue streams for financing road infrastructure development programme.

5.0 PLAN IMPLEMENTATION (Strategic Plan – Budget Linkage)

To operationalise the Strategic Plan, the Agency will undertake to translate the Plan into a five (5) – year Implementation (operational) Plan, broken down into annual departmental operational/business plans and further, into individual work plans with SMART annual objectives, targets, schedule of activities and realistic costing arrived at by taking into account the quantities, nature and type of inputs as well as their pricing. This shall form the basis for departmental budgets and, ultimately, the Annual Agency budget.

The Head of Operational Unit shall be responsible for development and implementation of the Business Plans as well as submission of progress reports to management by December every year for review and approval.

6.0 MONITORING AND EVALUATION

Monitoring and Evaluation (M&E) will be vital for effective implementation of both this Strategic Plan and Annual Business Plans. The M&E mechanism once instituted will give NRFA an opportunity to track progress and evaluate its performance against set Strategic Results, Strategic Objectives, Intended Results and Targets as well as institute corrective measures timely. At individual level, monitoring and evaluation will be done on a monthly basis.

At Departmental level, monitoring and evaluation of plans implementation will be done quarterly. At institutional level, monitoring and evaluation will be done bi-annually (internally) and annually (with stakeholders). Accordingly, quarterly and annual progress reports on the implementation of the Plan will be prepared by each Department and submitted to Management and, ultimately, to the Board of Directors for consideration. A mid-term evaluation will also be undertaken in July, 2018 to assess the progress being made towards achieving set objectives. A terminal evaluation will also be conducted in 2021 to determine the full extent of Plan implementation and the overall impact as well as inform the preparation of the 2022 -2026 Strategic Plan.

7.0 CORE FUNCTIONAL STRUCTURE

The Strategic Planning process culminated into the development of an indicative core functional structure for the Agency, underscoring the key areas where results will be expected for the Agency to succeed in becoming financially sustainable and meeting the financial needs of the road sector. The indicative core functional structure for the Agency was arrived at by grouping various objectives into specialized functional areas using the following criteria: -

- (a) Similarity of objectives;
- (b) Uniqueness of the objectives;
- (c) Accountability for the objectives; and
- (d) Coordination of the objectives.

Through the clustering of the objectives, the following core functions were identified and agreed to: -

- (a) Customer Service and Public Relations (Objectives 8 & 9);
- (b) Human Capital and Support Services (Objectives 2 & 10).
- (c) Resource Mobilization and Value for Money (objectives 3, 5, 6 & 7);
- (d) Information and Business Management services (objectives 1 & 4)

Below is a pictorial presentation of the indicative Core Functional Structure

INDICATIVE CORE FUNCTIONAL STRUCTURE FOR NRFA

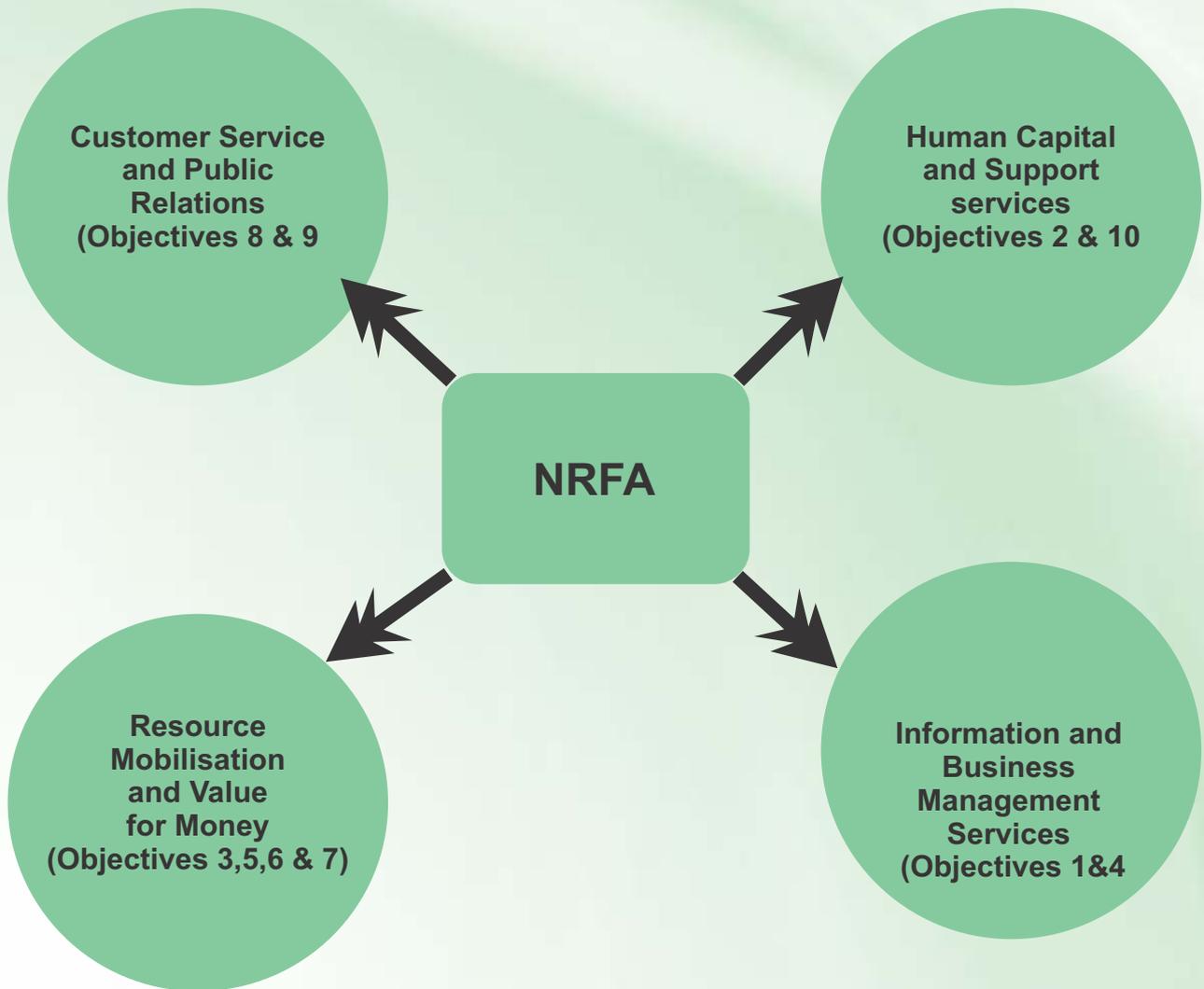


Figure : Indicative core functional structure

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