

ROAD DEVELOPMENT AGENCY

ANNUAL REPORT

2023



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EXECUTIVE SUMMARY

This Annual Report presents the performance of the Agency for the calendar year 2023. The RDA has continued to contribute to the socio-economic development of Zambia through the execution of its mandate as enshrined in the Public Roads Act No.12 of 2002 as amended.

The Road Development Agency (RDA) commenced its operations in 2006 and its functions are to provide for the care, maintenance and construction of public roads in Zambia, to regulate maximum weights permissible for transmission on roads and to provide for matters connected with and incidental to the foregoing. The RDA is responsible for the entire classified road network of 67,671 kilometres, including bridges and culverts. However, due to limited resources, the Agency mostly concentrates its efforts on a rationalised network of 40,454 kilometres deemed as the Core Road Network (CRN). The CRN is defined as “the barest minimum network which when improved will spur socio-economic development and contribute to poverty reduction.”

In 2023, the RDA carried out activities in accordance with the approved 2023 Road Sector Annual Work Plan (RSAWP) and these included upgrading, construction, rehabilitation and maintenance of roads and bridges. Other key activities implemented involved designing of traffic capacity movements, designs, research and development, road and bridge asset management, environmental management, construction materials testing and engineering studies supervision and monitoring of Force Account projects, among others.

In line with the Government policy direction to leverage on funding from the private sector to bridge the gap on the much-needed finance for infrastructural projects, the RDA made headways in laying a firm foundation in attracting Public Private Partnerships (PPPs) on key road corridors in poor conditions that required construction or rehabilitation. To this effect, negotiations were successfully held leading to the signing of the Concession Agreements (CAs) for the following road projects: Lusaka-Ndola Dual Carriageway, Ndola-Sakania-Mufulira Road, Lumwana-Kambimba Road and Katete-Chanida Road.

In addition, the Concessionaire engaged to rehabilitate the Chingola - Kasumbalesa Road commenced construction works in April 2023 and completed in November 2023. The Concessionaire commenced the commercial operation phase on 1st December 2023.

A total of 33.92 kilometres of roads was surfaced in 2023 and this covered the Chinsali-Nakonde Road Lot 1 and 2, the Kafue-Mazabuka Lot 2, the Mongu-Limulunga Road and the New Kasama Township roads in Lusaka.

Under the Improved Rural Connectivity Project (IRCP), a programme involving the rehabilitation/improvement of gravel roads, twenty-one (21) contracts were signed in eight (8) Provinces covering a total distance of 3,167.53 kilometres. The cumulative progress on this project stands at 1,722 kilometres representing a physical progress of 54.01%. The RDA has been rehabilitating feeder roads under the IRCP with the aim of rehabilitating 4,300 kilometres feeder roads to all-weather gravel standard in all the ten (10) Provinces of Zambia.

On the bridge construction and rehabilitation programme, the Agency constructed two bridges in Western Province namely the Luanginga Bridge with a span of 142 metres and the Silanda Bridge with a span of 129 metres. Another milestone achieved was the completion and opening to traffic the rehabilitated 270 metres Kafue Hook Bridge along the Lusaka-Mongu Road in Central Province.

The Agency has been implementing the Acrow Bridge Programme which gained momentum in 2023. The Lunchu Acrow Bridge in the Kapiri Mposhi District of Central Province was installed and commissioned. In addition, the construction and installation works of the two Acrow Bridges were completed in Lunte and Luwingu Districts of Northern Province. Substantial progress was achieved on the five (05) Acrow Bridges in North-Western Province and will be commissioned in 2024.

The RDA carried out road and bridge maintenance works under the Force Account through the Regional Offices. As of 31st December 2023, the Agency had works in progress with a total expenditure of ZMW 531.0 million under Force Account.

The Agency is also mandated to regulate maximum weights permissible for transmission on public roads and on this front, the construction works at Chongwe Weighbridge in Lusaka Province were substantially completed. The facility is earmarked for commissioning during the second quarter of 2024.

OUR MANDATE

The RDA was established by the Public Roads Act No. 12 of 2002 and as amended by Act No. 9 of 2022 with the following specific functions:

“To provide for the care, maintenance and construction of public roads in Zambia; to regulate maximum weights permissible for transmission on roads; and to provide for matters connected with and incidental to the foregoing”.

The Agency is also mandated under the Tolls Act No. 14 of 2011 to administer and implement the National Road Tolling Programme (NRTP) and on 1st September 2015, the RDA appointed the National Road Fund Agency (NRFA) as the Lead Tolls Agent through the provisions of the Tolls Act.

The functions of the RDA under the Tolls Act are to:

- (a) Regulate the operation and maintenance of Toll roads;
- (b) Monitor compliance of Concessionaires with the terms and conditions of Concession Agreements;
- (c) Advise the Minister on the design, construction, safety, regulation, operation and maintenance of Toll roads; and
- (d) Perform such other function as may be conferred by, or under, this Act or any other Law.

PRINCIPAL FUNCTIONS

The principal functions of the RDA are to plan, manage and coordinate the entire road network in Zambia with the following specific functions:

- i. Carry out routine and emergency maintenance of public roads;
- ii. Conduct such studies as it may consider necessary for the development maintenance, and improvement of the road network in Zambia;
- iii. Advise Road Authorities regarding the construction, rehabilitation, and maintenance of roads under their jurisdiction;
- iv. Provide guidance and technical assistance to Road Authorities;
- v. Receive and consider reports from Road Authorities on their activities and prepare quarterly and consolidated Annual Reports;
- vi. Recommend to the Minister the appointment of any person or institution as a Road Authority;
- vii. Prepare and review the Terms of Reference and guidelines for the Road Authorities including budget guidelines;
- viii. Review from time to time the status of Road Authorities and recommend appropriate action to the Minister;
- ix. Making recommendations in relation to siting of buildings on roadsides;
- x. In consultation with the National Road Fund Agency (NRFA), recommend to the Minister funding for the development of new roads;
- xi. In consultation with the owners of property served by an estate road and the National Road Fund Agency (NRFA), determine the proportion of the cost of construction and maintaining an estate road to be borne by such owners;
- xii. Prepare and award contracts and certifying works for public roads;
- xiii. Review design standards and classification of roads and traffic signs;
- xiv. Plan and coordinate the road network in the country;
- xv. Enforcing Axle Load Control; and
- xvi. Carry out any other activities relating to roads which are necessary or conducive to the performance of its functions under the Act.



OUR VISION

An accessible well maintained fit-for-purpose road network



OUR MISSION

To provide sustainable road infrastructure for domestic and regional accessibility to spur socio-economic development



CORE VALUES

- Transparency
- Accountability
- Equity
- Integrity
- Innovation
- Excellence
- Environmentalism
- Ownership

CHAIRPERSON'S FOREWORD



It is my pleasure, on behalf of the Board of Directors to present the Annual Report for the Agency, for the year ended 31st December 2023. It was a year of enhanced project delivery, compared to the previous years, with a number of completed projects and substantial progress recorded on others which will progress for completion in 2024. The Agency made great strides on several fronts, while at the same time building a resilient foundation for growth of the road transport sector in Zambia.

During the period under review, the Board continued to give policy guidance in the management and governance of the Agency. To strengthen the operations of the RDA through a dynamic strategic direction, the Strategic Plan covering the period 2022-2026 was formulated in consultation with the stakeholders and launched on 22nd November 2023.

The Strategic Plan was crafted taking into consideration the successes and lessons learnt

during the implementation of the previous Plan. The RDA 2022-2026 Strategic Plan has set out a roadmap aimed at repositioning the Agency to effectively respond to a boisterous environment and is aligned to the Eighth National Development Plan (8NDP).

The new vision is, "An accessible well maintained fit-for-purpose road network" and the Agency will achieve this through the Core Values of Transparency, Accountability, Equity, Integrity, Innovativeness, Excellence, Environmentalism and Ownership. Through the vision and mission statements, the Agency has developed three Strategic Themes, namely: Road Asset Maintenance, Road Infrastructure Development and Good Corporate Governance.

The Board oversaw and finalised the development of the new Organisation Organogram of the Agency to align the various Directorates and Departments in line with the new vision and to bring about an effective and accountable management structure. The full implementation of this new Organisation Structure will be completed in 2024.

Enhanced directed effort will be channeled towards the Road Asset Maintenance which over time through sustenance, will improve the condition of the Core Road Network (CRN) in our country. Roads can only attain their design life if they are routinely and periodically maintained in a systematic and sustained manner.

In 2023, the RDA in consultation with key stakeholders engaged in the termination of contracts for stalled projects to align with Governments direction of debt restructuring and fiscal consolidation. Due to the financial challenges the country had been facing over the years, 76 non-performing road projects were identified which had achieved very little or no progress since 2011.

Within the available constrained budget resources, the RDA executed many road and bridge projects through contracts with the private sector and Force Account using the Regional Offices.

The Acrow Bridge Programme which was stagnant for many years was reactivated and ancillary civil works on three (3) bridges were constructed and the bridges erected and opened to traffic while seven (7) were substantially completed at various crossing points in the country.

In line with one of the key mandates of the Agency, the Solwezi Weighbridge was completed whilst significant progress was achieved on the one at Chongwe which will be commissioned in the early part of 2024.

In 2024, the Agency has targeted to work on the following key roads:

- i. Rehabilitation of the Kisasa-Mwinilunga Road;
- ii. Rehabilitation of the Livingstone-Sesheke Road;
- iii. Rehabilitation of the Tateyoyo Gate-Katunda Turnoff Road;
- iv. Periodic maintenance of the Mazabuka-Monze Road;
- v. Rehabilitation of the Chibuluma Road in Kitwe;
- vi. Rehabilitation of the Batoka-Maamba Road;
- vii. Rehabilitation of the Monze-Niko Road; and
- viii. Rehabilitation of 80 kilometres of the Tuta Road section.

In line with the Government's agenda of accelerating construction and rehabilitation of road projects through the Public Private Partnership (PPP) model due to the constrained local budget, the RDA as the Implementation Agency managed the processes to finalise the PPP concessions of the identified road projects. Four Concession Agreements were signed during the year under review whilst others were at different stages of negotiations. The Chingola-Kasumbelesa PPP project was completed in record time and the economic and commercial benefits of this rehabilitated road was clearly felt and appreciated by the various road users.

As I conclude, the achievements scored by the RDA during the period under review could not have been recorded without the guidance and support of the Government at large and in particular the Ministry of Infrastructure, Housing and Urban Development, the various stakeholders, the Road Sector Agencies and finally and not the least, the commitment and dedication of all members of staff of the Agency. Commendation goes to all employees who continue to promote and execute the functions of the Agency while upholding its Core Values.



ENG. MULCHAND KUNTAWALA
CHAIRPERSON - BOARD OF DIRECTORS
ROAD DEVELOPMENT AGENCY

CHIEF EXECUTIVE OFFICER'S STATEMENT



I am pleased to share with you the Annual Report for the Agency for the year ended 31st December 2023.

This Report highlights key activities undertaken by the RDA as mandated by the Public Roads Act No. 12 of 2002 as amended and the Tolls Act No. 14 of 2011.

The RDA as an implementing Agency continued to execute programmes and projects on behalf of the Government with the aim of providing sustainable road infrastructure for domestic and regional accessibility to spur socio-economic development. Good road infrastructure is a backbone and chief driver of socio-economic development which every country strives to achieve.

In line with the Government's development agenda, the Agency continued to roll-out various road/bridge programmes and projects.

The RDA continues to take keen interest in fostering trade and investment by providing an enabling environment for the

private sector participation in road infrastructure development through Public Private Partnerships (PPPs). So far, the Agency has negotiated and signed seven (7) PPP projects with four (4) PPP projects being signed in 2023. Those signed in 2023 include: the Lusaka-Ndola Dual Carriageway, Ndola-Sakania-Mufulira Road, Lumwana-Kambimba Road and Katete-Chanida Road.

For the Lusaka-Ndola Road project, Financial Close is expected to be achieved in the first quarter of 2024. The works on the construction of the 2.5 kilometres dual carriageway from Jacaranda Mall to Zesco Skyways Substation in Ndola were substantially completed while the progress on repair works from Kabwe to Ndola stood at 86% complete at the close of 2023.

With regard to bridge construction, the Agency constructed two bridges in Kalabo District in Western Province. These are the Luanginga and Silanda Bridges. Another milestone was the completion of rehabilitation works of the Kafue Hook Bridge along the Lusaka-Mongu Road in Central Province. The works on the Msuzi Insitu Box Culvert and the 50 metres Lundazi Bridge were completed and the structures were opened to traffic.

Implementation of the Acrow Bridge Programme gained momentum in 2023 with the Lunchu Acrow Bridge being commissioned in Kapiri Mposhi District in the Central Province. Further, the construction and installation work of two Acrow Bridges were completed in Lunte and Luwingu Districts of Northern Province. Five Acrow Bridges were also substantially completed in North-Western Province. In Muchinga Province, the Agency was constructing the Lwitikila Acrow Bridge in Kanchibiya District on Force Account while in Central Province works on the Luombwa Acrow Bridge in Serenje District had been substantially completed.

A total of 33.92 kilometres was surfaced in 2023 and this involved the rehabilitation of Mongu-Limulunga Road, Chinsali-Nakonde Road Lot 1, Chinsali-Nakonde Lot 2, Kafue-Mazabuka Lot 2 and New Kasama Township roads.

With regard to weighbridge construction, works on a fixed electronic weighbridge in Chongwe District of Lusaka Province were completed. Progress was also made in the procurement of weighbridge signs. These clear and informative weighbridge signs would enhance visibility of weighbridges and offer guidance to drivers thereby promoting adherence to vehicle load management regulations once installed in 2024.

Despite several successes scored, the Agency was faced with challenges which affected its operations. Notable among them was the legacy debt owed to contractors and consultants and poor cash flow leading to delayed payments of Interim Payment Certificates (IPCs).

As I conclude, let me extend my sincere gratitude to the Government of the Republic of Zambia, through the Ministry of Infrastructure, Housing and Urban Development and the RDA Board of Directors for the guidance which continue to shape the strategic direction of the Agency. Further, special tribute goes to the entire RDA staff who are instrumental to the success scored by the Agency and all stakeholders for the immense support in working towards achieving our vision of having an accessible well maintained fit-for-purpose road network.



ENG. GRACE MUTEMBO

DIRECTOR AND CHIEF EXECUTIVE OFFICER

ROAD DEVELOPMENT AGENCY

RDA BOARD OF DIRECTORS



ENG. MULCHAND KUNTAWALA
BOARD CHAIRPERSON



ENG. ERASMUS M. CHILUNDIKA
VICE BOARD CHAIRPERSON



MS. NAMWAKA NACHILONGO
BOARD DIRECTOR



MR. MULILO D. KABESHA SC
BOARD DIRECTOR



DR. NGOZA C. MUNTHALI
BOARD DIRECTOR



ENG. CLIVE KHAN
BOARD DIRECTOR



MRS. MWILA M. DAKA
BOARD DIRECTOR
(From 19th October 2023)



**MR. MUSOKOTWANE
SICHIZWE**
BOARD DIRECTOR
(Up to 10th July 2023)



ENG. WALLECE MUMBA
EX OFFICIO



ENG. AMON MWEEMBA
EX OFFICIO



ENG. GRACE MUTEMBO
DIRECTOR AND CHIEF
EXECUTIVE OFFICER

EXECUTIVE MANAGEMENT



ENG. GRACE MUTEMBO
DIRECTOR AND CHIEF EXECUTIVE OFFICER



ENG. LAZARUS NYAWALI
ACTING DIRECTOR - PLANNING AND DESIGN



ENG. JOSEPH MWINGA
ACTING DIRECTOR - CONSTRUCTION AND REHABILITATION



ENG. JAIROS MHANGO
ACTING DIRECTOR - ROAD MAINTENANCE



ENG. GODFREY SONGEYA
ACTING DIRECTOR - COMMERCIAL AND TECHNICAL SERVICES



MRS. HONEYCHILE C. TYETYE
ACTING DIRECTOR - FINANCE



MR. DENSTONE MUKUKU
DIRECTOR - AUDIT AND RISK ASSURANCE



MR. ANTHONY MULOWA
ACTING DIRECTOR - COMMUNICATIONS AND CORPORATE AFFAIRS



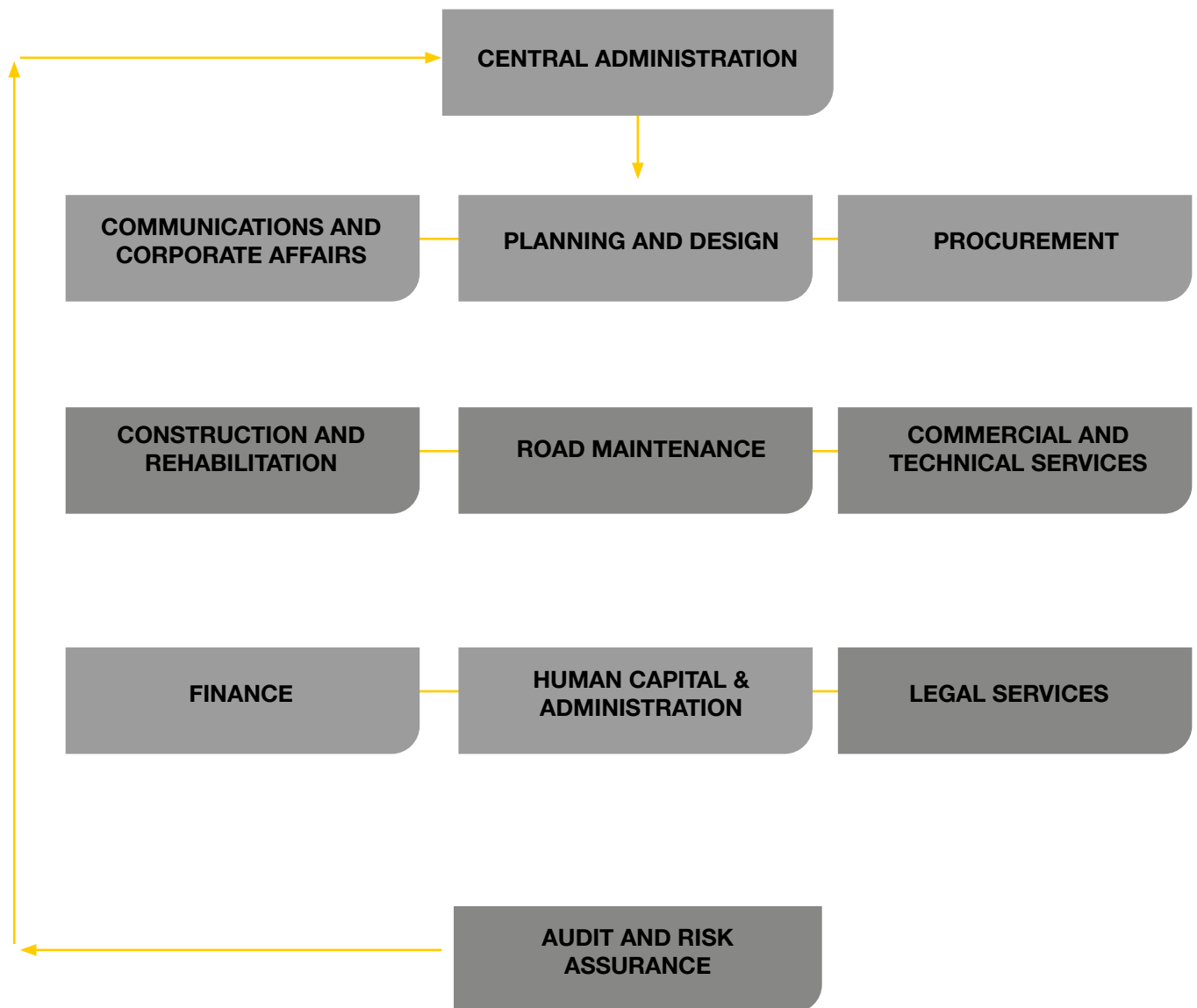
MS. CHITI KABWE
ACTING DIRECTOR - LEGAL SERVICES



ENG. CHILUFYA MWENYA
ACTING DIRECTOR - PROCUREMENT



MS. BUEENDO NYAMA
ACTING DIRECTOR - HUMAN CAPITAL AND ADMINISTRATION



SECTION 1

1.0 FINANCIAL AND PROGRAMME PERFORMANCE

1.1 FINANCIAL PERFORMANCE

1.1.1 Implementation of the 2023 Road Sector Annual Work Plan (RSAWP)

The Road Fund, which is managed by the National Road Fund Agency (NRFA) on behalf of the Road Sector Agencies, provides sources of funding for road works and services in Zambia in line with the approved National Budget by Parliament. The resource envelope include local funding from the Government of the Republic of Zambia (GRZ) in the form of Road Tolls, Fuel Levy and other Road User charges; funding from Multilateral Development Banks (MDBs) such as the World Bank, European Investment Bank (EIB), Export and Import (Exim) Bank of China, African Development Bank (AfDB) and various Cooperating Partners such as the European Union (EU) and the Japan International Cooperation Agency (JICA) among others.

In 2023, the Road Sector Annual Work Plan (RSAWP) funding amounted to **ZMW4.91 billion**, of which **74%** was secured from local resources in the form of direct GRZ funding from the Treasury and the Road Fund and the balance **26%** was sourced externally, (as shown in **Table 1** and **Figure 1.1** below). Out of the budgeted **ZMW 4.916 billion**, a total of **ZMW 3,961,358,070.86** was disbursed.

Table 1: Comparative Analysis of Budget Ceilings for 2023

SN	Source of Funds	Budget Ceiling ZMW
1	Local Component	3,621,344,716
2	External Component	1,284,853,994
	TOTAL	4,906,198,710

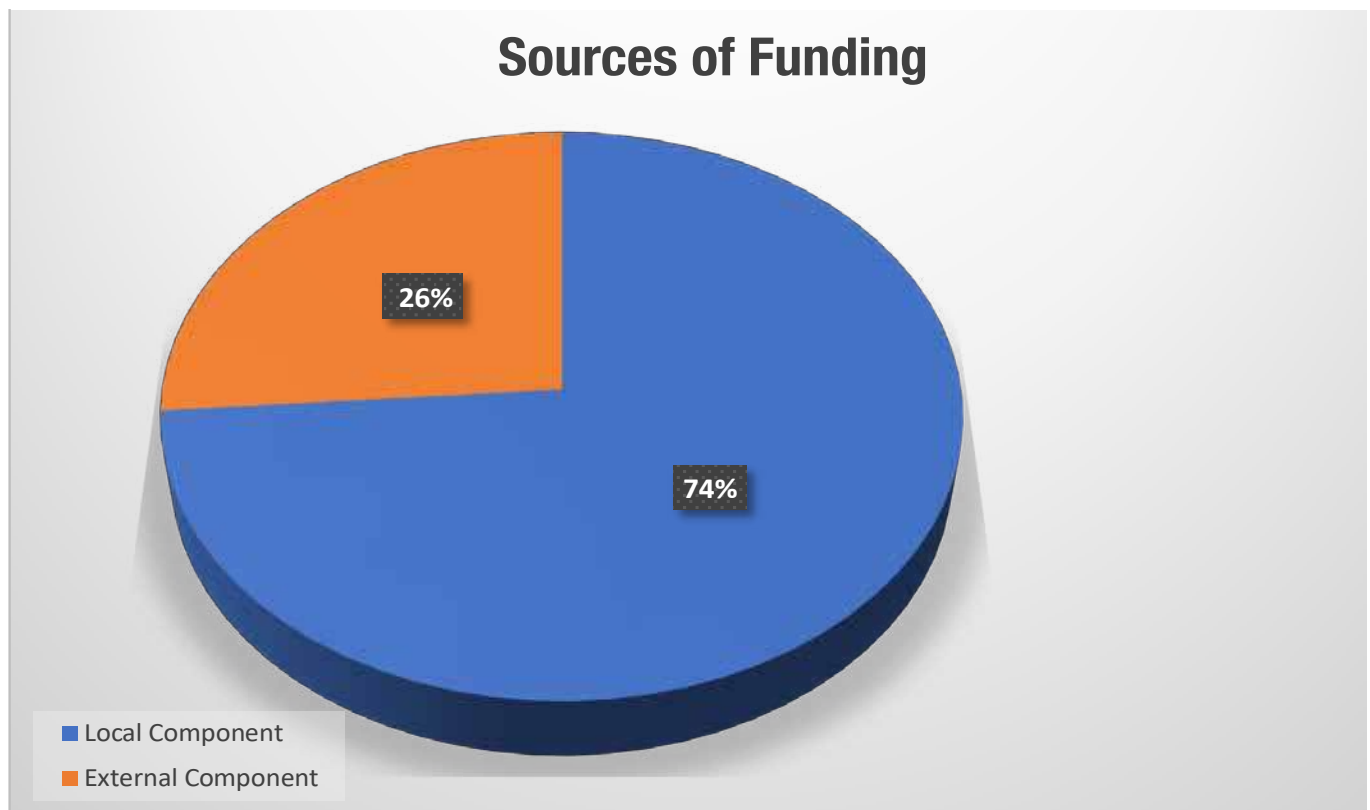


Figure 1.1: 2023 RSAWP Funding by Source

SECTION 2

2.0 ZAMBIAN ROAD NETWORK

2.1.1 Gazetted and Core Road Network

The total Gazetted Road Network in Zambia is 67,671 kilometres of which 40,454 kilometres comprises the Core Road Network (CRN) which is defined as “the barest minimum network which when improved will spur economic development and contribute to poverty reduction”. The CRN consists of Trunk, Main and District (TMD), Urban and Primary Feeder roads as shown in **Figure 2.1**.

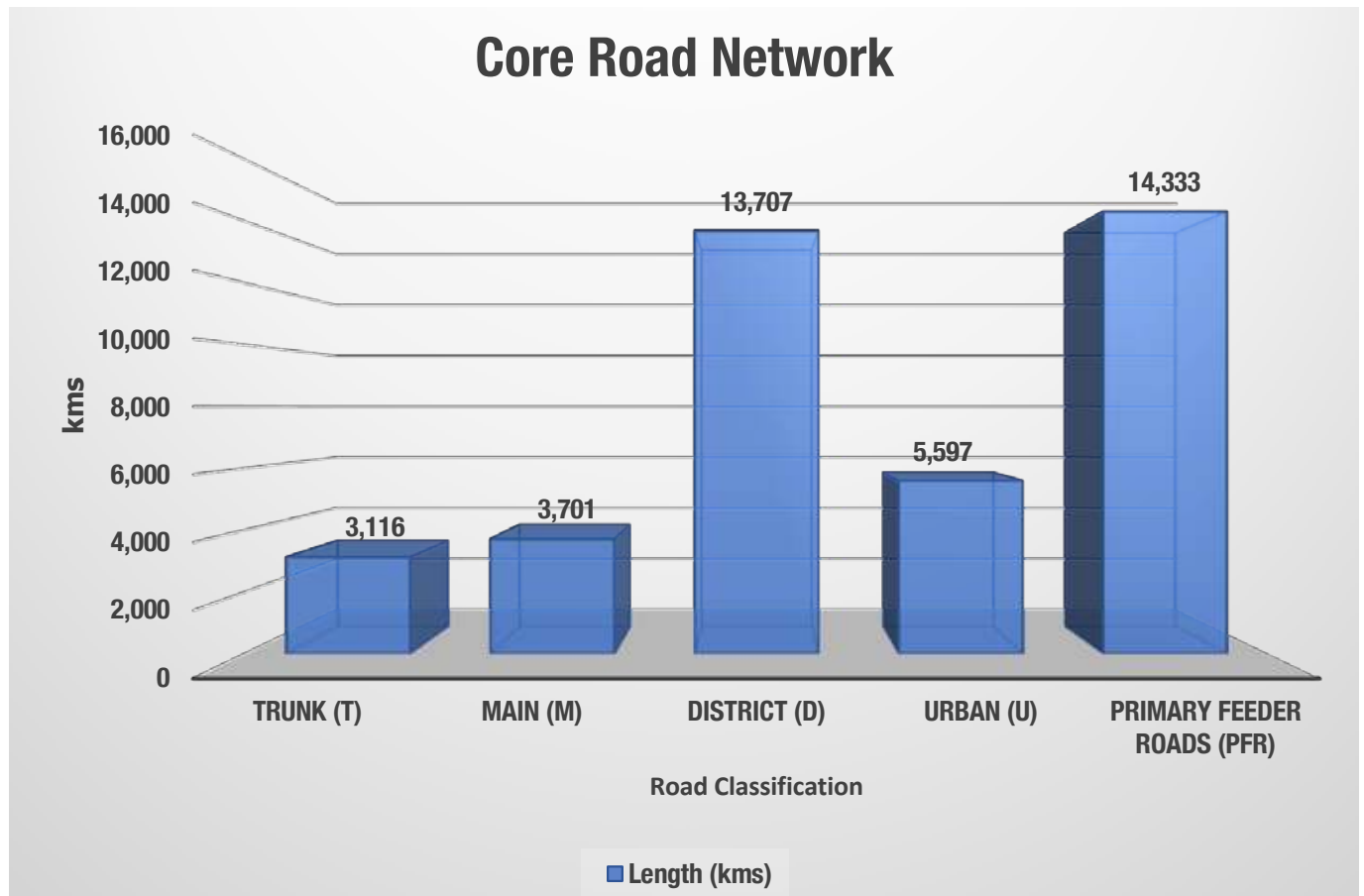


Figure 2.1: Core Road Network in Zambia

The RDA has delegated management of some roads to Local Road Authorities (LRAs) and the Department of National Parks and Wildlife (DNPW) in accordance with the Public Roads Act.

Non-Core Road Network (kms & %)

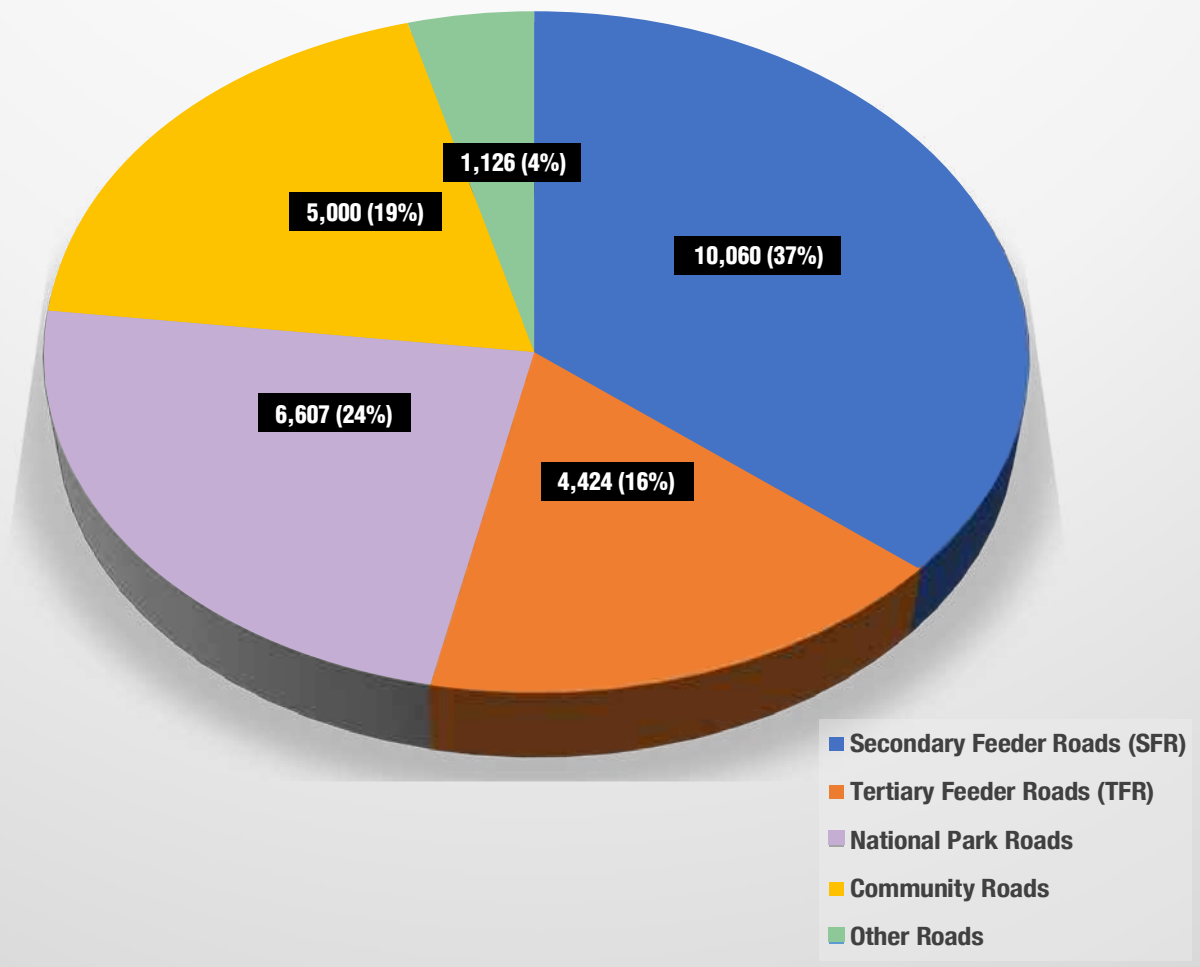


Figure 2.2: Non-Core Road Network in Zambia

2.1.2 Road Reserve and Road Safety Management

The Agency continued to respond to applications for infringement on the different categories of roads, advised developers on encroachments and undertook road infringement inspections on various roads. Sixty-two (62) road infringement applications were processed in 2023. Among these applications, fifty-five (55) were approved, two (2) were referred to the Local Authorities and five (5) rejected due to safety concerns.

The RDA participated in six (6) out of the targeted ten (10) road safety and risk assessment inspections of the following roads:

1. T001 Road between Turnpike and Livingstone;
2. Batoka-Maamba Road, (jointly with RTSA);
3. Leopards Hill Road, between Njolwe and Mikango Barracks;
4. T002 Road at the Chilanga Cement Overpass Bridge;
5. T002 Road between Chinsali and Nakonde (Lots 1 and 2); and
6. T002 Road at Mungule Junction.

In a bid to enhance safety and road user awareness on the road network, the Agency commenced the procurement of 1,516 road signs including 432 tourism site information and guidance signs. The supply and erection of these signages is expected to take place in 2024.

SECTION 3

3.0 PLANNING, DESIGN, RESEARCH AND DEVELOPMENT

The Road Development Agency (RDA) planned and implemented activities in line with the 2023 Road Sector Annual Work Plan (RSAWP). The planning and implementation revolved around ensuring the achievement of the Agency's mandate.

3.1.1 Implementation of Public Private Partnerships (PPPs)

The RDA continues in fostering trade and investment by providing an enabling environment for the private sector participation in road infrastructure development through the Public Private Partnerships (PPPs). The Agency has negotiated and signed seven (7) Concession Agreements (CAs) for PPP projects, with four (4) CAs to be signed in 2024. The CAs signed in 2023 include the following:

3.1.1.1 Lusaka-Ndola Dual Carriageway Project

The CA for upgrading of the Lusaka-Ndola Road into a dual carriageway was signed on 28th February 2023 with Messrs. Macro Oceans Investment Consortium (MOIC-LN) at a cost of **US\$ 649,976,167.00**. The concession period is for twenty-five (25) years with a construction period of three (3) years and twenty-two (22) years for operations and maintenance. The project scope is to upgrade 327 kilometres of the road to dual carriageway from Lusaka to Ndola. The project will also involve the rehabilitation of 45 kilometres of the Masangano-Luanshya Road, construction of approximately 30 kilometres of bypasses in Kabwe and Kapiri Mposhi towns. Financial Close is anticipated to be attained in 2024 and the actual works are anticipated to commence thereafter. Notwithstanding the foregoing, the Concessionaire has undertaken emergency maintenance works on the existing road from Kabwe to Ndola and in addition constructed a 2.5 kilometres dual carriageway concrete road entering Ndola. At the close of the year, progress under emergency works stood at 86%.



Figure 3.1: Construction works on the 2.5 kilometres dual carriageway in Ndola

3.1.1.2 Lumwana-Kambimba Border

The CA for upgrading of the 85 kilometres Lumwana-Kambimba Road and construction of the one stop border facilities at Kambimba was signed on 26th September 2023 with Messrs. Sandstone Limited. The total construction cost of the project is **US\$ 118,934,196.00** for a twenty-five (25) year concession period comprising two (2) years construction phase and twenty-three (23) years operation and maintenance. Financial Close is expected to be attained in 2024.

3.1.1.3 Ndola-Mufulira Road and Sakania Border Post Infrastructure

The CA for the finance, design, build, operate, maintain and transfer of 55 kilometres of the Ndola-Sakania-Mufulira Road and border infrastructure at Sakania on the Copperbelt Province was signed on 16th October 2023 with Messrs. Jaiyou Ports Limited. The concession period is for twenty-two (22) years. The total construction cost is **US\$ 76,129,229.48** with three (3) years being the construction period and nineteen (19) years for operation and maintenance. Financial Close is expected to be attained in 2024.



Figure 3.2: Infrastructure, Housing and Urban Development Minister, Hon. Eng. Charles Lubasi Milupi and Jaiyou Ports Limited Chief Executive Officer, Mrs. Meng Lian, at the signing of the CA for the development of Sakania Border Post and the Ndola-Mufulira Road on the Copperbelt Province

3.1.1.4 Katete - Chanida Road and Border Post Infrastructure

The CA for the PPP project involving the finance, design, build, operate, maintain and transfer of 55 kilometres of the Katete-Chanida Road and border post infrastructure including the construction of a 2 kilometre divided dual carriageway within the Chanida border area, in Eastern Province, was signed on 9th October 2023 with Messrs. Lutembwe Consortium Limited. The concession period is twenty-five (25) years. The total construction cost is **US\$ 79,785,115.00** with two (2) years construction period and twenty-three (23) years operation and maintenance. Financial Close is expected to be attained in 2024.



Figure 3.3: RDA Director and Chief Executive Officer, Eng. Grace Mutembo signed the CA on behalf of the GRZ, while Lutembwe Consortium Limited General Manager, Mr. Yusuf Alloo signed on behalf of the Concessionaire

3.1.1.5 Chingola-Kasumbalesa Road

The CA for the rehabilitation of the Chingola-Kasumbalesa Road was signed on 31st October 2022 with Messrs. Turbo Kachin Investment Consortium Limited. The concession period is eighteen (18) years and the scope of works involves rehabilitation and widening of 31.8 kilometres of the existing road from Chingola to Kasumbalesa and construction of a 3 kilometre Kasumbalesa urban dual concrete paved carriageway and a Toll Plaza. The total construction cost of the project was **US\$ 41,364,681** Value Added Tax (VAT) inclusive. The Concessionaire commenced construction works in April 2023 and completed it in November 2023. The Concessionaire entered the commercial operation phase on 1st December 2023.

3.1.1.6 Other PPP Projects

The Agency signed two (2) PPP projects in 2016 and 2021 namely the Kasomeno-Mwenda Road/Bridge and the Chingola-Solwezi Road respectively. Both projects are yet to attain Financial Close.

3.1.2 Road Condition Surveys

In 2023, the RDA undertook an in-house Road Condition Survey of Trunk and selected Main and District roads. The survey results showed that 23% of the Trunk roads are in poor condition, 41% are in good condition and 36% in very good condition. The high percentage of the very good condition is attributed to the recent investment in the rehabilitation of the Turnpike-Mazabuka Road. The good condition is because of the high resilience exhibited on the Monze-Zimba section and the previous works on the Livingstone-Zimba section.

The overall condition of the Main roads from the survey, shows that 38% are in poor condition, 56% are in good condition and 6% in very good condition.

3.1.3 Collaborative Research Activities

The Agency also undertook several research and development activities during the period under review. These include:

- i. The design and build of a rigid pavement on the 7 kilometres Chibuluma Road signed on 11th August 2023 at a contract sum of **ZMW 119,520,703.01** VAT inclusive for a 12 months contract duration;
- ii. Pavement investigation from Luangwa Bridge to Nyimba;
- iii. Hosting of the International Conference on Sustainable Transportation in Africa-ICTA 2023 Conference;
- iv. Research on innovations and non-conventional products and technologies;
- v. Review of conditions of contracts provisions on defects liability period;
- vi. Participation in the ePing training workshop hosted by the Ministry of Commerce, Trade and Industry;
- vii. Participation in the 27th World Road Congress in Prague-Czech Republic;
- viii. Development of ROSMA (Road Safety Mobile Application) which was launched as a way of preventing road traffic accidents caused by vandalism of road signs on public roads; and
- ix. Development of standard design guidelines for rigid and flexible pavements.

3.1.4 Updating of the Road Sector Investment Programme (RoadSIP III)

The GRZ engaged Messrs. LEA Associates South Asia Pvt Limited to update a ten-year Draft Investment Plan. The Plan was submitted in December 2023 and the RDA in conjunction with key stakeholders reviewed the document at a national stakeholder's workshop held on 20th December 2023. The final document is expected to be submitted towards the end of 2024 after incorporating the comments that the various stakeholders raised and submitted. The Plan is expected to be adopted by Cabinet in 2024.



Figure 3.4: A group photograph of some delegates who attended the stakeholder's engagement on the Draft Road Sector Investment Plan (RoadSIP III)

3.1.5 Materials Testing and Quality Control Monitoring

The Agency undertook quality control testing activities to enhance the quality of works on various road projects. These tests were undertaken on thirty-four (34) projects. The RDA, through its Central Materials Laboratory (CML) continued conducting testing services for other clients. The total revenue generated from the provision of these services in 2023 was **ZMW 407,991.48**.

3.1.6 Environmental and Social Safeguards Matters

3.1.6.1 Compensation of Project Affected Persons (PAPs)

The Agency undertook compensation activities on several road projects to compensate Project Affected Persons (PAPs). These projects included the Chinsali-Nakonde Road, Solwezi-Kipushi Road, Kasomeno-Mwenda Road/Bridge, Lusaka 400 project among others. Verification of PAPs on the Mpika- Chinsali Road was concluded in 2023.

3.1.6.2 Other Environmental and Social Safeguards Studies

Environmental and social assessments were also conducted in 2023 on the following major projects:

- i. Serenje-Mpika Road rehabilitation project; and
- ii. Lusaka-Ndola dual carriageway project.

3.1.7 Bridge Activities

3.1.7.1 JICA Support

The RDA continued to participate in various meetings and on-the-job training programme under the Japan International Cooperation Agency (JICA) Technical Cooperation Project (TCP) on bridge maintenance. JICA facilitated the training of six (6) staff in special bridge maintenance processes and an executive training in bridge maintenance for four senior RDA Staff in Japan.

3.1.7.2 Kazungula Bridge Project

The Kazungula Bridge connects Zambia and Botswana at the confluence of the Zambezi and Chobe Rivers. The project to construct the bridge and One-Stop Border Post (OSBP) facilities at Kazungula in Zambia and Kasane in Botswana was jointly undertaken by Zambian and Botswana Governments.

After the commissioning of the bridge and the OSBP, processes to establish the Kazungula Bridge Authority (KBA) have been underway. A Draft Bill was developed after the appointment of the Committee Members from various institutions selected to formulate the Bill on the establishment of the KBA.

The Draft Bill was availed to the Botswana legal team for review and both the legal teams held meetings to finalise the Draft Bilateral Agreement. A Draft Host Agreement as well as an Addendum to the Sponsor's Agreement were also considered for the finalization of the Legal Framework to establish the KBA.

3.1.7.3 Bridge Inspections

The RDA undertook inspections and condition surveys of bridges across the country. The following inspections were undertaken:

Table 2: Bridge Inspections Undertaken in 2023

SN	Bridge Name	Province	Target No./ Frequency of Inspections	Achievement
1.	Victoria Falls Bridge	Southern	Once annually	One (1) inspection was conducted in September 2023.
2.	Otto Beit Bridge and New Chirundu Bridge	Lusaka	Quarterly	Four (4) inspections were conducted at the end of each quarter of 2023.
3.	Mwembeshi Bridge	Central	As and when required	One (1) inspection was conducted prior to transportation of an abnormal load over the bridge.
4.	Bemba Bridge	Muchinga	As and when required	One (1) inspection was conducted.
5.	Chingola Bridge	Copperbelt	As and when required	One (1) inspection was conducted.

3.2 PROCUREMENT

Procurement activities for works, goods as well as consulting and non-consulting services were carried out in accordance with the Public Procurement Act No. 8 of 2020 and the Public Procurement Regulations of 2022.

3.2.1 Works

Sixteen (16) works tenders were advertised in 2023. Eighty-eight (88) works contracts valued at **ZMW 2,162,789,495.21** were awarded in 2023 from procurements that had commenced before and in 2023. Of the eighty-eight (88) awarded contracts, six (6) contracts valued at **ZMW 1,534,631,798.75** were signed while others were at various approval levels.

3.2.2 Consulting Services

Seventeen (17) procurement processes for consulting services were commenced in 2023. Twelve (12) contracts totalling **ZMW 99,122,766.56** and **US\$ 3,037,335.72** were awarded in 2023, from procurements that had commenced before and in 2023. Six (6) of these contracts valued at **ZMW 11,711,567.21** and **US\$ 3,097,930.00** were signed.

3.2.3 Goods and Non-Consulting Services

Six (6) formal tenders for goods and non-consulting services were advertised in 2023 and nine (9) contracts worth **ZMW 48,861,023.03** and **US\$101,992.06** from procurements that had commenced before and in 2023, were awarded. Five (5) contracts valued at **ZMW 14,929,335.54** and **US\$ 674,702.47** were signed in 2023.

In addition, one hundred and fifty-eight (158) purchase orders totalling **ZMW 80,256,274.69** and **US\$ 47,688.08** were executed through the simplified bidding procedures in 2023.

3.3 CONSTRUCTION, UPGRADING AND REHABILITATION WORKS

The Agency continued supervising and monitoring the upgrading, rehabilitation and construction of the road network as well as associated infrastructure such as bridges, weighbridges and Toll Plazas in line with the provisions in the 2023 RSAWP.

Project financing improved following the prioritization of a limited number of projects in the 2023 RSAWP. However, inclement weather in some cases, continued to affect the physical progress of projects. However, notable achievements were recorded as highlighted below.

A total of 33.92 kilometres was surfaced during 2023 as shown in the **Table 3** below.

Table 3: Summary of Surfaced Roads

Item	Project Title	Length (km)	Status
1.	Mongu-Limulunga Road	4.3	Ongoing
2.	Chinsali-Nakonde Road Lot 1	1.7	Ongoing
3.	Chinsali-Nakonde Road Lot 2	22.0	Ongoing
4.	Kafue-Mazabuka Road Lot 2	3.8	Completed
5.	New Kasama Township Roads	2.12	Completed
	TOTAL	33.92	

Notably, the Luanginga and the Silanda Bridges under Mongu-Limulunga Road project in Western Province were completed during the period under review. A physical progress of 55% was attained on the construction works of the Kamphemba Bridge in Eastern Province and is expected to be completed in 2024.



Figure 3.5: Luanginga Bridge



Figure 3.6: Silanda Bridge

Due to the persistent fiscal challenges experienced from 2016 to-date, it has become imperative to review the implementation plan of selected projects. The Agency identified several projects that had stalled and in consultation with relevant stakeholders commenced with termination of some of the projects to align with Governments direction of debt restructuring and fiscal consolidation.

The Agency also commenced with termination of contracts for the stalled projects. **Table 4** shows the progress on the termination of contracts.

Table 4: Summary Status for Termination of Stalled Projects for Civil Works

S/N	CATEGORY	NUMBER
1	Negotiated	30
2	Submitted awaiting negotiations	14
3	Unsubmitted	21
4	Contractor Financed Initiative (CFI)	11
	TOTAL	76

Thirty-six (36) services contracts will be closed after the successful completion of the closure of the civil works.

3.4 ROAD MAINTENANCE AND EMERGENCY WORKS

3.4.1 Implementation of the Revised Road Maintenance Strategy

The RDA carries out road maintenance programmes on the Core Road Network (CRN) in line with the revised Road Maintenance Strategy.

The maintenance activities are classified under the following categories:

- Routine Maintenance:** These are works applied on road/drainage structures in good and fair conditions to preserve the road/drainage structure asset by keeping it in a maintainable condition. The scope of works includes among others: pothole patching, vegetation control, road line marking, and drainage works;
- Periodic Maintenance:** These are works carried out after a specified maintenance period has been attained, once in seven (7) years, and include works such as gravelling, resealing, overlay and road line marking;
- Force Account Works:** These are in-house works and usually small projects undertaken by the Agency through its Regional Offices;
- Emergencies:** These are unplanned works carried out in reaction to adverse weather conditions that disrupt the road network and related infrastructure such as culverts, bridges and embankments; and
- Bridge Maintenance:** These are repair works on bridges.

3.4.2 Road Maintenance Projects

The Agency had three (3) road contracts running under periodic maintenance and eighteen (18) road contracts under routine maintenance, during the period under review.

3.4.3 Routine Maintenance of Trunk, Main and District Roads (TMDs)

The Agency had eighteen (18) ongoing routine maintenance contracts valued at **ZMW 42.7 million** covering a total distance of **488.3 kilometres** of both paved and unpaved roads. There was a decrease in the number and value from the status in 2022 when the Agency had **477** ongoing routine maintenance contracts in all the ten (10) Provinces valued at **ZMW 840.0 million** and covering **1,270.64 kilometres**. The reduction was due to lapsed contracts though **519** routine maintenance tenders were under procurement stage. The routine maintenance for both off and on carriageway on TMDs was being carried out using the Force Account through the Regional Offices.

3.4.4 Ongoing Road Projects Under Periodic Maintenance

There were three (3) periodic maintenance road projects that were being undertaken by the Agency in 2023, in three (3) Provinces covering a total of **487.0 kilometres** as detailed in Table 5 below.

Table 5: Ongoing Periodic Maintenance Road Projects

S/N	PROVINCE	ROAD	ROAD LENGTH (kms)
1	Southern	Livingstone – Sesheke (Lot 2)	97
2	Eastern	Chipata – Lundazi (M12)	90
3	Muchinga	Lukulu – Chinsali (T2)	300
	Total		487

**Figure 3.7: Reconstruction works on the damaged section of the Great North Road from Lukulu Bridge**

3.4.5 Feeder Roads

There were fourteen (14) projects under the Improved Rural Connectivity Projects (IRCP) supported by the World Bank funding in Central, Eastern, Northern, Luapula, Southern, North-Western and Muchinga Provinces, covering a total distance of **3,167.53 kilometres** with a contract sum of **ZMW 1.687 billion**.

A total of **156.6 kilometres** of the feeder roads were rehabilitated in 2023 under the IRCP. This brought the total cumulative rehabilitated roads under the project to **1,722.70 kilometres**. These roads have entered the maintenance phase of the project. The project aims at rehabilitating **4,300.0 kilometres** of feeder roads to all-weather gravel standard covering in all the 10 Provinces of Zambia. A total value of **ZMW 717,216,632.47** of completed works has been certified under the IRCP to-date, representing financial progress of 41.65%.



Figure 3.8: A completed primary feeder road under the maintenance phase in Samfya District in Luapula Province

3.4.6 Installation of Road Signs on TMDs

As part of the Strategic Objective to improve Road Asset Management, the RDA initiated the procurement of 1,516 road traffic signs to be installed on the TMDs and 267 information and guidance signs to tourism sites spread country-wide. The procurement of the signs will be concluded in 2024 including the start of the installation process.

3.5 BRIDGE WORKS

3.5.1 Bridge Routine Maintenance on the CRN

The Agency, under the JICA-Technical Cooperation Project (TCP) II, continued to implement the roll-out programme of the routine bridge maintenance. Three (3) contracts for routine bridge maintenance covering thirty-three (33) bridges had been awarded in Northern, Southern and Copperbelt Provinces and works had commenced with the works substantially completed in Southern Province. 84% progress had been recorded on the contract in Northern Province while 36% progress had been recorded on the contract in Copperbelt Province.

3.5.2 Repair of Bridges on the CRN

The Agency, with support from JICA facilitated the preparation of documents for pilot bridge repair projects in Western and Lusaka Provinces covering the Katima Mulilo, Luena and Rufunsa bridges. The contract was signed, and works in progress stood at 47%.



Figure 3.9: Repair works at Luena Bridge in Western Province



Figure 3.10: Repair works at Rufunsa Bridge in Lusaka Province

3.5.3 Acrow Bridge Programme

The GRZ through the then Ministry of Transport, Works, Supply and Communication and the RDA, jointly entered into a contract on 6th September 2013 with Acrow Corporation of America for the arrangement of financing, design, fabrication and delivery of one hundred and forty-four (144) prefabricated steel bridges at a total cost of **US\$ 73,776,849.00**. The project was financed through a Credit Agreement entered between the Ministry of Finance, the Export Import Bank of the United States of America (USA) and Citi Bank. The GRZ was to provide financing for the construction of the Sub-structures (Abutments and Piers) and the installation of the bridges.

However, only one hundred and thirty-one (131) bridges were procured and will be installed as there was a reduction due to the following: -

- (a) Some bridges were removed since works to construct them were already being undertaken through other programmes;
- (b) Some bridges were combined; and
- (c) Some bridges were not approved by the Export Import Bank of the USA.

Despite the receipt of these steel bridges in Completely Knocked-Down (CKD) form in 2019 no progress was achieved in the civil works due to financial constraints as the plan was to install all these bridges within a period of two years. The project was replanned in 2023 where specific number of bridges were being handled taking into account financial resources available.

The RDA was constructing fourteen (14) Acrow Bridges through collaborative efforts with the Zambia Army (ZA) and the Zambia National Service (ZNS) and three (3) under the Force Account through the RDA Regional Offices. Works on eight (8) Acrow Bridges have been completed.



Figure 3.11: Luombwa Acrow Bridge under construction in Serenje District through Force Account

3.5.4 General Force Account Works

To support the Strategic Objective of improving the Road Asset Management, the Agency carried out road and bridge maintenance works under Force Account through the Regional Offices. As of 31st December 2023, the Agency had works in progress valued at **ZMW 531,382,558.00** under the Force Account and out of this a sum of **ZMW 440,531,153.00** had been released leaving an outstanding amount of **ZMW 90,851,404.00**.

The major challenges in undertaking these works were:

- Inadequate funding as compared to the demands that exists on the ground;
- The volume of the Force Account works per Region had increased over the last two years and this had resulted in challenges related to human resource availability and capacity to handle these works; and
- Non-availability of reliable equipment in Regional Offices.

3.5.5 Emergencies under Force Account/Contract

The RDA undertook several emergency works either under the Force Account or on contract. The emergency works were part of the Strategic Objective of improving the Road Asset Maintenance and were aimed at mitigating against any potential damage to infrastructure that was likely to cause disturbances on the road network, particularly during the rainy season.

In 2023, the RDA Regional Offices, undertook assessment of road infrastructure including bridges and culverts that were damaged or showed signs of structural failure during the 2022/2023 rainy season. This was a proactive measure whose estimated cost of attending to vulnerable infrastructure was **ZMW 586.00 million**.

Notable progress under emergency maintenance works was on T002 Road section between Lukulu Bridge and Chinsali Turn-off (300 kilometres) where 62% progress was attained. Further, progress was achieved on the emergency maintenance works on the Livingstone-Sesheke Road (M10) where 70% progress was achieved.

3.5.6 Progress of Toll Plaza Construction Works under Force Account

Five Toll Stations were being upgraded to Class C in 2023. Considerable progress had been attained at the Kalense Toll Station which was substantially completed and progress at Mweeke Toll Station stood at 95% while works at Kateshi Toll Station had attained a progress of 75%.

3.6 AXLE LOAD CONTROL

Enforcement of Axle Load Control is implemented with the use of fixed and mobile weighbridges. The objective of the Axle Load Control is twofold:

- i. To protect public roads from damage caused by overloaded vehicles; and
- ii. To reduce the risks of traffic accidents on public roads caused by over-dimensional vehicles carrying abnormal loads.



Figure 3.12: A mobile weighbridge mounted to monitor overloads along a township road

3.6.1 Fixed Weighbridges Traffic Statistics

A total of **920,039** Heavy Goods vehicles (HGVs) were weighed at the RDA weighbridge stations countrywide and **19,408** HGVs were found overloaded as shown in **Table 6**. In 2022, **769,943** HGVs were recorded, and **17,452** HGVs were overloaded, representing an increase of 19.5% and 11.21% in the number of units weighed and overloaded vehicles respectively. A compliance percentage of 97.89% was recorded from weighbridge statistics only and does not represent the countrywide compliance, as there could have been cases of overloaded HGVs in areas with no fixed weighbridges operated by the RDA.

Table 6: Comparison of Vehicle Statistics at Weighbridges in 2022 and 2023

2022 Traffic Statistics				2023 Traffic Statistics			
Month	No. of weighed vehicles	No. of overloaded vehicles	% Compliance	Month	No. of weighed vehicles	No. of overloaded vehicles	% Compliance
January	50,387	842	98.33	January	66,919	1,595	97.62
February	46,566	1,065	97.71	February	70,907	1,443	97.75
March	55,820	1,244	97.77	March	74,701	1,656	97.78
April	56,952	1,167	97.95	April	66,057	1,461	97.79
May	71,116	1,319	97.05	May	78,167	1,561	98.00
June	69,090	2,118	96.93	June	76,410	1,523	97.78
July	75,774	1,453	98.08	July	80,084	1,971	97.67
August	73,770	1,542	97.91	August	93,144	2,081	97.77
September	84,182	1,644	98.05	September	80,220	1,706	98.08
October	56,003	1,632	97.09	October	80,060	1,568	98.06
November	66,133	1,750	97.35	November	75,187	1,412	98.10
December	64,150	1,676	97.39	December	78,183	1,431	98.10
Total	769,943	17,452	97.73	Total	920,039	19,408	97.89

3.6.2 Abnormal Loads

The number of abnormal loads monitored in 2022 and 2023 is shown in **Table 7**.

Table 7: Number of Abnormal Loads at all Weighbridges in 2022 and 2023

Month	No. of Abnormal Loads - 2022	2022 Widest Abnormal Load (metres)	2022 Highest Abnormal GVM (Tons)	No. of Abnormal Loads -2023	2023 Widest Abnormal Load (Metres)	2023 Highest Abnormal GVM (Tons)
Jan	348	5.2	115,100	783	5.9	77.40
Feb	693	8.7	95,000	770	5.7	99.10
March	831	8.7	95,950	976	5.9	110.52
April	601	6.2	77,780	834	9.2	110.39
May	813	8.7	95,947	1055	9.2	101.00
June	902	7	95,947	957	5.9	187.00
July	873	5.6	77,120	1490	7.5	110.52
August	1,037	6.8	145,900	1790	8.0	176.40
Sept	846	5.8	143,300	1681	6.3	110.00
Oct	870	5.2	77,270	896	8.9	75.90
Nov	1,033	8.7	75,343	839	5.8	110.57
Dec	786	8.7	98,034	743	8.9	170.00
Total	9,633	8.7	145,900	12,814	8.9	170.00

There was a 33% increase in the number of abnormal loads traversing our roads in 2023 compared to 2022. The increase was attributed to the extensive expansion works at Kamoto Mines in Kolwezi and the Democratic Republic of Congo (DRC). In addition the new buyers of Lumwana Mines have also been carrying out the expansion of the open pit which led to increased demand in machinery.

SECTION 4

4.0 IMPLEMENTATION OF THE COMMUNICATION STRATEGY

In line with the Strategic Objective of improving Stakeholder Management, the Agency disseminated information on the mission, vision, the shared values, commitments and activities using various media platforms. This was aimed at promoting public awareness, education, goodwill and mutual understanding between the RDA and its multiple stakeholders.

4.1.1 Media Tours

In 2023, ten (10) media tours were undertaken highlighting the status of road and bridge projects in all the ten (10) Provinces.



Figure 4.1: RDA Acting Director Communications and Corporate Affairs, Mr. Anthony Mulowa speaking to Journalists at Kafue River Bridge in Kitwe during a media tour

4.1.2 Stakeholder Management

4.1.2.1 Inter-Governmental Meeting on the Kasomeno-Mwenda Road, Bridge Project

The construction of the Kasomeno-Mwenda Toll Road and Bridge Project is among the priority projects for Zambia. The road and bridge will connect Zambia at Mwenda and Kasomeno in the Democratic Republic of Congo (DRC), giving an alternative shorter route from Dar es Salaam into the DRC.

The Agency hosted the Inter-Governmental meeting, which was also attended by the Concessionaire, Groupe Européen de Développement (GED), held in Livingstone from 1st to 4th March 2023. The meeting also looked at formulating a roadmap for the development of the One-Stop Border Post (OSBP) at Mwenda.

4.1.2.2 Engagement of Schools on Vandalism of Road Furniture

The RDA conducted sensitization discussions with pupils and managements of six (6) schools in Lusaka to create awareness on the importance of road furniture and road reserves. Incorporated in the campaign was the aspect on processes required to erect speed humps on roads near schools. This has been necessitated by the mushrooming of illegal speed humps constructed on roads near schools in Lusaka. The following schools were engaged:

1. Chibolya Combined School;
2. Kizito Primary School;
3. Kasamba Basic School;
4. Kalingalinga Primary School;
5. Chibelo Primary School; and
6. Vera Chiluba Primary School.

4.1.2.3 ICTA 2023 Conference

The Agency hosted the 8th International Conference on Transportation in Africa at Avani Hotel in Livingstone from 26th to 29th June 2023.

The symposium held under the theme: “Smart Innovations for Solving Critical Infrastructure Challenges” was officially opened by Ministry of Infrastructure, Housing and Urban Development Permanent Secretary, Prof. Albert Malama.

The Conference attracted local and international delegates in the transport profession from the Academic, Business and Government sectors with a commitment to offer solutions to critical challenges facing transportation.



Figure 4.2: The Guest of Honour with Delegates to the 8th International Conference on Transportation in Africa Pose for a Group Photograph at Avani Hotel in Livingstone

4.1.2.7 Zambia International Trade Fair (ZITF)

The Zambia International Trade Fair (ZITF) is the biggest International Exhibition in Zambia that promotes trade and investment. The ZITF underscores the focal role it plays as a platform for promoting Cross Border Trade and attracts participation from all sectors of the economy.

The 57th ZITF was held from 28th June to 4th July 2023 under the theme: “Stimulating Economic Development through Partnerships, Trade and Investment.” The ZITF provided an interactive forum for the RDA to engage and manage stakeholders. The RDA scooped the first prize under the best “Exhibit-Transport Services and Allied Industries” category.

4.1.2.8 The 94th Agricultural and Commercial Show

The RDA scooped two (2) awards during the 95th Agricultural and Commercial Show held in Lusaka from 2nd to 7th August 2023, under the theme “Inclusive Economic Transformation.” The RDA scooped the first prize in the “Transport Exhibit” category and second prize in the “Best Government Exhibit” category.



Figure 4.3: RDA Exhibitors with the RDA Board of Directors Chairperson, Eng. Mulchand Kuntawala (Eighth from left), at the Agency Stand

4.1.2.9 Stakeholder Engagements on Effective Axle Load Control

The RDA held stakeholder engagements with truck drivers, transporters and warehouse owners to enlighten them on the importance of effective axle load control measures.

The activity which took place from 16th to 25th August 2023 was aimed at raising awareness, encouraging compliance and fostering collaboration among stakeholders to improve road infrastructure and transportation efficiency.

Stakeholders in the transportation sector were engaged in Chirundu, Kafue, Kapiri Mposhi, Ndola, Kitwe, Chingola, Kasumbalesa and Solwezi.

The RDA through the Axle Load Control Unit is mandated with the responsibility to safeguard road and bridge infrastructure by regulating the permissible axle load, axle group combinations and vehicle dimensions.

4.2 Government Relations

4.2.1 Commissioning of the Lunchu Acrow Bridge

The commissioning of the Lunchu Acrow Bridge in Kapiri Mposhi District of Central Province took place on 13th February 2023 and the event was graced by Infrastructure, Housing and Urban Development Minister, Hon. Eng. Charles Lubasi Milupi, MP. The Lunchu Acrow Bridge was constructed by the RDA and the Zambia National Service (ZNS) at a cost of **ZMW4.20 million**.

4.2.2 Signing of Concession Agreement for the Lusaka-Ndola Dual Carriageway

The RDA and the Public Private Partnership (PPP) Department under the Ministry of Finance and National Planning, spearheaded and coordinated activities leading to the signing of the Concession Agreement (CA) with Macro Ocean Investment Consortium (MOIC-LN) for the upgrading to dual carriageway, the 327 kilometres of the Lusaka-Ndola Road under the PPP framework.

The event which was held at Protea Hotel in Ndola on 28th February 2023 was witnessed by Infrastructure, Housing and Urban Development Minister, Hon. Eng. Charles Lubasi Milupi, MP; Finance and National Planning Minister, Hon. Dr. Situmbeko Musokotwane, MP; Commerce, Trade and Industry Minister, Hon. Chipoka Mulenga, MP; Transport and Logistics Minister, Hon. Frank Tayali, MP; Copperbelt Province Minister, Hon. Elisha Matambo, MP; and the then Central Province Minister, Hon. Credo Nanjuwa, MP; and the then Information and Media Minister, Hon. Chushi Kasanda, MP.



Figure 4.4: RDA Director and Chief Executive Officer Eng. Grace Mutembo (left) exchanging signed Concession Agreement with MOIC-LN Consortium Chief Executive Officer, Mr. E. Shangfa. Looking on is Transport and Logistics Minister, Hon. Frank Tayali and Finance and National Planning Minister, Hon. Dr. Situmbeko Musokotwane

4.2.3 Commissioning of the Kafue Hook Bridge

The commissioning of the rehabilitated Kafue Hook Bridge in the Kafue National Park in Mumbwa District of Central Province was held on 24th May 2023. The event was officiated by the Infrastructure, Housing and Urban Development Minister, Hon. Eng. Charles Lubasi Milupi, MP.



Figure 4.5: Western Province Minister, Hon. Kapelwa Mbangweta, Infrastructure, Housing and Urban Development Minister, Hon. Eng. Charles Lubasi Milupi and the then Central Province Minister, Hon. Credo Nanjuwa, cut the ribbon to signify the official opening of the Kafue Hook Bridge

4.2.4 Signing of the Concession Agreement for the Construction of the Lumwana-Kambimba Road and Border Post

The Concession Agreement (CA) to pave way for the construction of the Lumwana-Kambimba Road and border infrastructure under the PPP framework was signed on 26th September 2023 at Kansanshi Hotel in Solwezi.

The event was officiated by Infrastructure, Housing and Urban Development Minister, Hon. Eng. Charles Lubasi Milupi, MP. In attendance were Transport and Logistics Minister, Hon. Frank Tayali, MP; Technology and Science Minister, Hon. Felix Mutati, MP; and Commerce, Trade and Industry Minister, Hon. Chipoka Mulenga, MP.



Figure 4.6: RDA Director and Chief Executive Officer, Eng. Grace Mutembo signing the CA for the Construction of the Lumwana-Kambimba Road and Border Infrastructure



Figure 4.7: Infrastructure, Housing and Urban Development Minister, Hon. Eng. Charles Lubasi Milupi (right) and Sandstone Consortium Representative, Mr. Marcus Ascott exchange the signed copies of the CA

4.2.5 Signing of the Concession Agreement for the Construction of the Katete-Chanida Road

The Agency spearheaded the preparation and hosting of the signing of the CA for the reconstruction of the Katete-Chanida Road and associated border infrastructure under the PPP financing model.

The event, which was held on 9th October 2023 in Katete District along the project corridor, was graced by Infrastructure, Housing and Urban Development Minister, Hon. Eng. Charles Lubasi Milupi, MP, and witnessed by Transport and Logistics Minister, Hon. Frank Tayali, MP; Technology and Science Minister, Hon. Felix Mutati, MP; and Eastern Province Minister, Hon. Peter Phiri, MP.

4.2.6 Signing of the Concession Agreement for the Construction of Sakania Border Post Infrastructure, Access Road and Ndola-Mufulira Road

The Government through the RDA as the Contracting Authority signed a CA with Jaiyou Ports Limited for the development of Sakania Border Post infrastructure, access road and 61 kilometres of the Ndola-Mufulira Road on the Copperbelt Province.

The CA was signed on 16th October 2023 in Mufulira District. The event was officiated by Infrastructure, Housing and Urban Development Minister, Hon. Eng. Charles Lubasi Milupi, MP, and witnessed by Commerce, Trade and Industry Minister, Hon. Chipoka Mulenga, MP; Transport and Logistics Minister, Hon. Frank Tayali, MP; and Copperbelt Province Minister, Hon. Elisha Matambo, MP.



Figure 4.8: Road Sector Agencies Board Chairpersons and Vice Board Chairpersons following proceedings during the signing of the CA for the development of Sakania Border Post Infrastructure and rehabilitation of the Ndola-Mufulira Road



Figure 4.9: Public Private Partnership (PPP) Council Members (front row) and guests following proceedings during the signing ceremony of the CA for the development of Sakania Border Post Infrastructure and rehabilitation of the Ndola-Mufulira Road

4.2.7 The Launch of RDA 2022-2026 Strategic Plan

The RDA launched the 2022-2026 Strategic Plan on 22nd November 2023. The event was officiated by Infrastructure, Housing and Urban Development Minister, Hon. Eng. Charles Lubasi Milupi, MP.

The RDA 2022-2026 Strategic Plan has been anchored on the Eighth National Development Plan (8NDP) and in conformity with the Vision 2030.



Figure 4.10: Infrastructure, Housing and Urban Development Minister, Hon. Eng. Charles Lubasi Milupi (fifth from left) with RDA Board Members after the launch of the RDA 2022-2026 Strategic Plan



Figure 4.11: RDA Senior Management Staff pose for a group photograph with Infrastructure, Housing and Urban Development Minister, Hon. Eng. Charles Lubasi Milupi and RDA Board of Directors Chairperson, Eng. Mulchand Kuntawala after the Launch of the RDA 2022-2026 Strategic Plan

SECTION 5

5.0 AUDIT AND RISK ASSURANCE

5.1.1 Assurance and Consulting Activities

The Agency conducted audits of Assurance and Consultancy targeted at the core and support business processes.

5.1.2 Performance under Assurance Activities

Nineteen (19) Assurance and four (4) Consultancy activities were planned for in 2023. As of 31st December 2023, thirty-three (33) auditable units representing 143% of Assurance and Consultancy works were completed as highlighted in **Table 8**.

Table 8: Summary of Consultancy and Assurance Activities Executed in 2023

Activity	Annual Plan	Actual	% Achievement
Works projects	10	13	130
Support processes	9	8	89
Consultancy activities	4	5	125
Ad-hoc activities	0	7	
Total Executed	23	33	143

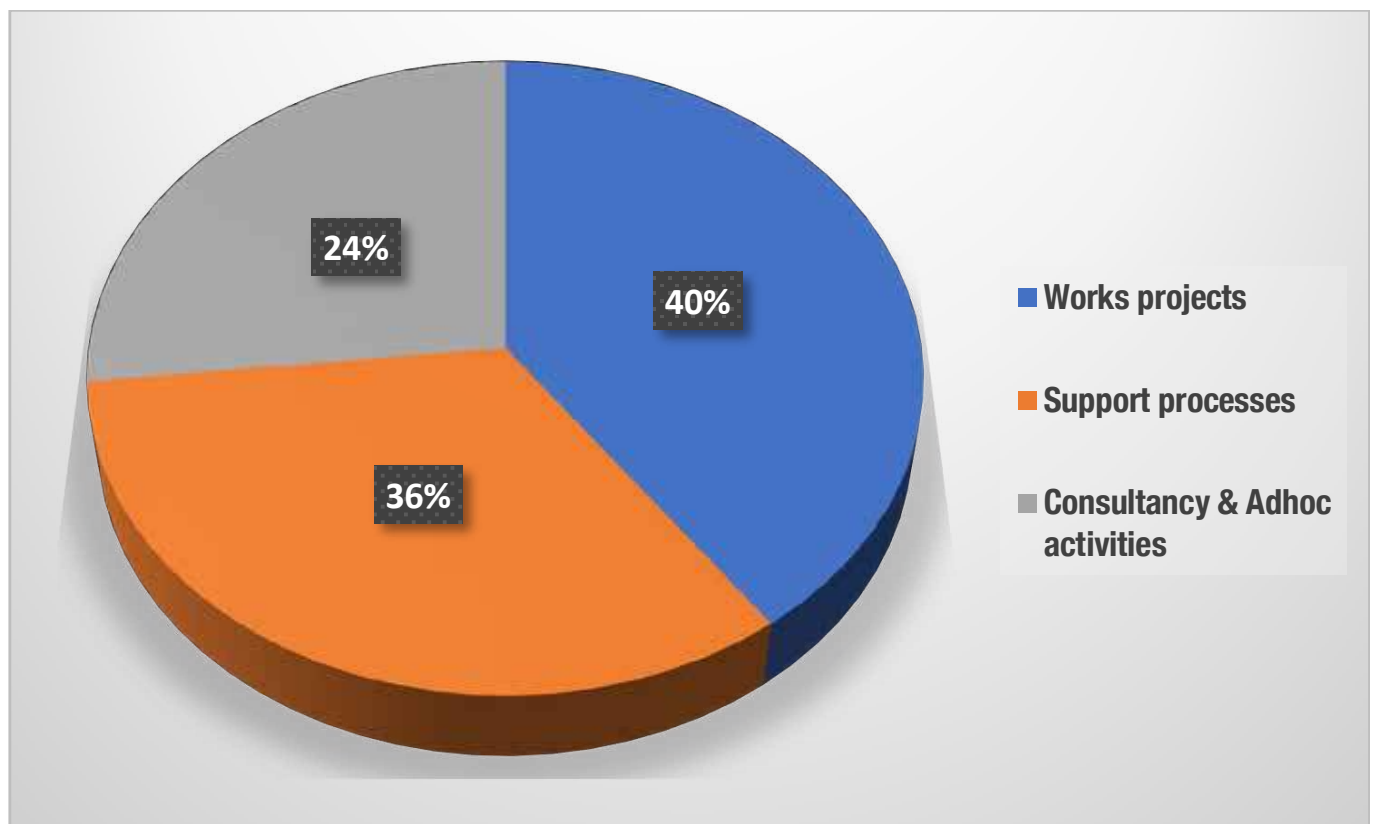


Figure 5.1: Audit Coverage in 2023

5.2 MONITORING AND EVALUATION

The Agency carried out various Monitoring and Evaluation (M&E) activities aimed at ensuring that projects were executed of the right quality, the right cost and the prescribed delivery time. The activities included, among others: vendor rating to assess the performance of the contractors and consultants; quality inspections of selected Force Accounts projects carried out by Regional Offices across the country; quality checks of draft bidding and draft contract documents; cost estimates, cost advice and cost control for new and ongoing projects.

5.2.1 Vendor Rating

The vendor rating system is a performance management tool developed by the Agency to measure, analyse and document on a continuous basis both the past and current performance of consultants and contractors to ensure that projects are executed in accordance with contractual requirements.

Eleven (11) out of the planned twelve (12) projects were assessed covering a total of seventeen (17) vendors (eleven (11) contractors and six (6) consultants) representing a coverage of 91.7%. This represented an increment compared to 2022 where nine (9) vendors were assessed representing a coverage of 75.0%. The average performance score for vendors assessed in 2023 was 63.5% compared to 65.0% recorded in 2022 as shown in **Figure 5.2**.

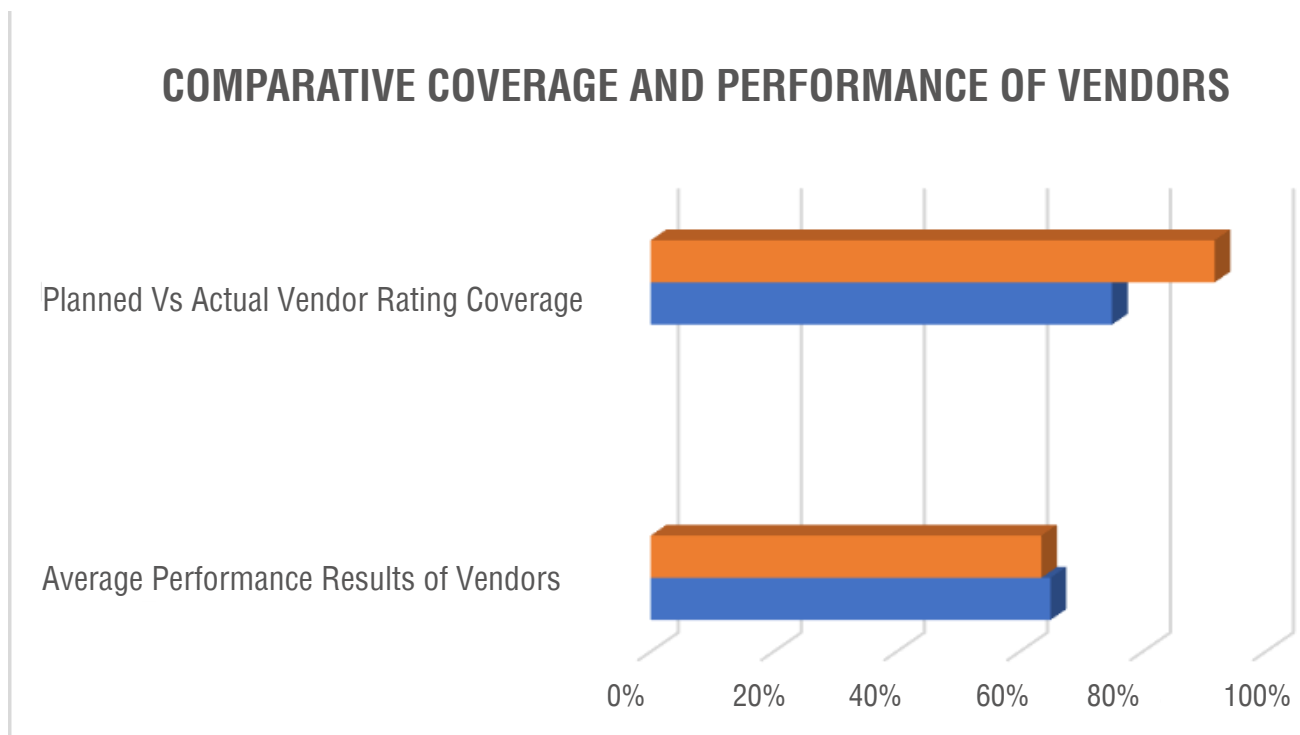


Figure 5.2: Comparative Coverage and Performance Results of Vendors for 2022 and 2023

The coverage improvement shown in Figure 30 from 2022 to 2023 was mainly due to the Agency’s prioritising financial resources on monitoring of the consultants and contractors.

The critical performance areas where majority of the vendors needed to improve on include:

- i. Poor implementation of the Quality Assurance Plans (QAPs) resulting in delivery of poor-quality works;
- ii. Delay in the delivery of projects;
- iii. Failure by contracting entities to mobilise the required key personnel on the projects;
- iv. Poor identification, monitoring and control of project risks; and
- v. Poor implementation of environmental, health and safety requirements on site.

5.2.2 Quality Inspections of Force Accounts Projects

Quality inspections were conducted on Force Account projects undertaken by the Regional Offices across the country as part of quality assurance and control to ensure the projects were executed according to the scope, schedule, quality and cost.

A total of forty-four (44) projects were inspected in all the Provinces as follows: Lusaka Region three (3), Copperbelt Region five (5), Southern Region four (4), North Western Region three (3), Western Region five (5) Central Region three (3), Eastern Region six (6), Muchinga Region four (4), Northern Region seven (7) and Luapula Region four (4).

5.2.3 Quality Checks of Procurement Documents

The Agency through M&E reviewed a total of thirty-four (34) procurement documents compared to twenty-two (22) that were reviewed in 2022 for both draft bidding and draft contract documents for works and services. This was aimed at eliminating errors in the bidding and contract documents. There was an increment in the number of works documents that were checked from fourteen (14) in 2022 to twenty (20) in 2023 mainly due to increased tendering for the rehabilitation of road projects by the Agency in the third quarter of 2023 as shown in **Figure 5.3**.

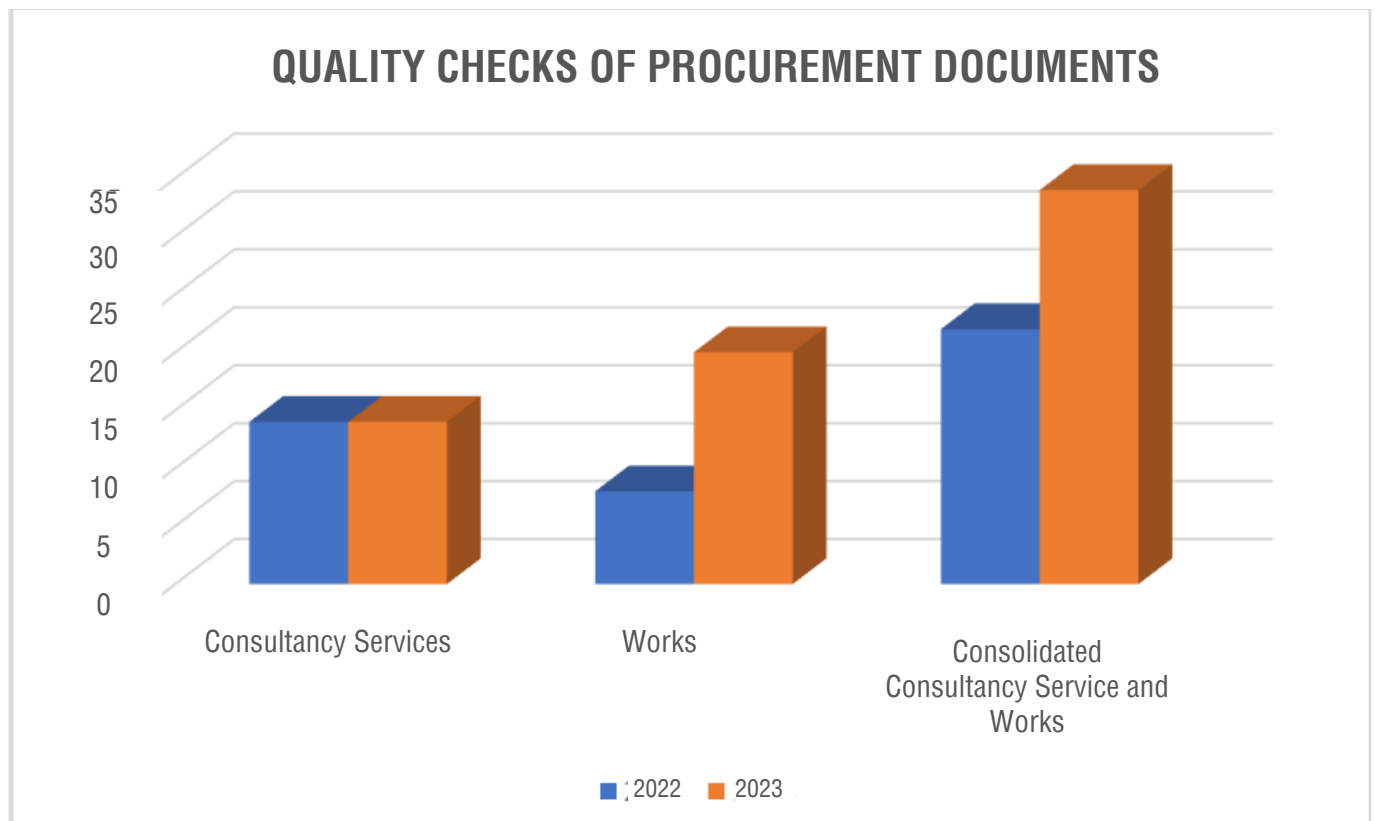


Figure 5.3: Comparative Quality Checks of Procurement Documents for 2022 and 2023

5.2.4 Development of the M&E System

The Monitoring and Evaluation Consultant, Messrs ADA Consultants Inc., completed the second follow-on mid-term study on the Chinsali-Nakonde Road Project, and was scheduled to conduct the Final Impact Assessment Study once the feeder roads had been worked on which were still under procurement in 2023.

5.2.5 Cost Estimates and Advice

The Agency updated the unit construction cost on a quarterly basis using the RDA's Cost Estimation Guidelines. Comparison between 2022 and 2023 annual average is detailed in **Figure 5.4**.

2022/2023 ROAD CONSTRUCTION COST ANNUAL AVERAGE

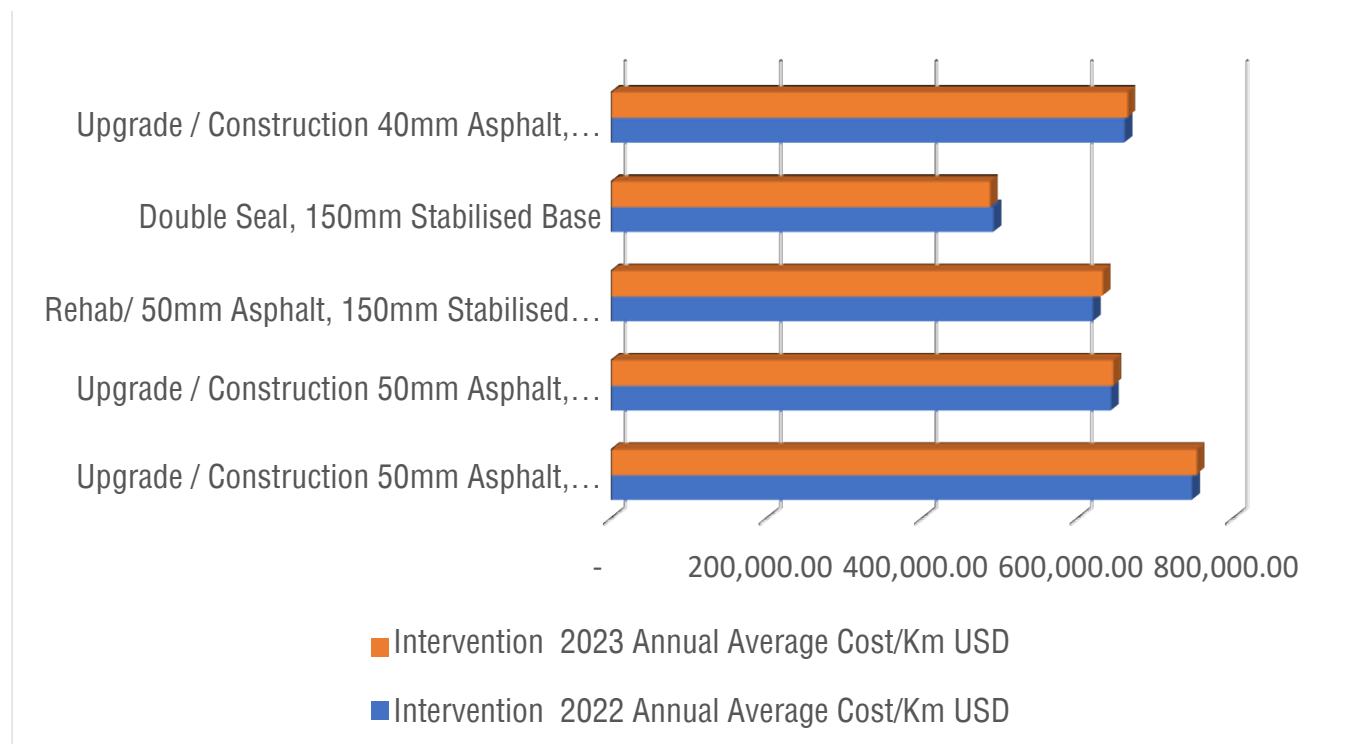


Figure 5.4: Comparative Average Cost Estimates Based on the 1st Principle for 2022 Vis-à-vis 2023 in US\$ Per km

The fluctuations of road construction costs between 2022 and 2023 were mainly associated with fuel prices, exchanges rates and inflation rates fluctuations thereby, affecting critical input costs for road projects.

5.2.6 Monitoring and Control

To operate within planned budget and cost estimates for road projects undertaken by the Agency, a total of forty-three (43) compared to thirty-one (31) variation orders were reviewed and adjudicated for price reasonableness in 2023 and 2022 respectively.

The increase in adjudicated variation orders were because of:

- i. Increase generally in scope, changes of the works and services contracts;
- ii. Increase in the PPP projects, where most of the works were provisionally priced; and
- iii. Increased scope changes for the Performance Based Road Contracts (OPRC) and ongoing rehabilitation projects such as Chinsali-Nakonde Road and Turnpike-Mazabuka Road.

SECTION 6

6.0 LEGAL SERVICES

The services which are provided within the Road Development Agency (RDA) include legal services and secretarial duties to the Board of the RDA.

6.1.1 LAW REVIEW

In 2023, the Agency undertook a review of the Public Private Partnership Bill and the amendment to the Public Procurement Act, No. 8 of 2020.

The RDA made submissions to the proposed pieces of legislation before Parliament in October and December 2023.

6.1.2 COURT AND ARBITRATION PROCEEDINGS

In 2023, the Agency handled thirty-six (36) Court and Arbitration cases compared to the thirty-five (35) cases dealt with in 2022. Some of the cases were handled in-house while others were outsourced to law firms.

6.1.3 BOARD ACTIVITIES

During 2023, the Board held meetings to discuss the business of the Agency and attended the launch of the 2022-2026 RDA Strategic Plan amongst other activities.

6.1.3.1 Committee Meetings

Table 9: Attendance to the Finance and Administration Committee

DIRECTOR'S NAME	1 ST QUARTER 2023	2 ND QUARTER 2023	3 RD QUARTER 2023	4 TH QUARTER 2023
Dr. Ngoza C. Munthali	√	√	√	√
Mr. Sichizuwe Musokotwane	√	x	x	X
Eng. Amon Mweemba	√*	√	√	√
Mrs. Mwila M. Daka	N/A	N/A	N/A	√
Eng. Grace Mutembo	√	√	√	√

Note: The symbol * represents Members who attended the Meetings by way of proxies at that particular time while the symbol x represents Members who did not attend the Meeting with apologies. It should be further noted that Mr. Sichizuwe Musokotwane was transferred to a different Ministry and has since been replaced Mrs. Mwila M. Daka.

Table 10: Attendance to the Audit and Risk Committee

DIRECTOR'S NAME	1 ST QUARTER 2023	2 ND QUARTER 2023	3 RD QUARTER 2023	4 TH QUARTER 2023
Mr. Mulilo D. Kabesha SC.	√	x	x	√
Ms. Namwaka Nachilongo	√	√	√	√
Eng. Ngenda Situmbeko	√	√	√	√
Mr. Fanwell Phiri	√	√	√	√
Eng. Grace Mutembo	√	√	√	√

Table 11: Attendance to the Technical Committee

DIRECTOR'S NAME	1 ST QUARTER 2023	2 ND QUARTER 2023	3 RD QUARTER 2023	4 TH QUARTER 2023
Eng. Erasmus M. Chilundika	√	√	√	√
Eng. Clive Khan	√	√	√*	√
Eng. Luckson Kamisa	√	x	x	x
Eng. Denis Mwaba	N/A	N/A	√	√
Eng. Wallece Mumba	√	√	√	√*
Eng. Grace Mutembo	√	√	√	√

It should be noted that Eng. Luckson Kamisa resigned and was replaced by Eng. Denis Mwaba.

6.1.3.2 Board Meetings

The Board held four (4) Ordinary Meetings in 2023. In addition, there were Special Meetings to consider urgent issues pertaining to the business of the RDA including the consideration of the 2022 Annual Report and Audited Financial Statements.

The attendance of the Directors of the quarterly Board Meetings held during 2023 is as shown in the **12 Table** below:

Table 12: Attendance of the Directors of the Board at Quarterly Board Meetings in 2023

DIRECTOR'S NAME	1 ST QUARTER 2023	2 ND QUARTER 2023	3 RD QUARTER 2023	4 TH QUARTER 2023
Eng. Mulchand Kuntawala	√	√	√	√
Eng. Erasmus M. Chilundika	√	√	√	√
Mr. Mulilo D. Kabesha SC.	√	√	√	√
Dr. Ngoza C. Munthali	√	√	√	√
Mr. Sichizuwe Musokotwane	√	√	x	x
Mrs. Mwila M. Daka	N/A	N/A	N/A	√
Eng. Clive Khan	√	√	√	√
Ms. Namwaka Nachilongo	√	√	√	√
Eng. Amon Mweemba	√*	√	√*	√*
Eng. Wallece Mumba	√*	√	√*	√
Eng. Grace Mutembo	√	√	√	√

Note: The symbol * represents Members who attended the Meetings by way of proxies at that particular time, while the symbol x represents Members who did not attend the Meeting. Mr. Sichizuwe Musokotwane, a nominee from Ministry of Finance and National Planning (MoFNP) was transferred to a another Ministry and has since been replaced by Mrs. Mwila M. Daka.

6.2 HUMAN CAPITAL AND ADMINISTRATION

6.2.1 HUMAN CAPITAL

6.2.1.1 Organisational Restructuring

The Agency with technical assistance from the Management Development Division (MDD) under Cabinet Office finalised the development of the new RDA Organogram to align the various Units and Departments in line with the new vision and to enhance an effective and accountable management structure. The new structure was approved by the RDA Board of Directors on 27th October 2023.

6.2.1.2 Staff Establishment

The Agency has an approved staff establishment of 732 and as of 31st December 2023, 433 positions were filled and 299 vacant. The Agency recruited thirty-seven (37) employees in 2023 to boost the staffing levels. The number employees recruited included thirty-four (34) Engineers, two (2) Assistant Procurement Officers and one (1) Legal Officer.

Table 13: Staff Establishment by Category and Gender

No	Category	Male	Female	Total
1	Executive Management	1	1	2
2	Management	85	21	106
3	Union	240	85	325
	TOTAL	326	107	433

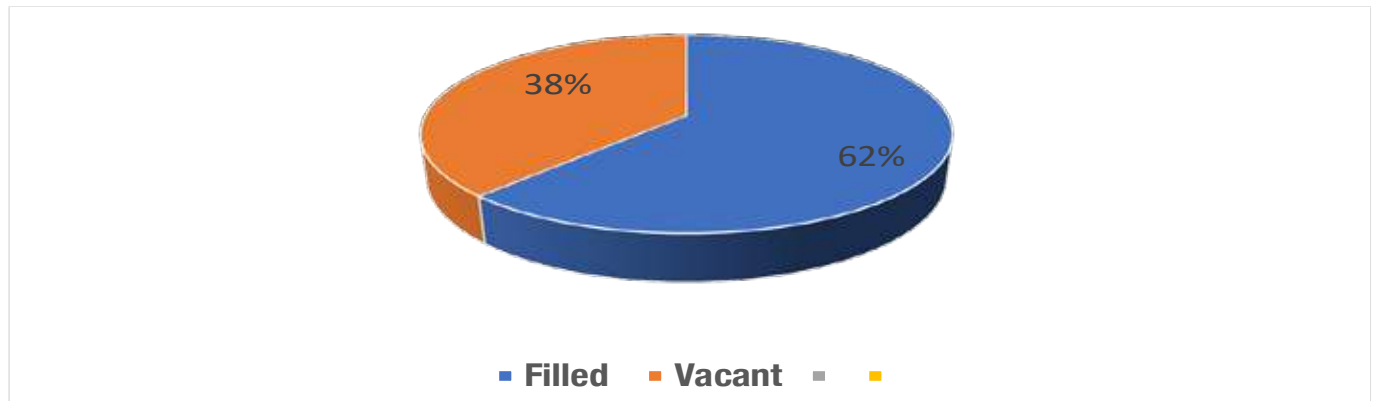


Figure 6.1: Staff Establishment

6.2.1.3 Staff Training and Development

The Agency continued to invest in the skills development of its employees through long-term and short-term training. During 2023, two (2) employees were on long-term training while one hundred and twenty-four (124) employees attended short trainings and workshops.

6.2.1.4 Staff Separations

In 2023, the Agency had eight (8) separations with three (3) resignations, three (3) normal retirements, one (1) death and one (1) dismissal which represented an Annual Turnover Rate of 2% compared to 2.7 % in 2022.

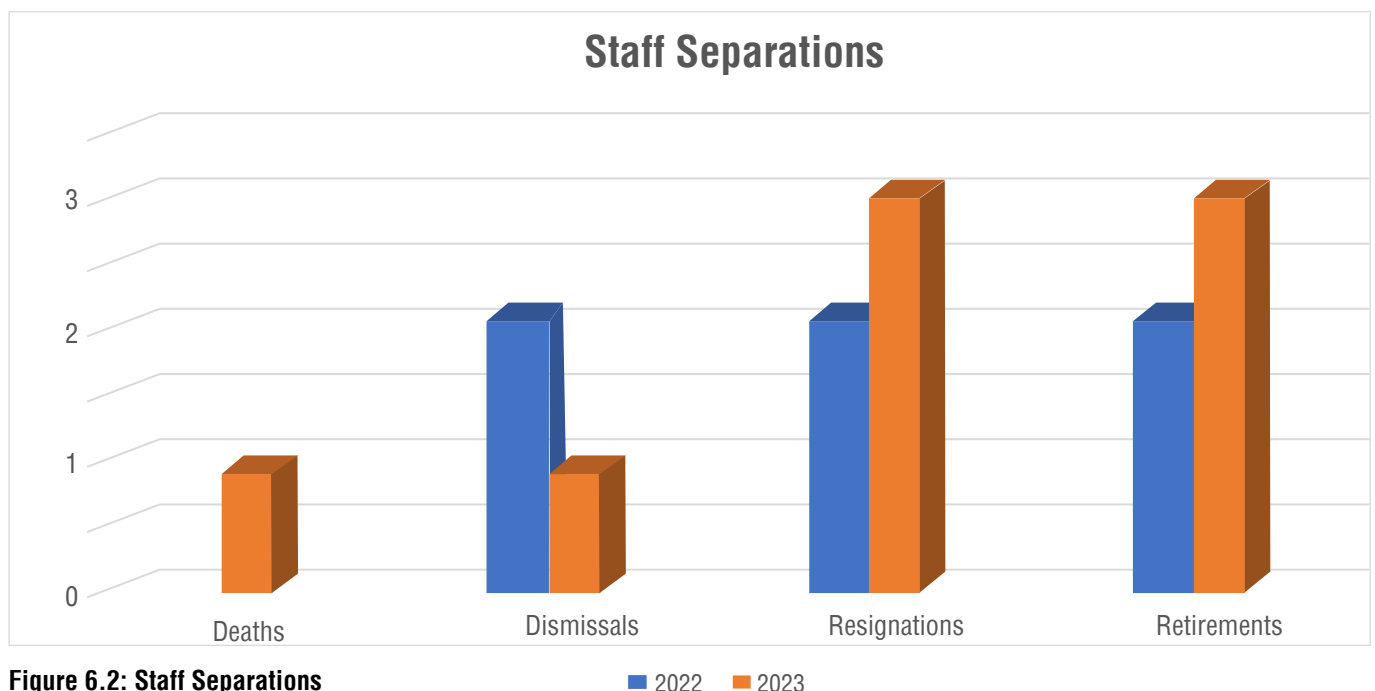


Figure 6.2: Staff Separations

ROAD DEVELOPMENT AGENCY
Annual Financial Statements for the year ended
31 December 2023



Road Development Agency

Annual Report for the year ended 31 December 2023

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Road Development Agency

Annual Report for the year ended 31 December 2023

Board members' report

The members of the Board submit their report and audited annual financial statements on the activities of the Road Development Agency 'The Agency' for the year ended 31 December 2023.

1. Principal Activities

The Road Development Agency (RDA) is a statutory body which was established by the Public Roads Act No. 12 of 2002 as amended. The main function of RDA is to plan, manage and coordinate the road network in the country. The Agency is also responsible for the planning, care and maintenance and construction of public roads in Zambia. It also regulates the maximum permissible weights on roads, conducts studies for the development and improvement of the road network and reviews design standards and classification. The details of the Company's business and postal addresses are:

Business address	Plot 33, Corner Government/Fairley Roads, Ridgeway, Lusaka Zambia.
Postal address	P.O Box 50003, Lusaka, Zambia.

There have been no significant changes in The Agency's principal activities during the year.

2. Results of the year

The Agency was allocated grant income from the Government of the Republic of Zambia (GRZ) of K2,276,139,020 for the year ended 31 December 2023 (2022: K1,369,817,543). The excess of expenditure over income for the year ended 31 December 2023 amounted to K1,088,305,513 (2022: excess expenditure K369,969,233).

3. Significant Events during the year

In line with the Government Policy direction to leverage on private sector funding to bridge the gap for finance for infrastructure projects, The Agency signed four Concession Agreements for the Lusaka-Ndola Dual Carriageway, Ndola-Sakania-Mufulira, Lumwana-Kambimba and Katete-Chanida road projects under the Public Private Partnerships (PPP) programme. The Concessionaire engaged under Chingola-Kasumbalesa Road commenced construction works in April 2023 and concluded in November 2023. The Concessionaire entered the commercial operation phase on 1st December 2023.

Under bridge construction and rehabilitation, The Agency completed the rehabilitation works on the 270 meters Kafue Hook Bridge along the Lusaka-Mongu Road in Central Province. In addition, The Agency constructed two bridges in Western Province, Luanginga Bridge with a span of 142 meters and Silanda Bridge with a span of 129 meters.

The Agency has been implementing the ACROW Bridge Programme which gained momentum in 2023. Lunchu ACROW Bridge in Kapiri-Mposhi District in Central Province was installed and commissioned. Further, the construction and installation work of two ACROW Bridges were completed in Lunte and Luwingu Districts of Northern Province. Five ACROW Bridges had also been substantially completed in North-Western Province and were commissioned in the first quarter of 2024.

Road Development Agency

Annual Report for the year ended 31 December 2023

Board members' report (*continued*)

4. Members and Secretary

The Members of the Board and the Secretary during the year under review were as follows;

Eng. Mulchand Kuntawala	-	Chairperson
Eng. Erasmus M. Chilundika	-	Vice Chairperson
Mr. Mulilo D. Kabesha S.C	-	Member
Ms. Namwaka Nachilongo	-	Member
Ms. Mwila Daka	-	Member (Appointed 19 October 2023)
Dr. Ngoza C. Munthali	-	Member
Eng. Clive Khan	-	Member
Eng. Wallece Mumba	-	Member
Eng. Amon Mweemba	-	Member
Eng. Grace Mutembo	-	Member
Mr. Sichizuwe Musokotwane	-	Member (Retired 10 July 2023)

5. Management

Senior management of the Agency up to the date of this report were as follows;

Eng. Grace Mutembo	-	Director and Chief Executive Officer
Mr. Denstone Mukuku	-	Director - Audit and Risk Assurance
Eng. Lazarous Nyawali	-	Acting Director - Planning and Design
Eng. Joseph Mwiinga	-	Acting Director - Construction and Rehabilitation
Eng. Godfrey Songeya	-	Acting Director - Commercial and Technical Services
Eng. Jairos M'hango	-	Acting Director - Road Maintenance Initiative
Mrs. Honeychile C. Tyetye	-	Acting Director - Finance
Eng. Chilufya Mwenya	-	Acting Director - Procurement
Ms. Chiti Kabwe	-	Acting Director - Legal Services
Ms. Nyama Bueendo	-	Acting Director - Human Capital and Administration
Mr. Anthony Mulowa	-	Acting Director- Communications and Corporate Affairs

The Agency underwent a re-structuring exercise which objective was to enhance the efficiency and effectiveness of its operations. It was concluded in 2024 and included a reduction in the number of directorates from ten to five. Three of the five Director positions have been filled.

6. Employees

The monthly average number of persons employed by the Agency during the year was 450 (2022: 460). The total remuneration paid to employees by the Agency was K219,974,014 (2022: K240,911,089) and the average number of employees was as follows:

Road Development Agency

Annual Report for the year ended 31 December 2023

Report of the members (continued)

Month	Number	Month	Number	Month	Number	Month	Number
January	430	April	421	July	448	April	447
February	423	May	420	August	451	May	452
March	421	June	425	September	450	June	451

7. Donations

The Agency did not make any donations in respect of charitable activities during the year (2022: K None).

8. Health

The Agency has policies and procedures to safeguard the occupational health, safety and welfare of its employees.

9. Property, Plant and Equipment

PPE purchased during the year amounted to K12,841,129 (2022: K7,816,387). In the opinion of the Board, the fair value of the property and equipment is at least equivalent to their carrying amounts.

10. Capital work-in-progress

Capital work-in-progress additions during the year amounted to K1,481,077,294 (2022: K1,389,401,035). In the opinion of the Board, the fair value of capital work-in-progress is not less than the amounts at which they are included in the annual financial statements.

11. Going concern

The annual financial statements have been prepared on a going concern basis, which assumes the Agency will be able to realize its assets and settle its liabilities in the normal course of business for the foreseeable future.

The accumulated funds of the Agency at 31 December 2023 were K41,044,647,320 (2022: K42,321,325,865).

12. Auditors


Messrs. PricewaterhouseCoopers were appointed as auditors for the year ended 31 December 2023. The audit remuneration for the year was K440,800 (2022: K365,988), for statutory audit services. There were no other services rendered.

By order of the Board.

Agency Secretary

Lusaka

Date:



 31/07/24

Road Development Agency

Annual Report for the year ended 31 December 2023

Statement of the Board members' responsibilities

The Members of the Board ("the Board") are responsible for the preparation of the annual financial statements for each financial period that present fairly the state of affairs of the Agency and its financial activities for that period. In preparing the annual financial statements, the Board is required to:

- (a) design, implement and maintain internal controls relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement;
- (b) select suitable accounting policies and then apply them consistently; and
- (c) make judgments and accounting estimates that are reasonable and prudent in the circumstances.

The Board is also responsible for ensuring that the Agency keeps proper accounting records which disclose with reasonable accuracy at any time the annual financial position of the Agency. It is also responsible for safeguarding the assets of the Agency, and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the annual financial statements, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of duties. Nothing has come to the attention of the Board to indicate that any material breakdown in functionality of these controls, procedures and systems.

In the opinion of the Board members, the annual financial statements give a true and fair view of the financial activities of the Agency for the year ended 31 December 2023 and its financial position as at that date, and have been prepared in accordance with IFRS accounting standards as issued by the IASB, in the manner required by the Public Finance Management Act no.1 of 2018 and the Public Roads Act no 12 of 2002, as amended.

Nothing has come to the attention of the Board members to indicate that the Agency will not remain a going concern for at least twelve months from the date of this statement.

Approval of the annual financial statements

The annual financial statements of the Agency as indicated above, were approved by the Members on 31/07/24 and are signed on its behalf by:



.....
Board Chairperson



.....
Director and Chief Executive Officer



Independent auditor's report

To the Ministry of Infrastructure, Housing and Urban Development of the Republic of Zambia

Report on the audit of the annual financial statements

Our opinion

In our opinion, the annual financial statements give a true and fair view of the financial position of the Road Development Agency ("RDA" or "the Agency") as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Public Road Act No 12 of 2002 (As amended) and the Public Finance Management Act No 1 of 2018 .

What we have audited

The Road Development Agency's annual financial statements are set out on pages 9 to 53 and comprise:

- the statement of financial position as at 31 December 2023;
- the statement of income and expenditure and other comprehensive income for the year then ended;
- the statement of changes in accumulated funds for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the annual financial statements, comprising material accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the annual financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

We are independent of RDA in accordance with the [International Code of Ethics for Professional Accountants](#) (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.



Report on the audit of the annual financial statements (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate annual financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment assessment of property, plant and equipment</p> <p>Refer to Note 2.12: Critical accounting estimates and judgements, Note 7: Property, plant and equipment, Note 8: Roads impairment provision</p> <p>As of 31 December 2023, the carrying value of RDA's property, plant, and equipment (PP&E) was K41bn, with management not recognising any impairment loss during the year.</p> <p>We considered this a key audit matter due to the significant judgments made by management in determining the impairment provision, given the complexity and high estimation uncertainty involved.</p>	<p>We evaluated management's assessment of indicators of impairment, which included the following:</p> <ul style="list-style-type: none"> • held discussions with management to understand how they determined the judgements applied in the estimation of the impairment provision; • assessed the competence of management's experts used in developing and reviewing the impairment report for 2023 by checking their independence, membership status and level of qualification; • For a selection of roads, we conducted a physical verification to assess the condition for purposes of corroborating such results with what was included in the RDA impairment report; • engaged an independent road engineer, as auditor expert, to review assumptions and judgements used by management on both capitalised roads and those in CWIP; • we analyzed and verified the methodologies, assumptions, and conclusions used by our expert and performed additional testing to ensure that the findings are accurate. • we reviewed the annual financial statements for sufficiency and appropriateness of impairment related accounting disclosures.

Other information

The Board Members are responsible for the other information. The other information comprises RDA's Annual Report but does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Report on the audit of the annual financial statements (continued)

Responsibilities of the Board Members for the annual financial statements

The Board Members are responsible for the preparation of annual financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the requirements of the Public Road Act No 12 of 2002 (As amended) of Zambia and for such internal control as the Board Members determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Board Members are responsible for assessing RDA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board Members either intend to liquidate the RDA or to cease operations, or have no realistic alternative but to do so.

The Board Members are responsible for overseeing the RDA's financial reporting process.

Auditor's responsibilities for the audit of the annual financial statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of RDA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members.
- Conclude on the appropriateness of the Board Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on RDA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause RDA to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Report on other legal and regulatory requirements

The Public Road Act No 12 of 2002 (As amended) and the Public Finance Management Act of 2018 of the Laws of Zambia, requires that in carrying out our audit of the Road Development Agency, we report on whether the Agency has maintained proper books of accounts and other records relating to its financial affairs.

In respect of the foregoing requirements, we have no matters to report.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
Lusaka

Date: *23 Aug 2024*

Charity Mulenga

Charity Mulenga
Practicing Certificate Number: AUD/F000945
Partner signing on behalf of the firm

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements

Statement of Income and Expenditure and other comprehensive Income

	Notes	2023 K	Restated 2022 K
Income			
Grant income from GRZ	3(a)	2,276,139,020	1,369,817,543
Routine repairs, maintenance works and project related costs	4	(770,246,990)	(698,363,169)
Administrative expenses	5	(269,195,457)	(287,644,238)
Operating Surplus/deficit		1,236,696,573	383,810,136
Other income			
Other income	3(c)	25,795,779	28,490,489
Amortisation and depreciation	7&9	(1,650,649,261)	(1,562,162,103)
Interest on long outstanding Contractor debts		(1,129,161,814)	(681,128,564)
Impairment loss on receivables	17	(529,108,277)	(309,339,568)
Impairment of CWIP- roads and Bridges	7	-	(85,837,019)
Finance income	6(a)	437,377,231	211,391,798
Finance costs	6(b)	(1,129,905,004)	(3,193,524)
Deficit for the year		(2,738,954,773)	(2,017,968,355)
Other comprehensive income			
Amortisation of Capital Grant	3(b)	1,650,649,261	1,647,999,122
Total comprehensive income for the year		(1,088,305,512)	(369,969,233)

Refer to note 23 regarding the restatement

The accounting policies and notes on pages 13 to 53 are an integral part of these annual financial statements

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements Statement of Financial Position

	Notes	2023 K	Restated 31 Dec 2022 K	Restated 1 Jan 2022 K
Assets				
Non-Current Assets				
Property, plant and equipment	7	41,122,670,219	41,293,364,914	41,664,454,374
Intangibles	9	348,312	1	1
		<u>41,123,018,531</u>	<u>41,293,364,915</u>	<u>41,664,454,375</u>
Current Assets				
Inventory	10	2,092,335	2,181,775	3,172,652
Trade receivables	11	17,420,966,783	16,156,053,342	15,729,777,868
Other receivables	12	45,474,086	15,861,518	15,861,518
Cash and bank balances	13	479,873,523	149,991,006	43,736,017
		<u>17,948,406,727</u>	<u>16,324,087,641</u>	<u>15,792,548,055</u>
Total Assets		<u>59,071,425,258</u>	<u>57,617,452,556</u>	<u>57,457,002,430</u>
Accumulated Funds and Liabilities				
Accumulated Expenditure over income		(1,432,982,488)	(344,676,974)	25,292,258
Capital Grant	16	42,477,629,807	42,666,002,840	43,032,013,687
Accumulated funds		<u>41,044,647,320</u>	<u>42,321,325,866</u>	<u>43,057,305,945</u>
Non-Current Liabilities				
Retirement and Gratuity benefits	15	303,805,501	273,764,082	237,889,407
Total-Non-Current Liabilities		<u>303,805,501</u>	<u>273,764,082</u>	<u>237,889,407</u>
Current Liabilities				
Trade payables	14	13,443,555,559	12,010,640,877	12,042,278,263
Other payables	15	4,241,775,078	2,982,245,944	2,074,152,873
Retirement and Gratuity benefits	15	37,641,800	29,475,787	45,375,942
Total Current Liabilities		<u>17,722,972,437</u>	<u>15,022,362,608</u>	<u>14,161,807,078</u>
Total Liabilities		<u>18,026,777,938</u>	<u>15,296,126,690</u>	<u>14,399,696,485</u>
Total Accumulated Funds and Liabilities		<u>59,071,425,528</u>	<u>57,617,452,556</u>	<u>57,457,002,430</u>

Refer to note 23 regarding the restatement.

The annual financial statements set out on pages 9 to 53, which have been prepared on a going concern basis, were approved on 31/10/24 and were signed by:


Board Chairperson


Board Member

The accounting policies and notes on pages 13 to 53 are an integral part of these annual financial statements.

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements

Statement of Changes in Accumulated Funds

	Excess of Expenditure over Income	Capital Grant	Accumulated funds
	K	K	K
Balance at 1 January 2022 (Previously stated)	(1,406,253,211)	43,032,013,686	41,625,760,475
Correction of errors (Note 23)	1,431,545,469		
Restated as at 1 January 2022	25,292,258	43,032,013,686	43,057,305,944
Excess of expenditure over income for the year (restated)	(2,017,968,355)	-	(2,017,968,355)
Grants received from GRZ	-	1,281,988,276	1,281,988,276
<i>Other comprehensive income</i>			
Amortisation of Capital Grant	1,647,999,122	(1,647,999,122)	-
Restated as at 31 December 2022	(344,676,974)	42,666,002,840	42,321,325,865
Balance at 31 December 2022 (Previously stated)	(2,371,319,640)	40,811,618,181	38,440,298,541
Correction of errors (Note 23)	2,026,642,665	1,854,384,660	3,881,027,325
Restated as at 31 December 2022	(344,676,975)	42,666,002,840	42,321,325,865
Excess of expenditure over income for the year	(2,738,954,773)	-	(2,738,954,773)
Grants received from GRZ	-	1,462,276,228	1,462,276,228
<i>Other comprehensive income</i>			
Amortisation of Capital Grant	1,650,649,261	(1,650,649,261)	-
At 31 December 2023	(1,432,982,487)	42,477,629,807	41,044,647,320

Refer to note 23 regarding the restatement.

The accounting policies and notes on pages 13 to 53 are an integral part of these annual financial statements.

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements

Statement of Cash flows

	Notes	2023 K	Restated 2022 K
Cash flows from operating activities			
Excess of expenditure over income for the year -Restated		(1,088,305,513)	(369,969,233)
Adjustments			
Loss on disposal of plant and equipment		371,427	1,911,014
Impairment of CWIP	7	-	85,837,019
Amortisation of capital grants on impairment-Restated	16	-	(85,837,019)
Amortisation of capital grants	16	(1,650,649,261)	(1,562,162,103)
Depreciation	7	1,650,475,131	1,562,162,103
Amortisation of intangible assets	9	174,129	-
Operating cash flows before movements in working capital		(1,087,934,087)	(368,058,219)
Movements in working capital			
Decrease in inventories - Restated		89,440	11,200,232
(Increase) / Decrease in trade receivables		(1,264,913,441)	424,883,844
Increase in other receivables		(29,612,568)	(1,391,630)
Increase in trade and other payables		2,730,651,248	896,430,205
Net cash out flows from operating activities		348,280,591	113,296,744
Cash flows from investing activities			
Purchase of property, plant and equipment	7 & 9	(1,481,599,734)	(1,399,610,389)
Proceeds from disposal of plant and equipment		14,480	1,624,965
Net cash out flows from investing activities		(1,481,585,254)	(1,397,985,424)
Cash flows from financing activities			
Capital grants received	16	1,463,187,180	1,390,943,669
Net cash from financing activities		1,463,187,180	1,390,943,669
Net decrease in cash and cash equivalents		329,882,517	106,254,989
Cash at the beginning of the year		149,991,006	43,736,017
Cash and cash equivalents at end of the year	13	479,873,523	149,991,006

Refer to note 23 regarding the restatement.

The accounting policies and notes on pages 13 to 53 are an integral part of these annual financial statements.

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements

Accounting Policies

1. The Road Development Agency

The Road Development Agency (RDA) is a statutory body which was established by the Public Roads Act No. 12 of 2002. The main function of RDA is to plan, manage and coordinate the road network in the country. The Agency is also responsible for the planning, care and maintenance and construction of public roads in Zambia. It also regulates the maximum permissible weights on roads, conducts studies for the development and improvement of the road network and reviews design standards and classification.

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Ridgeway,
Lusaka
Zambia.

Postal address P.O Box 50003,
Lusaka,
Zambia.

Material Accounting Policies

2. Basis of preparation and accounting policies

Statement of compliance

The annual financial statements of the Agency have been prepared in accordance with IFRS accounting standards as issued by the IASB, and the requirements of the Public Roads Act No.12 2002, as amended.

Basis of preparation

The annual financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Agency's total assets of K59,071 million (2022: K57,617 million) are significant contributors to facilitating the movement of goods and services in the Zambian economy. Government has given no indication that any part of the Agency's assets would be sold off or privatised. These, together with Government being the sole shareholder, and any liquidation of the Agency being a requirement by Act of Parliament, make the liquidation of the Agency highly unlikely.

The Agency's current assets of K17,948 million exceed its current liabilities of K17,723 million at 31 December 2023. The accumulated funds of K41,045 million (2022: K42,321 million) include capital grant of K42,478 million (2022: K42,666 million). The deferred income (grant capital) is expected to be recognized as income in the statement of comprehensive income over the life of the assets to which they relate.

Trade and other payables have continued to be settled in the normal course of business and the Government of the Republic of Zambia, through the Ministry of Infrastructure, Housing and Urban Development (MIHUD) has provided a letter of support to the Agency. The Ministry confirms that the Agency will continue to receive support from the Government of the Republic of Zambia.

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements

Accounting Policies (*continued*)

Additional considerations

A letter of support was provided by the Government of the Republic of Zambia and in the past, the Government has on several occasions provided grant funding to the Road Development Agency. It is therefore expected that Government will continue to provide grant funding for the foreseeable future.

Furthermore, the Road Development Agency may not be placed under judicial management or in liquidation except by an act of Parliament (Public Roads Act No.12 of 2002). This is an implied guarantee from the Government.

The Members therefore support management's assessment that the Road Development Agency will remain a going concern in the foreseeable future. The Members of Road Development Agency are fully aware of the solvency risk it faces in the long-term and is actively engaging with Government to resolve the matter.

2.1 Grant Income

A grant income is recognised in accordance with IAS 20. Grant income is recognised when there is reasonable assurance that:

- (a) The Agency will comply with the conditions attached to them; and
- (b) the grant will be received.

Grant income is accounted for using the Income approach, due to the following:

- (a) Grant income which are receipts from the Government of the Republic of Zambia, should not be recognised directly in equity but should be recognised in profit or loss in appropriate periods,
- (b) The Agency earns them through compliance with their conditions and meeting the envisaged obligations. Therefore, the grants are recognised in profit or loss over the periods in which the Agency recognises as expenses the related costs for which the grant is intended to compensate.

Grant income is recognised in the statement of profit or loss on a systematic basis over the periods in which the Agency recognises as expenses the related costs for which the grants are intended to compensate. Grant income relating to depreciable assets are usually recognised in the statement of Profit and loss over the periods and in the proportions in which depreciation expense on those assets is recognised. Even if there are no conditions attached to the assistance specifically relating to the operating activities of the entity (other than as specified in the Public Finance Management Act of 2018 and the Public Roads Act of 2002, as amended), such grants should not be credited to equity. A grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, shall be recognised as income in the period in which it is receivable.

Where an impairment charge is recognised for assets, a corresponding deferred capital grant income in equal proportion is released to the income and expenditure account. Where an impairment reversal arises, a equal proportion of earlier released capital grant income, is equally reversed.

A grant relating to assets may be presented in one of two ways:

- (a) as deferred income; or
- (b) by deducting the grant from the asset's carrying amount.

2.2 Other income

Other income is revenues derived from activities other than those directly related to the planning, care and maintenance and construction of public roads. It comprises various fees earned during the normal course of business and is included in income in the financial year in which it is earned.

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements Accounting Policies (*continued*)

2.2 Other income (*continued*)

Gains and losses on disposal of assets

A gain or loss on disposal is recognised as the difference between the disposal proceeds and the carrying amount of the asset at the date of disposal. These gains or losses are included in income in the financial year in which they are earned.

2.3 Property and equipment

Leasehold land and buildings held for use in the supply of goods or services, or for administrative purposes, are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Properties in the course of construction for administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Agency's accounting policy. Such properties are classified to the appropriate categories of property and equipment when completed and are ready for the intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated to allocate the cost of property, plant and equipment on a straight-line basis over the expected useful lives of the assets concerned and is recognised in comprehensive income. Capital work- in -progress is not depreciated.

The estimated useful lives of property, plant and equipment for the current and comparative years are as follows:

Item	Rate
Leasehold land and buildings	2%
Furniture and fittings	20%
Computers and office equipment	20%
Motor vehicles	20%
Plant and machinery	8.3%

Works on new roads and bridges such as expanding road capacity, providing stronger surface and significantly changing characteristics of the roads is capitalized and depreciated on the following basis:

<i>(i) Roads</i>	Paved	Gravel	Earth
	%	%	%
Periodic maintenance	20	33.3	100
Rehabilitation	10	20	100
Construction	5	10	25
<i>(ii) Bridges, Weighbridges and pontoons</i>			8%

Maintenance of the existing roads and bridges is conducted to prevent the deterioration of roads. It is conducted on a continuous basis and is treated as routine maintenance and is expensed in the year the works are carried out.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements Accounting Policies (*continued*)

2.3 Property and equipment (*continued*)

Capital work-in-progress

Recognition and measurement

Assets in the course of construction are recognised in the assets under capital work -in -progress account at the total cost incurred at the end of the financial year.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. Assets recognised under capital work- in -progress are transferred to Property, plant and equipment on substantial completion.

Impairment of tangible and other assets

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Comprehensive Income.

At the end of each reporting period, the Agency reviews the carrying amounts of its tangible and other assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units to which the asset belongs. Where a reasonable and consistent allocation basis can be identified, assets are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An impairment loss is recognised immediately in comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal on impairment loss is recognised immediately in comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.4 Intangible assets

Recognition and measurement

Intangible assets that are acquired by the Agency and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements Accounting Policies (*continued*)

2.4 Intangible assets (continued)

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on any internally generated goodwill and brands, is recognised in comprehensive income as incurred.

The estimated useful lives for the current and comparative years are as follows:

Computer software	33.3%
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Amortisation

Items of plant and equipment are depreciated on a straight-line basis in comprehensive income over the estimated useful lives of each component.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate

2.5 Leases

The Agency does not have any contract that are, or contain, a lease except land held for the construction of Weighbridges and Toll Plazas. The Agency has assessed at contract inception whether the contracts to acquire the land convey the right to control the use of an identified asset for a period of time in exchange for consideration. The Agency has not recognized these pieces of land as right-of-use assets as the Agency as Management has assessed that the adjustment required to be would an immaterial impact on the annual financial Statements.

2.6 Financial instruments

Financial assets and financial liabilities are recognised in the Agency's statement of financial position when the Agency becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through comprehensive income) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through comprehensive income are recognised immediately in comprehensive income.

Recognition and initial measurement

Trade receivables, lease receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Agency becomes a party to the contractual provisions of the instrument. Financial assets (except for trade receivables without a significant financing component) or financial liabilities are initially measured at fair value plus or minus, for items not at fair value through comprehensive income (FVTPL), transaction costs that are directly attributable to their acquisition or issue. Trade receivables without a significant financing component are initially measured at the transaction price. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price (i.e. the fair value of the consideration given or received).

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements

Accounting Policies (*continued*)

2.5 Financial instruments (*continued*)

Recognition and initial measurement (continued)

If the Agency determines that the fair value at initial recognition differs from the transaction price, the Agency nevertheless recognises the financial instrument at its fair value and accounts for the difference at that date as follows:

- If the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a *Level 1 input*) or based on a valuation technique that uses only data from observable markets, the Agency recognises the difference between the fair value at initial recognition and the transaction price, also referred to as "*day 1 comprehensive income*" in Statement of Comprehensive Income on the fair value line.
- In all other cases, the Agency defers the *day 1 comprehensive income* on the statement of financial position in "Other financial assets". After initial recognition, the Agency recognises the deferred *day 1 comprehensive income* in Statement of Comprehensive Income- on the fair value line - only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. Any amounts not recognised in Statement of Comprehensive Income before the date of maturity or derecognition of the financial instrument is recognised in Statement of Comprehensive Income on that date.

Classification and subsequent measurement

On initial recognition, a financial asset is classified and measured at either;

- amortised cost,
- at fair value through other comprehensive income (FVTOCI) or
- at fair value through comprehensive income (Comprehensive Income).

Financial assets are not reclassified subsequent to their initial recognition unless the Agency changes its business model for managing financial assets, in which case all affected financial instruments are reclassified on the first day of the financial year following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL on initial recognition:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal plus interest (SPPI) on the principal amount outstanding.

The Agency's financial assets measured at amortised cost include trade and other receivables, short-term deposits, and cash and cash equivalents. Cash and cash equivalents comprise cash at bank and on hand, and highly liquid instruments which are readily convertible to known amounts of cash within 90 days from the reporting date or date of acquisition, subject to an insignificant risk of change in value.

For the purposes of the statement of cash flows, cash and cash equivalents include bank overdrafts. A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated at FVTPL on initial recognition:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal plus interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Agency may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements Accounting Policies (*continued*)

2.5 Financial instruments (*continued*)

Classification and initial measurement (continued)

All financial assets not classified as measured at amortised cost or at FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Agency may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Agency makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level as this best reflects the way the business is managed and the information provided to management.

The Agency considers the following sources of information in making the assessment:

- The stated policies and objectives of the portfolio and operation of these policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash out flows or realising cash flows through the sale of assets.
- How the performance of the portfolio is evaluated and reported to management.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Agency's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity and administrative costs), as well as a reasonable profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Agency considers the contractual terms of the instrument. The Agency also considers the following:

- Contingent events that could change the amount or timing of cash flows.
- Terms that may adjust the contractual coupon rate, including variable rate features.
- Prepayment and extension features.
- Terms that limit the Agency's claim to cash flows from specified assets (e.g. non-recourse features).

The assessment also includes whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would not meet this condition. A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par-amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements Accounting Policies (*continued*)

2.5 Financial instruments (*continued*)

Subsequent measurement and gains and losses

Financial assets at FVTPL	Subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Comprehensive Income unless they are part of an effective hedge accounting relationship.
Financial assets at amortised cost	Subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in Comprehensive Income. Any gain or loss on derecognition is also recognised in Comprehensive Income.

Financial liabilities: classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or at FVTPL. A financial liability is classified as at FVTPL if it is held-for-trading, is a derivative or is designated as such on initial recognition. The Agency's financial liabilities measured at amortised cost include trade and other payables and accruals.

A financial liability may be designated at FVTPL on initial recognition if:

- the contract contains one or more embedded derivatives;
- such designation would eliminate an accounting mismatch that would otherwise arise from measuring assets and liabilities or recognising the gains or losses on them on different bases; or
- a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy and information about the group is provided internally on that basis to management.

Financial liabilities at FVTPL are measured at fair value and the net gains and losses, including any interest expense, are recognised in comprehensive income. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses, and gains or losses on derecognition are recognised in the Statement of Comprehensive Income under finance charges, except where they are capitalised to qualifying assets.

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements Accounting Policies (*continued*)

2.5 Financial instruments (*continued*)

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses - the 'expected credit loss (ECL) model'. Recognition of credit losses no longer depends on the Agency first identifying a credit loss event. Instead the Agency considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying the forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (Stage 1); and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (Stage 2).
- Stage 3 covers financial assets that have objective evidence of impairment at the reporting date.

Under the general approach in IFRS 9, '12-month expected credit losses' are recognised for stage 1 - except for trade and lease receivables where the simplified approach is applied, and 'lifetime expected credit losses' are recognised for stages 2 and 3.

The Agency recognises loss allowances for expected credit losses (ECLs) on:

- Financial assets measured at amortised cost, which includes trade and lease receivables;

Trade and other receivables

The Agency applies the simplified approach in IFRS 9 in measuring expected credit losses which uses a lifetime ECLs allowance for all trade and other receivables. To measure the ECLs; trade and other receivables are grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of customers over a one year period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on factors affecting the ability of the customers to settle the receivables. This includes the customer's credit risk profile, including the general macroeconomic conditions as well as industry sector-specific conditions affecting the Agency's customers.

Investments in short-term deposits and bank balances

The Agency's short-term deposits and bank balances, which are carried at amortised cost are considered to have low credit risk, and the loss allowance recognised on these assets is therefore limited to 12-months ECLs. Short term deposits and bank balances are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. If the Agency considers that credit risk on a financial instrument has increased significantly since initial recognition, the expected credit losses are estimated based on the lifetime ECLs.

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Agency compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements Accounting Policies (*continued*)

2.5 Financial instruments (*continued*)

Significant increase in credit risk (continued)

In making this assessment, the Agency considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the outcome of the above assessment, the Agency presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Agency has reasonable and supportable information that demonstrates otherwise.

Event of default

The Agency considers any of the following as constituting an event of default:

- The debtor is more than 90 days past due.
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its credit obligations to the Agency in full, without recourse by the Agency to actions such as realising security (if any is held).

Credit-impaired financial assets

At each reporting date, the Agency assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on estimated future cash flows of the financial asset have occurred.

The evidence that a financial asset is credit-impaired includes observable data about any of the following events:

- Significant financial difficulty of the debtor or issuer.
- A breach of contract such as default.
- Restructuring of a debt, loan or advance on terms that the Agency would not otherwise consider.
- It is probable that the debtor will enter bankruptcy or other financial reorganisation.
- The disappearance of an active market for a security because of financial difficulties.

Measurement and recognition of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Agency in accordance with the contract and the cash flows that the Agency expects to receive) - calculated either on the 12-month or lifetime expected credit losses as applicable. Expected credit losses are discounted at the effective interest rate of the financial asset.

Presentation of allowance for expected credit losses

The Agency recognises an impairment gain or loss in the Statement of Comprehensive Income with a corresponding adjustment to the carrying amount of the financial asset through a loss allowance account.

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements

Accounting Policies (*continued*)

2.5 Financial instruments (*continued*)

Significant increase in credit risk (continued)

Derecognition

Financial assets

The Agency derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Agency neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. The Agency may enter into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all the risks and rewards of the transferred asset. In these cases, the transferred assets are not derecognised.

Write-off

The gross carrying amount of a financial asset is written off or derecognised (either partially or in full) when all attempts to recover the outstanding amount have failed or there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. The amount written off is recognised as a reduction to the allowance for ECLs. Financial assets written off may still be subject to enforcement activities under the Agency's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Comprehensive Income, as a reduction to the impairment loss for the period.

Derecognition

Financial liabilities

The Agency derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Agency also derecognises a financial liability when the terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the Statement of Comprehensive Income under finance charges.

2.6 Provisions

Provisions are recognised when the Agency has a present obligation (legal or constructive) as a result of a past event, it is probable that the Agency will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements Accounting Policies (*continued*)

2.7 Foreign currencies

Functional and presentation currency

Items included in the annual financial statements are measured using the currency of the primary economic environment in which the Agency operates ('the functional currency which is the Zambian Kwacha'). The annual financial statements are presented in Zambian Kwacha (K).

Transactions and balances

In preparing the annual financial statements of the Agency, transactions in currencies other than the Agency's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised as finance income or cost in the period in which they arise as finance income or cost.

2.8 Retirement benefit obligations

The Agency's staff are entitled to gratuity and other terminal benefits.

(i) *Defined benefit plan*

A defined benefit plan is a retirement benefit plan that is not a defined contribution plan.

The Agency's benefits plan is a defined contribution plan.

(ii) *Defined contribution plan*

A defined contribution plan is a retirement benefit plan under which the Agency pays fixed contributions into a separate entity. The Agency has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Obligations for contributions to the defined contribution plan are recognised as an employee benefit expense in comprehensive income when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. However, the Agency's current benefit plan is unfunded and no contributions are made into a separate entity.

The Agency and all its employees also contribute to the National Pension Scheme, which is a defined contribution scheme.

(iii) *Short-term and long-term benefits*

The cost of all short-term employee benefits, such as salaries, accumulated leave, bonuses, medical and other contributions, is recognised in income statement in the period in which the employee renders the related service.

The Agency's obligation in respect of long-term service benefits, other than pension plans and post-retirement medical benefits, is recognised in comprehensive income in the period in which the employee renders the related service.

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements Accounting Policies (*continued*)

2.8 Retirement benefit obligations (continued)

(IV) *Termination benefits*

Termination benefits are payable when an employee's employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits. The Agency recognises termination benefits when it has demonstrated its commitment to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefit costs are recognized in comprehensive income in the period in which the employee renders the related service.

(V) *Gratuity*

For fixed term contract employees, a gratuity is payable at the end of the contract. Contract period is 3 years. Gratuity is expensed to comprehensive income in the period the service is rendered.

2.9 Inventory

Inventories are measured at the lower of cost and net realizable value. The cost of inventory is based on the first-in-first-out principle, and includes expenditure incurred in acquiring the inventories and costs incurred in bringing them to their existing location and condition.

2.10 Cash flow statement

For the purposes of the Statement of Cash flows, cash and cash equivalents mainly comprises of cash on hand, demand deposits and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risks of changes in value.

2.11 Taxation

The Agency is exempt from income tax under section 5 of the Income Tax Act CAP 323: Part 3 - Exempt organisations.

2.12 Critical accounting estimates and judgments

Critical judgments in applying accounting policies

In the application of the Agency's accounting policies, which are described above, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments, apart from those involving estimations, that the Directors have made in the process of applying the Agency's accounting policies and that have the most significant effect on the amounts recognised in the annual financial statements.

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements Accounting Policies (*continued*)

Critical judgments in applying accounting policies (continued)

Business model assessment

Classification and measurement of financial assets depends on the results of the 'Solely Payments of Principal and Interest' (SPPI) and the 'Business Model test'. The Agency determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Agency monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Agency's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Calculation of loss allowance on receivables

When measuring credit losses the Agency uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Agency takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these annual financial statements is determined on such a basis, except for leasing transactions that are within the scope of IAS 16, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Estimates of asset lives, residual values and depreciation methods

The Directors review the estimated useful lives of property, plant and equipment at the end of each annual reporting period to determine the appropriate level of depreciation and whether there is any indication that those assets have suffered an impairment loss. The Directors assign a residual value of nil as equipment is not held for trading and is normally scrapped

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements**Accounting Policies (*continued*)**

2.12 Critical accounting estimates and judgments (*continued*)***Impairment of capital work in progress-Roads***

The Directors review the estimated useful lives of capital work in progress at the end of each annual reporting period to determine whether there is any indication that those assets have suffered an impairment loss. The Directors compute an impairment value which is written off the carrying amount of the asset. The estimation of the impairment value is arrived after assessing the works which were previously certified and which are determined to still be physically present and measurable.

Retirement and Gratuity Benefits

The Directors review the amount of the benefits expected to be paid in respect of service rendered by employees in an accounting period and recognize the increase in the cost of the computed benefit from the prior year in the statement of Statement of income and Expenditure.

Accounting for capital grants received from Government

The Directors have assessed the accounting for capital grants received from the Zambia Government, which may be directly from the Government treasury or indirectly through an appointed agent, mainly National Road Fund Agency (NRFA), and has taken a judgement to classify the grants and related assistance as a grant and not an equity contribution, on account that the funding does not represent equity contributions in nature as no shares are issued in return for the funding received. Additionally, the funding from the Government, although not being repayable under any circumstances, have to be used for purposes of constructing the National road network and related infrastructure as opposed to being available for general use to RDA. The funding is therefore considered to represent assistance provided by the Zambia Government in the form of transfers of resources in return for past or future compliance with the Public Roads Act No. 12 of 2002 as amended, relating to the operating activities of RDA. Subsequently, the directors have accounted for all grants from government under IAS 20 - accounting for Government grants and disclosure of Government assistance.

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements

Accounting Policies (*continued*)

2.13 Application of new and revised International Financial Reporting Standards (IFRSs)

2.13.1 New and revised IFRSs affecting amounts reported and/or disclosures in the annual financial statements

In the current year, a number of amendments to IFRSs and new Interpretations issued by the International Accounting Standards Board (IASB) have become effective and are mandatorily effective for an accounting period that begins on or after 1 January 2023. None of the amendments below have a significant impact on the Agency.

Standard	Subject of amendment	Effective date and impact
Amendment to IAS 1- Classification of Liabilities as Current or Non-current – Deferral of Effective Date	The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specifically that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the counterparty of cash, equity instruments, other assets or services.	The amendments are effective for annual periods beginning on or after January 1, 2023. The amendment has had an impact on the Agency.
Amendments to IAS 1, Presentation of financial statements and IFRS Practice Statement 2 - Making Materiality judgements - Disclosure of Accounting Policies	The amendments change the requirements of IAS 1 and are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.	The amendments are effective for annual periods beginning on or after January 1, 2023. The amendment has had no immediate impact on the Agency.
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors- Definition of Accounting Estimates	The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Accounting estimates are 'monetary amounts in financial statements that are subject to measurement uncertainty'. The standard now clarifies that; <ul style="list-style-type: none"> • A change in accounting estimate that results from new information or new developments is not a correction of an error. • The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from correction of prior period errors. 	The amendments are effective for annual periods beginning on or after January 1, 2023. The amendment has had no immediate impact on the Agency.
Amendments to IAS 12 Income Taxes-Deferred Tax related to Assets and Liabilities arising from a single transaction.	The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.	The amendments are effective for annual periods beginning on or after January 1, 2023. The amendment has had no impact on the Agency

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements

Accounting Policies (continued)

2.13 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.13.2 New and revised IFRSs in issue but not yet effective(continued)

At the date of authorisation of these annual financial statements, the Agency has not applied the following new and revised IFRS Standards that have been issued but are not yet effective. The Directors do not expect that the adoption of the Standards listed below will have a material impact on the annual financial statements of the Agency in future periods, except where indicated:

Standard	Subject of amendment	Effective date and impact
IFRS S1: General sustainability related disclosures	The Standard will require companies to disclose information about all their significant sustainability related risks and opportunities.	Annual periods beginning on or after 1 January 2024. Earlier application is permitted. The Standard will impact the Agency's disclosures.
IFRS S2: Climate related disclosures	The Standard will require an entity to provide information about its exposure to climate related risks and opportunities	Annual periods beginning on or after 1 January 2024. Earlier application is permitted. The Standard will impact the Agency's disclosures.
Classification of Liabilities as Current or Non-current - Amendments to IAS 1 Non-current Liabilities with Covenants - Amendments to IAS 1	The Standard will require that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).	Annual periods beginning on or after 1 January 2024. Earlier application is permitted. The Standard will impact the Agency's disclosures.
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	The Standard explains how an entity accounts for a sale and leaseback after the date of the transaction. It specifies that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains.	Annual periods beginning on or after 1 January 2024. Earlier application is permitted. The Standard will not impact the Agency's disclosures.
Supplier finance arrangements - Amendments to IAS 7 and IFRS 7	The Standard requires new disclosures to provide information about Supplier Financed Arrangements that enable investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk	Annual periods beginning on or after 1 January 2024. Earlier application is permitted. The Standard may impact the Agency's disclosures.

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements

Notes to the Annual Financial Statements

	2023 K	Restated 2022 K
3. Income		
<i>(a) Grant income from GRZ</i>		
Project grant from National Roads Fund Agency (NRFA)(restated- Refer to note 23)	2,140,518,554	1,233,734,771
Revenue grants from GRZ	135,620,466	136,082,772
	<u>2,276,139,020</u>	<u>1,369,817,543</u>
<i>(b) Other Comprehensive income</i>		
Amortisation of capital grants (note 16)	1,650,649,261	1,562,162,103
Amortisation of capital grants on impairment (note 8.1)	-	85,837,019
	<u>1,650,649,261</u>	<u>1,647,999,122</u>
Grant income represents amortisation of capital grants, project grants and revenue grants received from the Government of the Republic of Zambia (GRZ) during the year. Refer to note 23 regarding the restatement of related capital grant on impairment of PPE.		
<i>(c) Other income</i>	<u>25,795,779</u>	<u>28,490,489</u>
Other income is revenues derived from activities other than those directly related to the planning, care and maintenance and construction of public roads.		
Expenditure		
4 Routine repairs, maintenance works and project related costs		
Environmental costs	9,190,476	18,447,704
Routine maintenance	496,986,471	268,812,444
Supervision expenses - roads and bridges	29,600,648	23,131,596
Legal costs and arbitration awards	207,453,758	330,314,494
Other costs	27,015,637	57,656,931
	<u>770,246,990</u>	<u>698,363,169</u>
Routine repairs, maintenance works and project related costs represent expenses directly associated with the care and maintenance and construction of public roads in Zambia and to regulate maximum weights permissible for transmission on roads.		
5 Administrative costs		
Staff Costs (a)	219,974,014	240,911,089
Electricity, water and Sewerage	1,180,329	1,063,104
Insurance	1,843,738	3,525,005
Motor vehicle expenses	12,297,490	10,598,040
Audit Fees	440,800	365,988
Other administration costs	33,459,086	31,181,012
Total Expenditure	<u>269,195,457</u>	<u>287,644,238</u>

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements

Notes to the Annual Financial Statements

	2023 K	2022 K
Expenditure (Continued)		
5. Administrative expenses (Continued)		
<i>(a) Staff costs</i>		
Salaries and wages	134,507,836	138,949,142
Gratuity costs (Note 15b)	12,293,289	19,711,234
Retirement Benefit Costs (Note 15a)	46,811,876	65,553,076
NAPSA -Defined Contribution Scheme	5,444,945	4,927,079
Other costs	20,916,068	11,770,558
Total	219,974,014	240,911,089
6. Finance Income/costs		
<i>(a) Finance income</i>		
Interest income	349,902	65,784
foreign currency gains-receivables and payables	434,327,580	210,658,716
Foreign currency gains- bank accounts	2,699,749	667,298
Total	437,377,231	211,391,798
<i>(b) Finance Costs</i>		
Foreign currency losses- bank accounts	(1,129,905,004)	(3,193,524)
Total	(1,129,905,004)	(3,193,524)
Net Finance (costs)/ Income	(692,527,773)	208,198,273

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements Notes to the Annual Financial Statements (continued)

7. Property, plant and equipment											
2023	Roads	Pontoons and bridges	Land and buildings	Weigh bridges	Motor vehicles	Plant and machinery	Computers and office equipment	Furniture and fittings	Capital work in progress	Total	
Cost	K	K	K	K	K	K	K	K	K	K	K
At 1 January 2022 Restated	25,485,039,451	1,912,197,743	16,050,923	154,359,309	83,577,075	126,561,868	33,011,563	7,878,242	26,869,353,228	54,688,029,402	
Additions	-	-	2,500,000	3,577,373	-	2,657,507	6,625,095	1,058,527	1,464,658,792	1,481,077,294	
Capitalisation of CWIP	988,950,142	-	180,000	56,669,589	-	-	-	-	(1,045,799,731)	-	
Revaluation Adjustment	-	-	-	-	-	-	-	-	(455,476)	(455,476)	
Disposals	-	-	-	-	(4,206,908)	-	(150,881)	-	-	(4,357,789)	
At 31 December 2023	26,473,989,593	1,912,197,743	18,730,923	214,606,271	79,370,167	129,219,375	39,485,777	8,936,769	27,287,756,813	56,164,293,431	
<i>Depreciation and impairment</i>											
At 1 January 2022 Restated	12,661,922,454	457,807,566	4,628,211	95,008,406	66,571,448	72,209,704	29,077,365	7,439,333	-	13,964,664,487	
Charge for the year	1,468,614,235	143,844,684	435,458	15,806,294	5,705,491	10,530,248	5,167,044	371,678	-	1,650,475,132	
Impairment of CWIP	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	(3,365,526)	-	(150,881)	-	-	(3,516,407)	
At 31 December 2023	14,130,536,689	601,652,250	5,063,669	110,814,700	68,911,413	82,739,952	34,093,528	7,811,011	-	15,041,623,212	
<i>Carrying amounts</i>											
At 31 December 2023	12,343,452,904	1,310,545,493	13,667,254	103,791,571	10,458,754	46,479,423	5,392,249	1,125,758	27,287,756,813	41,122,670,219	
At 31 December 2022 Restated	12,823,116,997	1,454,390,177	11,422,712	59,350,903	17,005,627	54,352,164	3,934,198	438,909	26,869,353,228	41,293,364,914	

Property, plant and equipment includes assets with a cost of K4,819,289,255 which were fully depreciated as at 31 December 2023 (2022: K4,726,021,974). Land and buildings amounting to K13,139,313 are not held in the name of Road Development Agency, as they await the administrative process for land and building change of ownership.

Road Development Agency

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Annual Financial Statements

Notes to the Annual Financial Statements (continued)

7. Property, plant and equipment (continued) (Restated)

2022 Restated	Roads	Pontoons and bridges	Land and buildings	Weight bridges	Motor vehicles	Plant and machinery	Computers and office equipment	Furniture and fittings	Capital work in progress	Total
Cost	K	K	K	K	K	K	K	K	K	K
At 1 January 2022 Restated	23,784,714,220	499,205,417	16,050,923	115,827,733	87,145,101	126,561,868	30,161,471	7,726,792	28,117,794,673	52,785,118,198
Reclassification-Acrow	-	-	-	-	-	-	-	-	630,778,433	630,778,433
At 1 January 2022	23,784,714,220	499,205,417	16,050,923	115,827,733	87,145,101	126,561,868	30,161,471	7,726,792	28,748,573,106	53,415,966,630
Additions	-	-	-	-	4,814,844	-	2,850,092	151,451	1,381,584,648	1,389,401,035
Capitalisation of CWIP	1,700,325,231	1,412,992,326	-	38,531,576	-	-	-	-	(3,151,849,133)	-
Adjustment	-	-	-	-	-	-	-	-	(108,955,393)	(108,955,393)
Disposals	-	-	-	-	(8,382,870)	-	-	-	-	(8,382,870)
At 31 December 2022	25,485,039,451	1,912,197,743	16,050,923	154,359,309	83,577,075	126,561,868	33,011,563	7,878,243	26,869,353,228	54,688,029,402
<i>Depreciation and impairment</i>										
At 1 January 2022	11,193,649,856	313,548,252	4,192,753	81,363,472	63,657,183	61,890,162	25,945,360	7,265,219	-	11,751,512,257
Charge for the year	1,382,435,579	1,442,259,314	435,458	13,644,934	7,761,158	10,319,542	3,132,005	174,114	-	1,562,162,104
Impairment of CWIP Restated	85,837,019	-	-	-	-	-	-	-	-	85,837,019
Disposals	-	-	-	-	(4,846,892)	-	-	-	-	(4,846,892)
At 31 December 2022	12,661,922,454	457,807,566	4,628,211	95,008,406	66,571,449	72,209,704	29,077,365	7,439,333	-	13,394,664,488

Carrying amounts	At 31 December 2022	At 31 December 2021
At 31 December 2022	12,823,116,997	1,454,390,177
At 31 December 2021	12,591,064,364	185,657,165
	17,005,626	54,352,164
	3,934,198	438,909
	4,216,111	461,573
	28,748,573,106	41,664,454,373

The adjustment of K119 million in 2022 was a reallocation of K37 Million to revenue grant as a resultant of a change in intervention from holding maintenance works to full rehabilitation on Turnpike to Mazabuka road section and K72 million correction to the value of prior year IPCs.

Refer to note 23 regarding the restatement to correct the CWIP Balance regarding across bridges and impairment of roads

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	2023	Restated 2022
8 Roads impairment provision		
At beginning of year	(85,837,019)	-
Charge for the year	-	(85,837,019)
At 31 December	(85,837,019)	(85,837,019)

During the year an impairment review of commissioned roads and stalled projects recorded under PPE and Capital Work in Progress was undertaken to determine the extent to which the PPE items had deteriorated. Factors which were considered in arriving at the assessment were distress types such as Potholes, Rutting, Edge break, Edge Drop, Cracks, Raveling Gullies, Pavement Layer thickness, Geometry/formation (roadbed deterioration) for unpaved (gravel) roads. This was followed by deriving index factors using publicly available CPI information, to determine the depreciated replacement cost value (fair value). The Depreciated Replacement Cost (DRC) value is calculated by estimating the cost to replace the asset, considering any changes in the cost of materials and labour since the asset was initially purchased or constructed, and subtracting the depreciation that has occurred since that time. The Agency had constituted a team of staff drawn from the technical directorates, finance and Audit and Risk assurance to perform the assessment.

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Notes to the Annual Financial Statements (*continued*)

9. Intangibles

	Computer software K
<i>Cost</i>	
At 1 January 2022	12,436,534
Additions	-
At 31 December 2022	<u>12,436,534</u>
At 1 January 2023	12,436,534
Additions	522,440
At 31 December 2023	<u>12,958,974</u>
<i>Amortisation</i>	
At 1 January 2022	12,436,533
Charge for the year	-
At 31 December 2022	<u>12,436,533</u>
At 1 January 2023	12,436,533
Charge for the year	174,129
At 31 December 2023	<u>12,610,662</u>
<i>Carrying amounts</i>	
At 31 December 2023	<u>348,312</u>
At 31 December 2022	<u>1</u>

The intangible assets represent software used by the Agency which are the Weighbridge software, Accounting system, payroll system, Design Software and Project management system.

	2023 K	Restated 2022 K
10. Inventory		
Raw materials	35,937	35,937
Finished pavers	2,056,398	2,145,838
	<u>2,092,335</u>	<u>2,181,775</u>

Refer to note 23 regarding the restatement to correct the Inventory Balance

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Notes to the Annual Financial Statements (*continued*)

	2023	<i>Restated</i>
	K	2022
		K
11. Trade and other receivables		
Amounts advanced to contractors and suppliers	3,433,391,773	4,224,765,900
Amounts receivable from National Roads Fund Agency (NRFA)	13,443,555,559	11,981,049,105
National Roads Fund Agency (NRFA) other receivables (restated refer to note 23)	3,154,471,700	2,026,642,665
	<u>20,031,419,032</u>	<u>18,232,457,670</u>
Less: impairment provision	<u>(2,610,452,249)</u>	<u>(2,076,404,328)</u>
Net trade receivables	<u>17,420,966,783</u>	<u>16,156,053,342</u>

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value. Information about the impairment of trade receivables and the group's exposure to credit risk and foreign currency risk can be found in note 16.

12. Other receivables

Special imprest	802,672	654,941
Salary advances	474,570	247,826
Staff material loans	5,840,018	5,846,649
Staff receivables-motor vehicle disposals	3,006	4,139
Prepayments	418,340	534,690
Other debtors	22,025,281	23,343,643
Amounts payable to contractors in debit	36,070,126	10,329,199
	<u>65,634,013</u>	<u>40,961,087</u>
Less impairment provision on other debtors	<u>(20,159,925)</u>	<u>(25,099,569)</u>
Net other debtors	<u>45,474,088</u>	<u>15,861,518</u>

The average credit period on trade receivables is 30 days. No interest is charged on outstanding trade receivables. The expected credit loss (ECL) is mainly based on the ageing of the receivables balance and historical experience. The receivables are assessed on an individual basis or grouped into homogenous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case by case basis if deemed not to be collectable on the assessment of the underlying facts and circumstances.

The Agency uses a provision matrix to measure the expected credit loss of receivables. Based on the environment in which the entity operates, management considers that the trade receivables are credit impaired if the payments are more than 90 days past due.

Receivables from employees

The receivables from employees are loans and advances that are recovered through the payroll. The loans and advances carry an interest charge of 0%. The loans and advances are given to employees as part of the Agency conditions of service. The repayment terms vary based on the purpose of the loan or advance. Any Mark to Mark adjustment regarding staff loans would result in an immaterial impact.

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Notes to the Annual Financial Statements (*continued*)

	2023 K	2022 K
13. Cash and bank balances		
Cash and cash equivalents include cash and cash held in the Agency's bank accounts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the Statement of Financial Position as follows:		
Bank account balances	479,872,143	149,989,183
Cash in hand	1,380	1,823
At 31 December	479,873,523	149,991,006
Of which:		
Operating funds	479,832,936	149,950,419
Project funds	40,587	40,587
At 31 December	479,873,523	49,991,006
14. Trade payables		
Trade payables consist of amounts payable to contractors and retentions. The carrying amounts equate fair value due to the low impact of discounting.		
Amounts payable to contractors	11,792,670,823	9,888,656,868
Retention payable	1,650,884,736	2,092,392,236
Other trade payables	-	29,591,773
	13,443,555,559	12,010,640,877
15. Other payables		
Other payables mostly consist of provisions for possible interest that would accrue on amounts payable to Contractors and legal provisions made for various legal cases against the Agency.		
Accruals- interest to contractors	3,123,585,573	2,026,642,665
Provisions-legal	1,007,174,692	824,790,711
Leave pay	34,333,309	39,485,564
Other payables	135,544	890,271
NAPSA	47,608,685	49,600,383
PAYE	2,723,925	17,840,775
VAT	1,937,036	1,739,349
Ministry of Infrastructure, Housing and Urban Development (MIHUD)	50	-
Sundry creditors	24,276,264	21,256,226
	4,241,775,078	2,982,245,944

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Notes to the Annual Financial Statements (*continued*)

	2023 K	2022 K
15 (a) Retirement benefits		
At beginning of year	285,081,011	249,361,826
Charge for the year	46,811,876	65,553,078
Payments during the year	(5,467,808)	(29,833,893)
At 31 December	326,425,079	285,081,011
Non-current portion	299,330,651	267,375,503
Current portion	27,094,428	17,705,508
At 31 December	326,425,079	285,081,011
15. (b) Gratuity benefits		
At beginning of year	18,158,858	33,903,523
Charge for the year	12,293,289	19,711,234
Payments during the year	(15,429,925)	(35,455,899)
At 31 December	15,022,222	18,158,858
Non-current portion		
Current portion	4,474,850	6,388,579
At 31 December	10,547,372	11,770,279
	15,022,222	18,158,858
16. Capital grants		
	2023 K	Restated 2022 K
Balance at beginning of year	42,666,002,841	43,032,013,687
Capital grants received (works)	1,279,097,716	1,267,475,905
Capital grants received (advance payments)	162,343,861	115,651,377
Capital grants received (operations)	21,290,127	7,816,386
Revaluation adjustment	(455,475)	(108,955,393)
Impairment of capital grants (note 7)	-	(85,837,019)
Amortisation of capital grants (note 7)	(1,650,649,261)	(1,562,162,103)
Balance at end of year	42,477,629,807	42,666,002,840

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Notes to the Annual Financial Statements (*continued*)

	2023	2022
	K	K

17. Financial instruments - Risk management

The Agency has exposure to the following risks from its use of financial instruments:

- credit risk
- market risk; and
- liquidity risk

Risk management framework

The Members have overall responsibility for the establishment and oversight of the Agency's risk management framework. The Agency's risk management policies are established to identify and analyse the risks faced by the Agency, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Agency's activities. The Members oversee how management monitors compliance with the Agency's risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks faced by the Agency.

Categories of financial instruments

The carrying amount of the Agency's financial instruments by classification is as follows:

Financial assets

	Notes		
Cash and bank balances	13	479,873,523	149,991,006
Amounts advanced to contractors and suppliers	11	3,433,391,773	4,224,765,900
Amounts receivable from National Roads Fund Agency (NRFA)	11	13,443,555,559	11,981,049,105
National Roads Fund Agency (NRFA) other receivables (restated refer to note 23)	11	3,154,471,700	2,026,642,665
Special imprest	12	802,672	654,941
Salary advances	12	474,570	247,826
Staff material loans	12	5,840,018	5,846,649
Staff receivables-motor vehicle disposals	12	3,006	4,139
Other debtors	12	22,025,281	23,343,643
Amounts payable to contractors in debit	12	36,070,126	10,329,199
		<u>20,576,508,228</u>	<u>18,422,875,073</u>

Financial liabilities

Amounts payable to contractors	14	11,792,670,823	9,888,656,868
Retention payable	14	1,650,884,736	2,092,392,236
Other trade payables	14	-	29,591,773
Accruals- interest to contractors	15	3,123,585,573	2,026,642,665
Provisions-legal	15	1,007,174,692	824,790,711
Employee benefits	15	326,425,079	285,081,011
Leave pay	15	34,333,309	39,485,564
Gratuity	15	15,022,222	18,158,858
Other payables	15	135,544	890,271
Sundry creditors	15	24,276,264	21,256,226
		<u>17,974,508,242</u>	<u>15,226,946,183</u>

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Notes to the Annual Financial Statements (*continued*)

	2023	2022
	K	K

17. Financial instruments - Risk management (continued)

(i) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Agency. The Agency has adopted a policy of only dealing with creditworthy counterparties and obtaining an advance payment, where appropriate, as a means of mitigating the risk of financial loss from defaults. Financial assets which potentially subject the Agency to concentrations of credit risk, consist principally of trade receivables and cash balances.

The Agency's exposure to credit risk is influenced mainly by individual characteristics of each customer or counterparty. The demographics of the Agency's customer base, including the default risk does not have a significant influence on credit risk. Geographically there is no concentration of credit risk.

No collateral is required in respect of financial assets. Management has a policy in place and the exposure to credit risks is monitored on an on-going basis.

The Agency holds security over its financial assets in respect of receivables from employees. The receivables from employees in respect of material loans are recoverable from source through payroll by the Agency over a period of 36 months for management and 48 months for the rest of the employees.

The Agency establishes an allowance for doubtful debts on a specific basis which represents its estimate of expected losses in respect of trade and other receivables. The Agency is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Based on historical information about default rates, management considers the credit quality of trade receivables that are not past due or impaired to be good.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Cash and cash equivalents	13	479,873,523	149,991,006
Trade and other receivables (restated refer to note 23)	11	17,466,440,871	16,171,914,860
		<u>17,946,314,394</u>	<u>16,321,905,866</u>

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Notes to the Annual Financial Statements (*continued*)

	2023 K	2022 K
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17. Financial instruments - Risk management (*continued*)

(i) Credit risk management (*continued*)

Trade and other receivables

Ageing of trade receivables

The aging of trade receivables at the reporting date was:

	31 Dec 2023 Gross amount	31 Dec 2023 Impairment	31 Dec 2023 Net amount	Restated (Note 23) 31 Dec 2022 Gross amount	31 Dec 2022 Impairment	Restated 31 Dec 2022 Net amount
	K	K	K	K	K	K
1-3 months	2,429,565,384	(337,997,869)	2,091,567,515	341,448,326	(19,598,192)	321,850,134
3 months to 1 year	1,763,112,018	(92,676,553)	1,670,435,465	922,245,831	(41,875,025)	880,370,806
More than 1 year	15,838,741,630	(2,179,777,827)	13,658,963,803	16,968,763,514	(2,014,931,111)	14,953,832,403
	<u>20,031,419,032</u>	<u>(2,610,452,249)</u>	<u>17,420,966,783</u>	<u>18,232,457,671</u>	<u>(2,076,404,328)</u>	<u>16,156,053,343</u>

The Agency uses a general approach to determine the expected credit losses on Government related receivables due to their sovereign nature. This is based on the Probability of Default (PD) and the Loss Given Default (LGD) of Government receivables. Based on Zambia's sovereign rating of 'In default with little prospect for recovery', the Agency used PD and LGD rates of 14.63% and 89.08% (2022: 20.71% and 54.99%) respectively.

The following table provides information about the exposure to credit risk and ECLs for GRZ institutions' trade receivables as at 31 December.

31 December 2023

Probability of default	Loss given default	Life expected loss rates	Gross carrying amount K	Impairment loss allowance K
<u>14.63%</u>	<u>89.08%</u>	<u>13.03%</u>	<u>20,031,419,032</u>	<u>2,610,452,249</u>

31 December 2022

Probability of default	Loss given default	Life expected loss rates	Gross carrying amount K	Impairment loss allowance K
<u>20.71%</u>	<u>54.99%</u>	<u>11.39%</u>	<u>18,232,457,670</u>	<u>2,076,404,328</u>

Refer to note 23 for restatement of receivables

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Notes to the Annual Financial Statements (*continued*)

17. Financial instruments- Risk management (*continued*)

(i) Credit risk management (*continued*)

Expected credit loss assessment (*continued*)

Loss Allowance

31 December 2023	Weighted average losses	Gross carrying amounts K	Loss Allowance K	Credit impaired
1 to 3 months	13.91%	2,429,565,384	337,997,869	Yes
3 months to 1 year	5.26%	1,763,112,018	92,676,553	Yes
More than 1 year	13.76%	15,838,741,630	2,179,777,827	Yes
		<u>20,031,419,032</u>	<u>2,610,452,249</u>	

31 December 2022	Weighted average losses	Restated (Note 23) Gross carrying amounts K	Loss Allowance K	Credit impaired
1 to 3 months	5.74%	341,448,326	19,598,192	Yes
3 months to 1 year	4.54%	922,245,831	41,875,025	Yes
More than 1 year	11.87%	16,968,763,513	2,014,931,111	Yes
		<u>18,232,457,670</u>	<u>2,076,404,328</u>	

The following table provides information about the exposure to credit risk and ECLs for other receivables as at 31 December.

31 December 2023	Weighted average losses	Gross carrying amounts K	Loss Allowance K	Credit impaired
1 to 3 months	0.0000%	5,083,192	-	No
3 months to 1 year	70.9464%	28,553,718	-	No
More than 1 year	63.0000%	31,997,103	20,159,925	Yes
		<u>65,634,013</u>	<u>20,159,925</u>	

31 December 2022	Weighted average losses	Gross carrying amounts K	Loss Allowance K	Credit impaired
1 to 3 months	0.0000%	7,284,106	-	No
3 months to 1 year	70.9464%	29,522,791	20,945,379	Yes
More than 1 year	100.0000%	4,154,190	4,154,190	Yes
		<u>40,961,087</u>	<u>25,099,569</u>	

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Notes to the Annual Financial Statements (*continued*)

17. Financial instruments- Risk management (*continued*)

Exposure to credit risk (*continued*)

Expected credit loss assessment (*continued*)

The loss allowance for financial assets as at 31 December reconciles to the opening loss allowance as follows:

Movement in impairment provisions-trade debtors

Balance at the beginning of the year	2,076,404,328	1,791,525,512
Provision for the year	534,047,921	314,373,354
Write-off	-	(29,494,538)
Balance at 31 December	2,610,452,249	2,076,404,328

Movement in impairment provision-other debtors

Balance at the beginning of the year	25,099,569	30,133,355
Reduction in impairment of other receivables for the year	(4,939,644)	(5,033,786)
Balance at 31 December	20,159,925	25,099,569

Total Charge to Statement of Income and Expenditure

529,108,277	309,339,568
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Financial risk management objectives

(ii) Market risk

The Agency's activities expose it primarily to the financial risk of changes in foreign currency exchange rates (see below). The Agency does not trade any derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including forward foreign exchange contracts to hedge the exchange rate risk.

There has been no change to the Agency's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk management

The Agency undertakes certain transactions dominated in foreign currencies. Hence, exposure to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters as approved by the Board.

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Notes to the Annual Financial Statements (*continued*)

17. Financial instruments- Risk management (*continued*)

Exposure to currency risk

The Agency incurs currency risk as a result of transactions in USD, EUR and GBP. The Agency ensures that the net exposure is kept to an acceptable level by transacting in foreign currencies at spot rate where necessary to address short term imbalances. The currency risk expressed in Kwacha at reporting date was as follows:

Exposure to currency risk (continued)

December 2023	USD Exposure	Pound Exposure	Euro Exposure	K Total
Financial assets				
Cash and bank balances	8,854,098	-	-	8,854,098
Financial liabilities				
Amounts payable to contractors	(7,293,736,255)	(145,197)	(80,951,615)	(7,374,833,067)
Net exposure	(7,284,882,157)	(145,197)	(80,951,615)	(7,365,978,969)
December 2022	USD Exposure	Pound Exposure	Euro Exposure	K Total
Financial assets				
Cash and bank balance	4,327,824	-	-	4,327,824
Financial liabilities				
Amounts payable to contractors	(5,642,236,882)	(482,188)	(115,964,932)	(5,758,684,002)
Net exposure	(5,637,909,058)	(482,188)	(115,964,932)	(5,754,356,178)

The Agency's foreign currency obligation represents Government approved roads infrastructure with commitment to dismantle it in subsequent years

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Notes to the Annual Financial Statements *(continued)*

17. Financial instruments- Risk management *(continued)*

Exposure to currency risk (continued)

The following significant exchange rates were applied during the year:

	Spot rate at reporting date					
	2023			2022		
	Opening	Average	Closing	Opening	Average	Closing
USD	18.10	20.26	25.74	16.69	16.93	18.10
EUR	19.33	21.91	32.72	18.82	17.89	19.33
GBP	21.78	25.20	28.46	22.47	21.00	21.78

Sensitivity analysis

A 10 percent strengthening/weakening of the USD, GBP and EUR against the Kwacha at 31 December and vice versa would have increased accumulated funds and income expenditure by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Accumulated fund	Accumulated fund	Income and expenditure	Income and expenditure
	10% increase	10% decrease	10% increase	10% decrease
31 December 2023				
USD	-728,488,216	728,488,216	-728,488,216	728,488,216
EUR	-8,095,162	8,095,162	-8,095,162	8,095,162
GBP	-14,520	14,520	-14,520	14,520
	Accumulated fund	Accumulated fund	Income and expenditure	Income and expenditure
	10% increase	10% decrease	10% increase	10% decrease
31 December 2022				
USD	(563,790,906)	563,790,906	(563,760,906)	563,790,906
EUR	(11,596,493)	11,596,493	(11,2596,493)	11,596,493
GBP	(48,218)	48,218	(48,218)	48,218

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Notes to the Annual Financial Statements (*continued*)

17. Financial instruments- Risk management (*continued*)

(iii) Interest rate risk

The Agency is not exposed to interest rate risk on its bank accounts and does not hold any interest-bearing financial instruments.

(iv) Liquidity risk management

Liquidity risk is the risk that the Agency will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Agency's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Agency's reputation.

The Agency aims to maintain a sufficient level of liquidity to meet its contractual repayments.

Ultimate responsibility for liquidity risk management rests with the Board Members, which has established an appropriate liquidity risk management framework for the management of the Agency's short, medium and long-term funding and liquidity management requirements. The Agency manages liquidity risk by maintaining adequate reserves, banking facilities, continuously monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities.

Road Development Agency

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Notes to the Annual Financial Statements *(continued)*

17. Financial instruments- Risk management (continued)

The following table details the Agency's remaining period for contractual maturity of its non-derivative financial assets and liabilities. The table below has been drawn up based on the contractual maturities of the financial assets and liabilities.

Liquidity risk management

	Notes	1 to 3 months	3 months to 1 year	More than 1 year	Total
		K	K	K	K
31 December 2023					
Liabilities					
Amounts payable to contractors	14	2,412,976,499	9,379,694,324	-	11,792,670,823
Retention payable	14	289,860,577	1,338,970,955	22,053,204	1,650,884,736
Accruals- interest to contractors	15	-	-	3,123,585,573	3,123,585,573
Provisions-legal	15	-	534,180,929	472,993,763	1,007,174,692
Terminal benefits	15(a)	-	27,094,428	299,330,651	326,425,079
Leave pay	14	-	34,333,309	-	34,333,309
Gratuity	15(b)	-	10,547,372	4,474,850	15,022,222
Other payables	15	135,544	-	-	135,544
Sundry creditors	15	24,276,264	-	-	24,276,264
		2,727,248,884	11,324,821,317	3,922,438,041	17,974,508,242
31 December 2023					
Assets					
Cash and bank balances	13	479,873,523	-	-	479,873,523
Trade receivables	11	4,192,677,402	15,838,741,630	-	20,031,419,032
Special imprest	12	802,672	-	-	802,672
Salary advances	12	474,570	-	-	474,570
Staff material loans	12	331,705	935,938	4,572,375	5,840,018
Staff receivables- motor vehicle disposals	12	1,503	1,503	-	3,006
Other debtors	12	8,681,767	-	-	8,681,767
Prepayments	12	128,478	289,862	-	418,340
Amounts payable to contractors in debit	12	36,070,126	-	-	36,070,126
NRFA other receivables	12	13,343,514	-	-	13,343,514
		4,732,385,260	15,839,968,933	4,572,375	20,576,926,568
Net exposure		2,005,136,376	4,515,147,616	(3,917,865,666)	2,602,418,326

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Notes to the Financial Annual Statements (*continued*)

17. Financial instruments- Risk management (*continued*)

Liquidity risk management (*continued*)

	Notes	1 to 3 months	3 months to 1 year	More than 1 year	Total
		K	K	K	K
31 December 2022					
Liabilities					
Amounts payable to contractors	14	82,465,483	9,815,936,397	-	9,898,401,880
Retention payable	14	328,198,626	1,784,040,371	-	2,112,238,997
Accruals- interest to contractors	15	-	2,026,642,665	-	2,026,642,665
Provisions-legal	15	-	824,790,711	-	824,790,711
Terminal benefits	15(a)	4,726,182	12,979,326	267,375,503	285,081,011
Leave pay	15	-	39,485,564	-	39,485,564
Gratuity	15(b)	4,947,544	6,822,735	6,388,579	18,158,858
Other payables	15	890,271	-	-	890,271
Sundry creditors	15	-	21,256,226	-	21,256,226
		421,228,106	14,531,953,995	273,764,082	15,226,946,183
31 December 2022					
Assets					
Cash and bank balances	13	149,991,006	-	-	149,991,006
Trade receivables (restated refer to note 23)	11	1,263,694,157	16,968,763,513	-	18,232,457,670
Special imprest	12	654,941	-	-	654,941
Salary advances	12	247,826	-	-	247,826
Staff material loans	12	5,846,649	-	-	5,846,649
Staff receivables-motor vehicle disposals	12	4,139	-	-	4,139
Other debtors	12	-	13,398,517	-	13,398,517
Prepayments	12	534,690	-	-	534,690
Amounts payable to contractors in debit	12	-	10,329,199	-	10,329,199
NRFA other receivables	12	-	9,945,126	-	9,945,126
		1,420,973,408	17,002,436,355	-	18,423,409,763
Net exposure		999,745,302	2,470,482,360	(273,764,082)	3,196,463,850

Road Development Agency

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Notes to the Annual Financial Statements (*continued*)

18. Related party transactions

The Agency undertakes to disclose the nature of related party relationships, and types of transactions necessary for the understanding of the annual financial statements.

In the context of the Agency, related party transactions include any transactions carried out with any of the following:

- Government of the Republic of Zambia;
- Ministry of Infrastructure, Housing and urban development;
- National Road Fund Agency
- Board members; and
- Executive management personnel.

The transactions to be reported are those that affect the Agency in making financial and operating decisions.

i) Transactions during the year

(a) Revenue grants received from related parties

National Road Fund Agency	2,140,518,554	1,233,734,771
Ministry of Infrastructure, Housing and Urban Development	135,620,466	136,082,772
	<u>2,276,139,020</u>	<u>1,369,817,543</u>

Government grant represents funds receivable from Government in respect of grant income allocation for the year.

Capital grants received from related parties

National Road Fund Agency	1,463,187,180	1,390,943,669
	<u>1,463,187,180</u>	<u>1,390,943,669</u>

(b) Compensation of Directors and key Management personnel

The remuneration of Directors and Executive Management is determined by the Board having regard to funding and market trends.

The remuneration of the Board and Executive Management during the year was as follow:

Salaries and other short-term benefits to management	2,496,712	9,454,569
Directors' remuneration	1,273,732	2,537,600

Road Development Agency

Annual Report for the year ended 31 December 2023

Annual Financial Statements

Notes to the Annual Financial Statements (*continued*)

	2023 K	2022 K
18. Related party transactions (<i>continued</i>)		
(ii) Balances due to/from related parties		
(a) Balances due from the National Road Fund Agency (NFRA)-restated refer to note 23	16,598,027,259	14,007,691,770
This amount is represented by trade receivables of K14,191,498,403(2022: K11,981,049,105) and other receivables of K3,154,471,700 (2022: K2,026,642,665) due from NRFA.		
(b) Balances due (to)/from Executive Management:		
• Loans due from Executive Management personnel	1,102,525	572,301
• Gratuity and leave due to Executive Management personnel	4,559,436	5,559,436

19. Contingent liabilities

As at 31 December 2023, there were contingent liabilities in respect of various legal claims made against the Agency amounting to K84 million (2022: K68 million). These amounts are not recognised in the annual financial statements as Management has assessed that there is a low risk of the matters being decided against the Agency.

20. Capital commitments

As at 31 December, the Agency had entered into a number of contracts for works. Capital expenditure contracted for at the reporting date but not recognised in the annual financial statements is as follows:

Roads and bridges	1,700,999,813	513,711,511
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The Agency is certain that all such commitments will be fully financed from Government grants through the National Roads Fund Agency and from cooperating partners.

21. Termination of Projections

As at the end of the Financial Year the Agency had identified 120 projects for termination on which works had generally stalled owing to fiscal constraints. Negotiations for final accounts are in various stages. The Agency has not yet determined the termination costs as at year end and therefore no provision has been included in the annual financial statements

22. Events after the reporting date

As at the date of signature of these annual financial statements, there were no material facts or circumstances that have occurred between the accounting date and the date of approval of the annual financial statements which may require adjustment to or disclosure in these annual financial statements.

Road Development Agency
Annual Report for the year ended 31 December 2023

Annual Financial Statements
Notes to the Annual Financial Statements (continued)

23. Restatement arising from reclassifications/ Correction of errors

23. 1 Reclassification of acrow bridges from Inventory to property plant and equipment

In previous periods, the Road Development Agency classified Acrow bridges as inventory and were only capitalized as Property, Plant, and Equipment (PPE) when they were mounted. This was an error. Consequently, management has now reclassified the Acrow bridges as PPE, in accordance with IAS 16 provisions. According to the standard, Property, Plant, and Equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used for more than one period.

Statement of financial position	31 December 2022	31 December 2022	31 December 2021	1 January 2022
	As previously stated	Increase/ (Decrease)	Restated	Restated
Property Plant and Equipment	40,672,795,836	620,569,078	41,293,364,914	41,033,675,941
Inventory	622,750,853	(620,569,078)	2,181,775	630,778,433
			633,951,085	41,664,454,374
			(630,778,433)	3,172,652

Road Development Agency
Annual Report for the year ended 31 December 2023
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Notes to the Annual Financial Statements (continued)

23. Restatement arising from reclassifications/ Correction of errors (continued)

23. 2 Recognition of grant income

In the previous period, the Road Development Agency recognized interest accrued on interim payment certificates due to contractors and consultants when the obligation is past due. However, the Agency did not recognize the corresponding income to match the interest expenses, as required by IAS 20 - Accounting for Government Grants. This was an error. Management has since restated the financial statements to recognize the income and a corresponding receivable from NRFA.

	31 December 2022	31 December 2022	Increase/ (Decrease)	31 December 2021	Increase/ (Decrease)	1 January 2022 Restated
Statement of Income and Expenditure and other comprehensive Income						
Grant income	774,720,347	595,097,196	1,369,817,543			
Statement of financial position						
Trade receivables	14,129,410,677	2,026,642,665	16,156,053,342	14,298,232,399	1,431,545,469	15,729,777,868
Statement of Changes in Accumulated Funds						
Accumulated Expenditure over income	(2,371,319,640)	2,026,642,665	(344,676,975)	(1,406,253,211)	1,431,545,469	25,292,258
Statement of cashflows						
Excess of income over expenditure	965,066,429	595,097,196	369,969,233			

Road Development Agency
Annual Report for the year ended 31 December 2023
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Notes to the Annual Financial Statements (continued)

23. Restatement arising from reclassifications/ Correction of errors (continued)

23.3 Adjustment to impairment of Property Plant and Equipment

In the previous period, the Road Development Agency had recognised an impairment of Property plant and equipment. However, in computing this impairment value the Agency did not take into account the recoverable value as per the requirements of IAS 36 which states that, an asset is impaired when its carrying amount exceeds its recoverable value. The Agency therefore recomputed the recoverable value of the PPE and found that the carrying value was less than the recoverable except for the Mbala-Nakonde road project whose carrying value was more than the recoverable amount. Consequently, an impairment derecognition adjustment has been effected to correct the understatement in PPE as at 31 December 2022. Furthermore, as the impairment loss incorrectly recognised in 2022, resulted in a corresponding accelerated amortisation of capital grant income, management has also derecognised the said corresponding 2022 capital grant income.

	31 December 2022	31 December 2021	1 January 2022
	As previously stated	Restated	Increase/ (Decrease) Restated
Statement of Income and Expenditure and other comprehensive Income			
Amortisation of Capital Grant	3,502,383,782	1,647,999,122	(1,854,384,660)
Impairment of CWIP- roads and Bridges	1,940,221,679	85,837,019	(1,854,384,660)
Statement of financial position			
Property Plant and equipment	39,438,980,254	41,293,364,914	1,854,384,660
Capital Grant	40,811,618,181	42,666,002,841	1,854,384,660
Statement of Changes in Accumulated Funds			
Capital Grant	40,811,618,181	42,666,002,841	1,854,384,660
Statement of cashflows			
Impairment of PPE	1,940,221,679	85,837,019	(1,854,384,660)
Amortisation of capital grants on impairment	(1,940,221,679)	(85,837,019)	1,854,384,660

Road Development Agency

Annual Report for the year ended 31 December 2023

Supplemental Financial Information

Appendix 1: Unaudited Detailed Statement of Comprehensive income

		2023	Restated 2022
	Notes	K	K
Income			
Amortisation of capital grants	1 6	1,650,649,261	1,562,162,103
Amortisation of capital grants on impairment	7	-	85,837,019
Project grant from National Roads Fund Agency (NRFA)(restated)	3	2,140,518,554	1,233,734,771
Revenue grants from GRZ	3	135,620,466	136,082,772
		<u>3,926,788,281</u>	<u>3,017,816,665</u>
Other income			
Abnormal load fees		10,790,055	8,092,870
Bill boards		1,103,220	1,787,393
Equipment hire		192,206	150,200
Profit on disposal of plant and equipment		-	-
Liquidated damages		1,150,379	934,835
Private Public Partnership		1,780,736	1,433,636
Rental income		186,650	200,680
Road infringement charges		2,305,650	3,154,345
Quarry royalties		513,149	1,090,115
Soil testing analysis fees		826,063	394,375
Routeway inspection fees		3,923,853	2,776,835
Tender document sales		2,282,938	7,391,662
Other		740,880	1,083,543
Total other income		<u>25,795,779</u>	<u>28,490,489</u>
Total income		<u>3,952,584,059</u>	<u>3,046,307,154</u>

Road Development Agency

Annual Report for the year ended 31 December 2023

Supplemental Financial Information

Appendix 1: Unaudited Detailed Statement of Comprehensive income (continued)

	2023 K	2022 K
Expenditure		
Accommodation and meals	2,191,566	2,940,979
Audit fees	440,800	365,988
Bank charges	518,407	417,512
Board expenses	5,196,395	4,427,463
Civil maintenance	(785,041)	3,523,052
Cleaning materials and toiletries and sanitary services	647,129	586,485
Computer expenses	1,057,635	1,388,070
Amortisation of intangible assets	174,129	-
Depreciation	1,650,475,131	1,562,162,103
Electricity, water and sewerage	1,180,329	1,063,104
Equipment service and repair	1,172,297	693,850
Insurance	1,843,738	3,525,005
Internet services	59,615	552,235
Labour day celebrations	750,476	187,000
Legal fees	74,730	62,204
Loss on disposal of plant and equipment	371,427	1,911,014
Motor vehicle expenses	12,297,490	10,598,040
Newspapers	67,535	56,386
Office beverages and refreshments	633,511	628,446
Other costs	1,224,275	201,178
Printing and stationery	2,575,265	2,187,019
Bad debt charge	529,108,277	309,339,568
Public relations and advertising	5,795,958	3,205,964
Recruitment costs	473,893	-
Rent collection costs	-	19,627
Routeway inspection costs	327,438	118,727
Security services	3,150,092	3,124,307
Staff costs	219,974,014	240,911,089
Staff training	4,802,498	1,864,076
Staff welfare	610,848	866,478
Subscriptions	521,997	435,337
Office rentals	88,000	54,667
Telephone and postage	292,368	254,461
Travelling expenses	85,070	168,440
Miscellaneous expenses	60,743	16,473
Workshops and seminars	1,494,960	1,289,562
	2,448,952,995	2,159,145,909

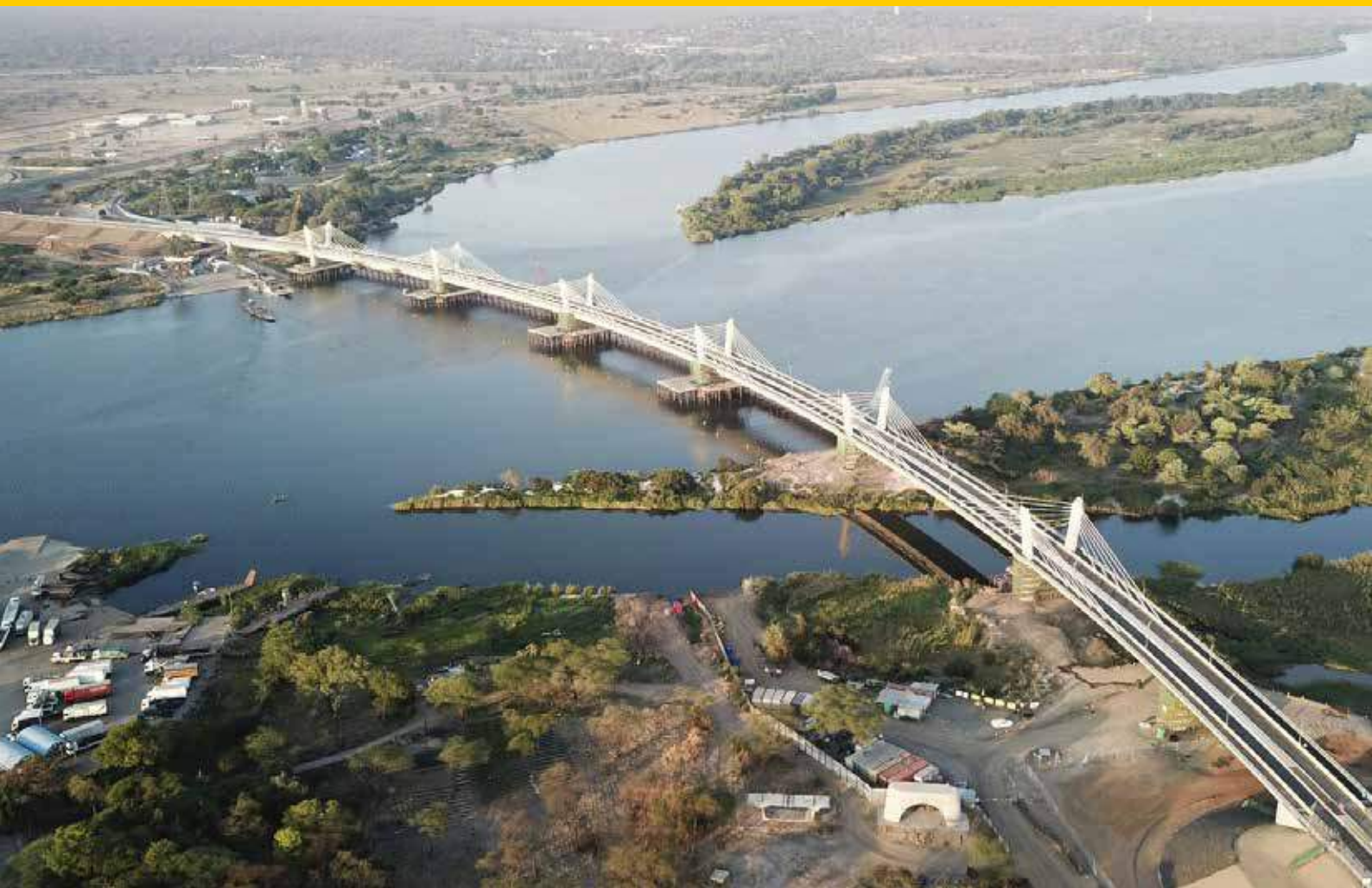
Road Development Agency

Annual Report for the year ended 31 December 2023

Supplemental Financial Information

Appendix 1: Detailed Statement of Comprehensive income (continued)

	2023 K	2022 K
Detailed analysis of routine repairs, maintenance works and project related costs		
Environmental costs	9,190,476	18,447,704
Project procurement costs	5,165,469	14,162,733
Routine maintenance - roads	113,216,006	166,431,794
Routine maintenance - force accounts	383,729,782	102,380,649
Supervision expenses - roads and bridges	28,844,566	22,543,088
Supervision expenses - routine maintenance	756,082	588,508
Technical assistance and other consultancy costs	17,044,080	39,556,111
Information and communication technology costs	4,806,088	3,938,088
Legal costs and arbitration awards	207,453,758	330,314,494
	770,246,990	698,363,169
Interest on long outstanding contractor debts	1,129,161,814	681,128,564
Impairment cost - roads	-	85,837,019



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<p>The Provincial Roads Engineer RDA - Central Plot 486, Buntungwa Road P.O Box 80180 KABWE Tel: 215 222263/224662</p>	<p>The Provincial Roads Engineer RDA - North Western Former Roads Department next to ESCO, Independence Road P.O Box 110094 SOLWEZI Tel: 218 821196</p>	<p>The Provincial Roads Engineer RDA - Luapula PACU Building, Mansa Kawambwa Road P.O Box 710007 MANSA Tel: 212 821702/821973</p>	<p>The Provincial Roads Engineer RDA - Northern Plot 2847, Mukulumpe Road Central Town P.O Box 410720 KASAMA Tel. 213 221290/230046</p>
<p>The Provincial Roads Engineer RDA - Muchinga Plot ZD 160, Chama Complex Nambuluma Road CHINSALI Tel: 214 565088</p>	<p>The Provincial Roads Engineer RDA - Eastern PWD Building, Umodzi Highway Private Bag 18 CHIPATA Tel: 216 221033/ 222026</p>	<p>The Provincial Roads Engineer RDA - Western Plot 164, Mongu – Senanga Road Private Bag Mongu MONGU Tel: 217 222036</p>	<p>The Provincial Roads Engineer RDA - Southern Plot 1313, Kapondo Street Mochipapa CHOMA Tel: 213 221610</p>