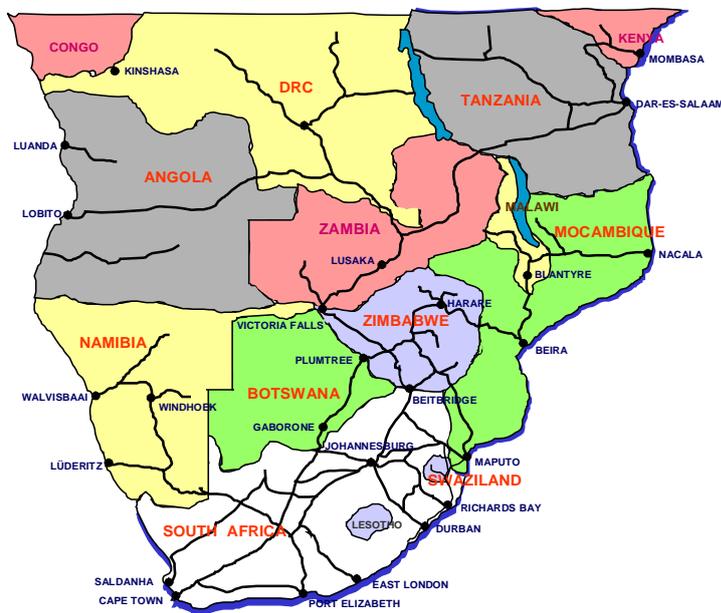**SARA**

"Together we are better"

FIVE YEAR STRATEGIC PLAN 2014-2018

SOUTHERN AFRICAN RAILWAYS ASSOCIATION

TOGETHER WE ARE BETTER
JUNTOS SOMOS MELHORES
ENSEMBLE NOUS SOMMES MEILLEURS

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Page

ACRONYMS

AAR	Association of American Railways
APP	Active Power
ARA	Australian Railways Association
BBR	Beitbridge Bulawayo Railways
BR	Botswana Railways
CFB	Caminhos de Ferro de Benguela
CFL	Caminhos de Ferro de Luanda
CFM	Caminhos de Ferro deMecamades
CFM	Caminhos de Ferro de Mocambique
CMG	Corridor Management Group
ICT	Information and Communication Technology
JOC	Joint Operation Centre
KZN	Kwazulu Natal Oils
MA	Manica Zimbabwe
MCLI	Maputo Corridor Logistics Initiative
NRZ	National Railways of Zimbabwe
PRASA	Passenger Rail Agency of South Africa
RAHCO	Reli Asset Holding Company
RSR	Railway Safety Regulator
SADC	Southern African Development Community
SARA	Southern African Railways Association
SATH	Southern Africa Trade Hub
SHEQ	Safety Health Environment and Quality
SNCC	Societe Nationale des Chemins de Fer du Congo
SR	Swaziland Railway
TMSA	Trademark Southern Africa
TNHL	Transnamib Holdings Limited
TFR	Transnet Freight Rail
TAZARA	Tanzania Zambia Railway Authority
UAR	Union of African Railways
UIC	Union Internationale des Chemins de Fer
ZRL	Zambia Railways Limited

FOREWORD

This Five Year Strategic Plan for the Southern African Railways Association (SARA) which covers the period 2014-2018 will guide the Association's programmes over the next 5 years. It provides the basis upon which the association is able to assess its performance in relation to its set objectives. The Plan is drawn against a background of projected increases in demand for transport services in view of expanding mining activities in the region. The bulk nature of regional products places railways as one of the key surface transport modes.

SARA's objective is to bring about fair intermodal competition among surface transport modes throughlobbying for surface policy shift to promote intermodal equity between road and rail. This provides a means for the railways to improve their efficiency and effectiveness of their operations and sets the course to be followed by SARA towards meeting its objectives in pursuit of its mandate.

While lobbying has remained one of the major objectives of SARA, the need for performance improvement has taken a central position on the regional agenda. Efficient and cost effective service delivery will thus assist the railways' cause through improved policy support and increased market share while benefiting the regional economy,

The Plan identifies priority business focus areas for SARA over the next 5 years and how they will be addressed in order to meet the organisation's business objectives. The plan forms the basis of engagement with policy makers and other collaborating partners. Performance of the organisation will be measured by the extent to which objectives set out in this plan will be achieved.

The success of this plan hinges upon collective and individual efforts of SARA members and effectiveness of the coordination role of the SARA Secretariat. International traffic in particular, will require increased cooperation among regional railways more so in view of increased competition from road.

EXECUTIVE SUMMARY

The Southern African Railways Association (SARA) Strategic Plan is drawn against a background of growing demand for railways transportation services. Increased demand necessitates that regional railways ramp up their capacity in order to meet customer needs. Railway capacity in terms of key resources of infrastructure, locomotives, wagons and human resources is not adequate to meet current and future demand hence the loss of market share to competitors. SARA's 2014 – 2018 Strategic Plan is informed by this reality and the compelling need for railways to effectively play their national and regional economic roles.

As a regional association of railways in the SADC region and some of their associates (customers, suppliers and other interest organisations) whose mission is to promote effective performance of railways, SARA's mandate intends to achieve the following;

    i.   Levelling the playing field between surface transport modes to allow for fair competition
    ii.   Development of adequate capacity to cater for demand
    iii.   Improved operational efficiency and effectiveness of regional railways

Guided by the above, SARA's specific objectives are to;

    i.   Promote the railway industry in the SADC to enable it to provide safe, integrated, cost effective and predictable one stop seamless services.
    ii.   Advocate for fair surface transport policies in the region through lobbying to influence transport policy in favour of railways.
    iii.   To increase rail market share.
    iv.   Exploit interconnectivity and achieve cross border operability.
    v.   Promote regional and continental rail network connectivity
    vi.   Develop, enhance, and harmonise policies, governance and business processes.
    vii.   To promote alliances for the exchange of technical information, strategies, skills development and training, among others.
    viii.   To promote alliances with other modes of transport where the opportunities exist in order to achieve synergy and provide total logistical solutions
    ix.   Solicit for funding for projects from donor agencies.

These objectives will be achieved if SARA members fully cooperate and collaborate on all aspects of railway business.

Railways are operating in a highly intermodal competitive environment with serious threats coming from road competition which has taken a huge chunk of railway market share over the years. Road has over the years managed to outcompete railways due to adequate resourcing, overloading, ability to charging dumping rates on return loads, high flexibility and unfair support on the provision of road infrastructure by the State. However, SARA's initiatives include the corridor concept, the inherent positive modal characteristics of rail transport and interconnectivity of regional railway networks to minimise the adverse effects of road competition.

SARA's weaknesses include weak infrastructure and equipment base, lack of power to enforce its own decisions, agreements or resolutions resulting in voluntary implementation by members and lack of commitment by some members.

Opportunities for SARA derive from its organised structures, connectivity of regional railway networks, strategic partnerships with collaborating partners, the Brazzaville Declaration and direct access to government ministries. Recognition by SADC through the SADC Protocol on Transport, Communications and Meteorology, and the African Union through Union of African Railways gives SARA the platform to influence both regional and continental transport policy and infrastructure development. Threats and risks arise from deteriorating infrastructure and equipment, poor service perception by customers and skills drain.

The 2014 -2018 Strategic Plan addresses five strategic focus areas of advocacy and lobbying, infrastructure development, railway operations, resource mobilisation, marketing and publicity and safety.

Advocacy and Lobbying

The advocacy agenda pursues funding issues, surface policy equity between road and rail and creation of an appropriate institutional framework for the transport industry.

Railway Operations

Alignment of railway operations to be efficient, safe, cost effective and predictable seamless will be the main thrust of this strategic focus area. This will be achieved through optimal utilisation of resources supported by standardisation and harmonisation of equipment and policies.

Resource Mobilisation

Mobilisation of resources ensures provision of adequate capacity for the Association for it to effectively execute its mandate within a dynamic business environment. Generation of additional capacity through elimination of missing links, upgrading of existing networks, maintenance and rehabilitation of locomotives and rolling stock is a pre-requisite for meeting growing demand. The resultant effect is expected to be improved services and railway market share.

Marketing and Publicity

Effective projection of SARA and regional railways' role will create the much needed economic space and stakeholder support for railways.

Services

SARA will provide services including rail transport services for both passengers and freight through its members, lobbying and advocacy, leasing and maintenance of operating equipment through its members, information, resource mobilisation and training.

Implementation and Funding

The implementation plan is an aggregation of a wide range of activities which when combined will enable SARA to achieve its set objectives for the period from 2007 and 2011. This plan will be financed by subscriptions from members, donor funds and proceeds from income generating activities of the SARA Secretariat.

Key Success Factors

Critical success factors for the successful execution of this strategy are stakeholder support, active participation of all SARA members, funding, availability and optimal utilisation of resources, effective Corridor Management Groups and adequate skills base.

1. ORGANISATIONAL SUMMARY

SARA is a 'Non-profit Organisation' domiciled in Zimbabwe formed in April 1996 in terms of its Constitution in response to increasing road competition. At its formation, SARA was to originally provide the SADC railways with a strong lobbying association to pursue advocacy for fair surface transport competition to be achieved through– "levelling of the playing field" between road and rail in terms of policy and regulations. Modal equity could be achieved by enforcing the User Pays Principle where the road pays the full cost of road infrastructure or infrastructure support to railways by Governments. Members of SARA are predominantly railways in the SADC region, some major railway customers and suppliers, and other organisations with special interest in railways.

The SADC Protocol on Transport, Communications and Meteorology (PTCM), Article 13.13, mandates the formation of regional associations for each transport mode. It formalised the existence of SARA and provided a platform for interaction amongst the different bodies and interaction with the other stakeholders in their respective modes of transport or sub sectors with the view to come up with an integrated transport system in the SADC region. The mandate of SARA is defined in Article 7 of the SADC Protocol on Transport, Communications and Meteorology.

There was a major shift in the SARA strategy in 2004 leading to the review of its functions and strategies in order to strengthen its effectiveness in the infrastructure development, commercial, operational and policy activities. SARA's activities now extend beyond coordination, lobbying and advocacy to initiating and playing a leading role in the implementation of regional projects for the benefit of regional railways.

1.1   Categories of Membership

There are three categories of members of the Association. The categories are full members who are railways in SADC, the associate members who are allied to railway industry and special members who are organizations or groups with vested interest in the railway industry. The rights and obligations of membership is set out in the SARA Constitution and or as determined by the SARA Board. The current barrier in such a regional grouping is national statutory laws and regulations, bilateral agreements. Leadership of SARA is based on rotational selection of SARA President and Vice President on yearly basis based on criteria set in the SARA Constitution. The SARA members pay an annual subscription fee based on a formula with subscription fee ranging from USD24 436 to USD51 567. The Associate members pay a fixed membership fee of USD6 222 per annum.

1.2   Physical Location and Facilities

The SARA Secretariat is domiciled in Harare, Zimbabwe at number 67 Fife Avenue

Telephone:	+263 4 736777/+263772125766
E-mail:	sara@sararail.org
Website:	www.sararail.org
Details of Banks	First National Bank of Botswana
	Stanbic Bank Zimbabwe
	Standard Chartered Bank Zimbabwe
Details of Auditors	Baker Tilly Gwatidzo

Office facilities include a reception lobby, boardroom and several other rooms being offices for the Executive Director, Programmes Coordinator, Administration Officer, computer room, kitchen and storeroom. There is sufficient space for the current level of staff.

1.3 Mission and Vision

SARA's Mission and Vision are as set out below:

Mission

To facilitate the creation of an environment where the railway industry is a top performer in the transport sector and make rail the mode of choice.

Vision

To be the leader in the promotion of trade, movement of goods and passengers, social and economic growth in the SADC region and Africa as a whole.

Guiding Principles and Values

SARA through its members strives to jointly provide cost effective seamless services in an ethical business conduct prescribed by the following:

Guiding Principles

Accountability • Convergence • Efficiency • Excellence • Interoperability • Innovativeness Predictability • Timeliness

Values

Ethics • Equity • Honesty • Integrity • Loyalty • Professionalism • Transparency • Safety

1.4 Objectives of SARA

a) Promote the railway industry in SADC by developing and implementing strategies to improve viability of the railway transport business through the provision of a safe, integrated, cost effective and predictable one stop seamless service to all international customers.

b) Advocate for fair and sustainable competition among all surface transport modes in the region.

c) Exploit interconnectivity and achieve cross border operability.

d) Promote regional and continental rail network connectivity where rail links do not exist and strengthen existing interconnections through targeted activities and funding.

e) Promote alliances for the exchange of technical information, strategies, skills development and training, among others.

f) Develop, enhance and harmonise policies, and business processes.

g) Standardize equipment and procedures in the region for better cross-border interoperability.

h) Position SARA as a catalyst for regional, continental and global development.

i) Promote strategic alliances with other modes of transport in order to achieve synergy and provide total logistical solutions

j) Lobbying for a level road-rail playing field by securing the agreements of Ministry of Transport and Governments of SADC states to institute fair competition through adoption of the "User Pays Principle" and or extending funding for infrastructure development in railways in;
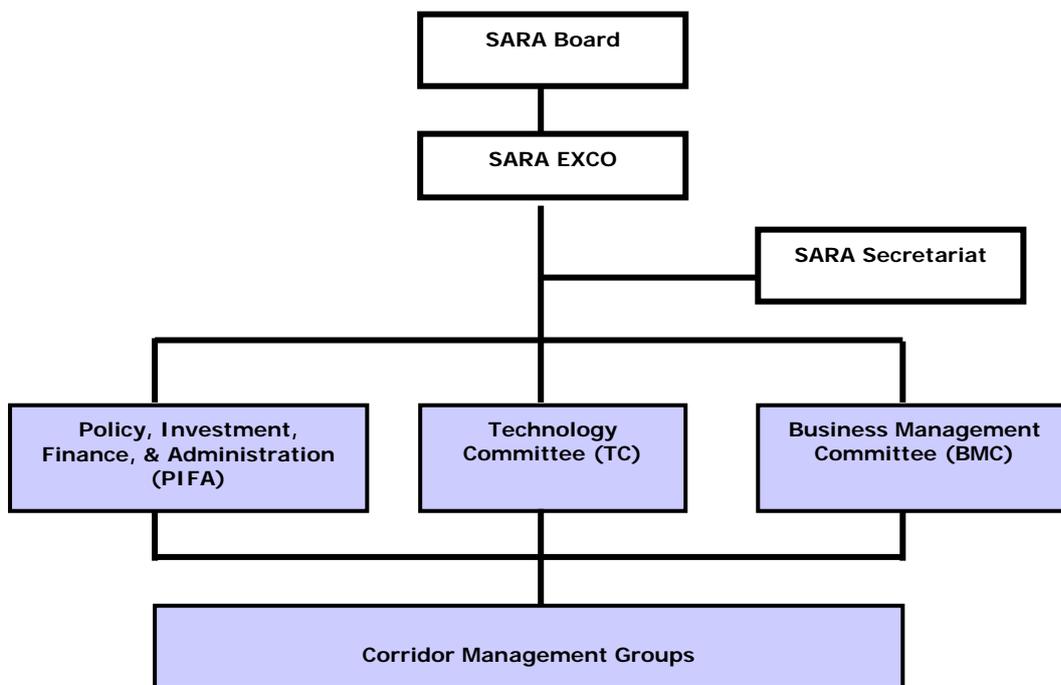
> 70% of SADC countries by December 2014
> 100% of SADC countries by December 2017

k) Foster implementation of SADC protocols by all Member States.

1.5   Organisational Relationships/Governance

The SARA is structured as shown below;

SARA Organizational and Operational Structure

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                    ┌──────────────────┐
                    │   SARA Board     │
                    └──────────────────┘
                             │
                    ┌──────────────────┐
                    │   SARA EXCO      │
                    └──────────────────┘
                             │          ┌──────────────────────┐
                             │──────────│  SARA Secretariat    │
                             │          └──────────────────────┘
        ┌────────────────────┼────────────────────────┐
┌───────────────────┐ ┌───────────────┐ ┌──────────────────────┐
│ Policy, Investment,│ │  Technology   │ │ Business Management   │
│ Finance, &        │ │ Committee (TC)│ │ Committee (BMC)       │
│ Administration    │ │               │ │                       │
│ (PIFA)            │ │               │ │                       │
└───────────────────┘ └───────────────┘ └──────────────────────┘
        │                    │                       │
        └────────────────────┼───────────────────────┘
                 ┌──────────────────────────────┐
                 │  Corridor Management Groups   │
                 └──────────────────────────────┘
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1.5.1   Management

1.5.1.1 SARA Board

The SARA Board comprises of Chief Executives of member organisations and is the supreme policy making body of the organisation. The President chosen from among the Board members on a rotational basis chairs the Board. The tenure of office for the SARA President and Vice President is one year in terms of the SARA Constitution. The SARA Executive Director is an ex-officio member of the Board.

1.5.1.2 SARA Executive Committee (EXCO)

The SARA Executive Committee (EXCO) is made up of officers appointed by their respective organisations. The Vice-President of the Boardchairs EXCO.It oversees the functioning of the Association and may act on behalf of and exercise the powers of the Board, reporting its action at the next meeting of the Board for approval. More specifically the Executive Committee is responsible for;

- Directing, monitoring and supervising activities of SARA Committees.

- Initiating policy formulation and presenting these to the Board for consideration.

- Deliberating on recommendations/proposals from SARA Committees pertaining to formation of project teams and resolve on the need for these or otherwise.

- Implementing policies, decisions and programmes on behalf of the Board.

- Scrutinising and debating proposed capital and operating expenditure budgets prepared by the Secretariat.

- Monitoring expenses of the Secretariat against budget provision

- Recommending signatories for SARA Accounts

1.5.1.3 SARA Committees

SARA operates through committees when carrying out its business activities. The three committees are Policy Investment Finance and Administration (PIFA), Business Management Committee (BMC) and Technology Committee (TC). The naming of the committees is in line with their responsible areas of focus and specialisation. These committees report to the Executive Committee (EXCO).

1.5.1.4 Corridor Management Groups

These are multi-disciplinary committees responsible for managing specific corridors. All aspects of railway business pertaining to a particular corridor is handled by these committees. There are eleven Corridor Management Groups (CMGs) according to the number of Corridors in SARA (Beira, Beitbridge, Dar es Salaam, Goba, Limpopo, Lobito, Namibian, Plumtree, Ressano Garcia, Richards Bay and Central Corridor).

1.5.1.5 SARA Secretariat

The SARA Secretariat comprises of the Executive Director, Programmes Coordinator, Administrative Officer, Office Assistant and Driver.

1.6   Stakeholder Analysis

1.6.1   Stakeholder roles and interests

SARA has a number of key stakeholders who have different interests and expectations presented below.

1.6.1.1 Railway Operators

Railway performance is primarily measured by annual tonnage they move which is their source of revenue. Regional railways therefore expect SARA initiatives to assist them to achieve this business objective at a relatively low cost through integrated services.

Regional railways have challenges of poor infrastructure condition, inadequate locomotives and wagons, vandalism of equipment and uneven playing field arising from inequitable surface transport policy. Capacity is therefore a challenge that impedes regional railways from effectively competing against road. Railway market share has been declining over the years.

These challenges are the major determinants of railway operators' expectations from SARA. Railway operators and other SARA members therefore expect the following from SARA;

- Power in numbers for lobbying power
- Coordination of operations along defined railway corridors to provide joint seamless services
- Strategies tocounter competition
- Information
- Regional projects funding
- Platform for expertise exchange
- Policies and standardisation
- Skills development
- Networking
- Access to resources/resource sharing

1.6.1.2 SADC member states governments

SADC member states expect SARA to play a leading role in promoting development and performance of regional railways so that the offer efficient, cost effective and seamless transportation services in line with the SADC Protocol on Transport, Communications and Meteorology. SARA is expected to play a leading role in harmonisation of policies, standards and safety management to promote intra-modal and intermodal integration. This will enable the railways to play an effective role in the SADC economy.

1.6.1.3 Other railway associations

Other railways associations are interested in exchange of information, technical skills, promoting technologies and services from their regions and provide opportunities for benchmarking. Some expect SARA to be their member to allow for systematic collaboration.

1.6.1.4 Non-railway transport associations

Non-railway transport associations for surface transport modes seek to promote their respective modes. These are therefore competitors to SARA. They in essence compete with railways for national resources through policy. Some even campaign against railways.

1.6.1.5 Rail Regulators

Regulators seek to ensure that railways observe laid down rules and regulations. The regulation can be economic or safety related. Railways become good corporate citizens by observing established regulations besides improvement in the quality of their services. Railways usually contribute towards the funding of the regulators.

1.6.1.6 SADC Secretariat

The SADC Secretariat is interested in the implementation of the SADC Protocol on Transport, Communications and Meteorology and other regional policies developed from time to time. SARA programs feed into the SADC program. SADC therefore expects SARA to coordinate regional railway sub-sector programs on its behalf. SADC Secretariat sources funds for railway projects from collaborating partners.

1.6.1.7 Collaborating partners

Collaborating partners support SARA activities in areas of policy, capacity and operational improvement in order to improve the performance of regional railways especially where export competitiveness/international traffic is concerned. Collaborating partners are ordinarily interested in expanding markets for equipment and services from their respective countries on one hand, and also ensure cost effective transportation of raw materials to their countries.

1.6.1.8 Corridor Groups

Corridor groups seek to improve business volume along their corridors in a multimodal transport environment through improved marketing and coordinated infrastructure developments. Corridor groups will prefer those modes that are efficient therefore railways have to compete with other modes.

Corridor authorities will also be strategic to regional railway operations. Such authorities include the Walvis Bay Corridor Group, Maputo Corridor Logistics Initiative, North South Corridor, Lobito Corridor and Dar es Salaam Corridor.

1.6.1.9 Strategic Alliances

SARA will build and maintain strategic alliances with the following international railways associations.

   i)   Union Internationale des Chemins de Fer (UIC)
  ii)   Association of American Railroads (AAR)
 iii)   Community of European Railways (CER)
  iv)   Australasian Railway Association (ARA)
   v)   The Union of African Railways (UAR)

1.7   Performance Review

1.7.1 Operating Environment

The market for SARA comprises of many organisations and individuals using rail transport services. Two major traffic categories are freight and passengers. Demand for rail freight services is expected to increase given traffic growth driven by new mineral discoveries that have been made in the region in recent years. These have serious capacity implications given that railways are failing to meet current demand at current traffic levels. Customers move a variety of cargo by rail ranging from bulk materials, fuel, general cargo and containerised traffic. The bulk of the traffic for which SARA members provide services jointly is transit traffic or traffic that traverses at least two railway connected networks. Customers expect quality services from the railways in terms of predictability, transit times, safety and cost. Customers generally expect railways to be cheaper than road due to economies of scale arising from long hauls and bulk carriage. Although customers transporting bulky cargo may find it expensive to switch to alternative modes of transport, other traffic can easily move over to road. If railways fail to provide adequate capacity and quality services, customers are left with no option besides switching to other modes.

Passenger services form a significant portion of railway business. Passenger services are in most cases loss making and therefore are usually provided as social services obligation. The demand for passenger rail services is high in the region as it is the cheapest and safe mode of transport. Ordinary passenger train services are generally restricted to local operations whereas safari trains may traverse at least two networks as special trains. Safari/tourist trains demand a lot in terms of resources and quality of service because they transport people (not cargo) who come from other parts of the world where trains are very efficient and have capacity to affect the regional tourist industry. Scope exists for member railways to cooperate on this business segment for their mutual benefit.

SARA members also move local traffic serving customers using their respective networks only. The proportion of tonnage and revenue attributable to international traffic over total business varies significantly among member railways depending on the structure of the economy and its geographical position in relation to ports and traffic source markets. Some member railways rely heavily on transit or international traffic whereas others rely more on local traffic for their business. Railways generally make more money on high volumes with long hauls.

SARA members own their equipment and fund their operations individually. They are however expected to provide joint rail transport services to customers who move international traffic. In this regard, customers expect a seamless service from railways commercially and operationally. This requirement is also called for by the SADC Protocol on Transport, Communications and Meteorology. Member railways earn their revenue from their portion of the network through which international traffic traverses. The uniform rail gauge (1067mm) interconnecting SADC railways present opportunities for collaboration among railways.

SARA members also lease resources among each other especially locomotives, wagons and other specialised equipment. Additionally, provision of maintenance services is also common among railways which results in improved capacity utilisation in the region hence the reduction in overheads arising from sharing otherwise idle capacity. These services may be extended to other companies that are not necessarily SARA members subject to availability of capacity. Railways therefore compete with well established companies whose core business is to provide such services in which case service quality becomes critical. Although these services are non-core to the railways,

they present opportunities for railways to expand and diversify their income base without necessarily increasing overheads.

Most railways in the region possess expansive/expensive tracts of commercial land which is generating a lot of interest from the private sector. Railways have options to lease the land or develop properties for leasing out. There are therefore many opportunities for railways in this regard. Rail related businesses should be given priority as they create synergy with railways. Railways have created property management departments or even companies within their structures in order to improve focus on real estate business.

1.7.1.1 Current Resources and capabilities

SARA members own their equipment (movable and permanent way infrastructure) and fund their operations separately. They are however expected to provide joint rail transport services to customers who move international traffic. Customers expect a seamless service from railways in terms of commercial and operational aspects. Member railways earn their revenue from their portion of the network through which international traffic traverses. SARA members also move local traffic serving customers using their respective networks only. The proportion of tonnage and revenue attributable to international traffic over total business varies significantly among member railways. Some member railways rely heavily on transit or international traffic whereas others rely more on local traffic for their business. Railways generally make more money on high volumes with long hauls.

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Resources owned by railway members are summarized below.

Table 1: Summary of Resources

RAs	Kilometres of line used			Number of Locomotives in Use			Number of Wagons in Use			Total Number of Employees		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
BBR	351	351	351	15	15	15	53	53	53	165	180	200
BR	888	888	888	34	34	34	899	933	805	834	837	835
CFM	2610	2610	2610	21	15	11	626	739	784	1531	1579	1670
NRZ	2583	2583	2583	85	69	66	3517	3663	3532	8646	7857	7112
SNCC	3641	3641	3641	27	25	25	1290	1671	1596	10014	9785	9612
TFR	20247	20247	20247	2169	2285	2255	70819	70819	71036	23665	26850	29489
SR	300	300	300	6	6	6	169	169	317	327	327	331
TNHL	2192	2282	2442	51	51	58	1512	1512	1816	1655	1545	1564
TAZARA	1860	1860	1860	10	9	10	1300	1320	1352	2850	2823	2787
ZRL	916	916	916	24	36	36	1895	2056	2056	839	959	981
TOTAL	35588	35678	35838	2442	2545	2516	82080	82935	83347	50526	52742	54581

Please note that number of the locomotives and wagons held by CFM excludes those of the sections operated by non SARA members.
The three Angolan Railways and RAHCO are not included in the table as there is no data on them

The above table shows that;

i. The total kilometres of used line increased from 35 588 in 2010 to 35 838 by 2012 representing 250 km increase contributed by TNHL.
ii. There has been an increase in the number of locomotives over three years from 2 442 in 2010 to 2 516 in 2012 representing an increase of 74 locomotives
iii. There has been an increase in the number of wagons over three years from 82 080 in 2010 to 83 347 in 2012 representing an increase of 1 267
iv. There has been an increase in the number of employees over the three years from 50 526 in 2010 to 54 581 by 2012 representing an increase of 4 055 employees.

1.7.1.2 Finance

SARA is financed by contributions from members based on a formula. The subscription formula for calculating membership fees was changed from being network size based to budget and business volume based with effect from January 2010. The fixed component of the budget is distributed equally to all full members whereas in the variable component of the budget is volume based.

There has been a reduction of membership fees amounting to USD46 934 in the past two years due to lost membership. In 2013 the expected membership fee was USD400 639. It has been a challenge for the Secretariat to collect arrears with some members with arrears back dating to 2003. Arrears at beginning of the 2013 financial year stood at USD299 070. It is anticipated that the implementation of the SARA Debt Policy with effectfrom 2014 will improve arrear collectionby 75%.

1.7.1.2.1 Review of the Past Financial Position of SARA

A major change to the business environment for SARA was the adoption of the multicurrency system in Zimbabwe where the Secretariat is domiciled. Costs went up significantly following this policy shift and the removal of price controls which had been in place for a long time. Foreign exchange gains that the Association used to benefit from disappeared.

Table 2: Income-Expenditure Position of SARA

Year	2007	2008	2009	2010	2011	2012
Membership fee as per invoices issued	256,500	259,000	259,000	449,172	461,316	414,382
Membership fee arrears brought down	222,406	223,074	232,663	275,030	352,929	347,382
Total Income	**478,906**	**482,074**	**491,663**	**724,202**	**814,245**	**761,764**
Opening bank balance	98,074	155,773	123,255	28,140	56,302	62,780
Income from current membership fee paid	186,872	174,346	189,967	302,849	306,305	322,276
Income from bad debts recovered	68,960	51,159	16,666	28,768	30,358	9,948
Other income	1,790	2,843	27	12,530	828	399
Membership fee paid in advance	-	-	-	1,425	-	25,000
Total Income Available	**355,696**	**384,121**	**329,915**	**373,712**	**393,792**	**420,403**
Membership arrears	**223,074**	**242,347**	**275,030**	**392,585**	**474,400**	**429,540**
Previous arrears	153,446	157,693	215,997	246,262	328,083	337,434
Current arrears	69,628	84,654	69,033	146,323	146,317	92,106
Income SARA Rail Conference					71,545	89,386
Expenditure	**(200,364)**	**(260,866)**	**(301,776)**	**(317,410)**	**(331,012)**	**(341,109)**
Recurrent	(200,364)	(251,552)	(294,671)	(316,728)	(327,002)	(331,320)
Capital	-	(9,314)	(7,105)	(682)	(4,010)	(9,789)
Surplus/deficit	**155,332**	**123,255**	**28,139**	**56,302**	**62,780**	**79,294**

One full member and six associates joined SARA between 2008 and 2012. SARA lost 2 full members and 2 associates during the period under review. This had the net effect of depleting the income base of the Association. The main source of income for the Association has largely remained membership fees. However, current membership fees collected for each year was not adequate to cover annual expenditure. Annual expenditure was then partly financed by savings from previous years and arrear recovered. Membership fee collection rate ranged from 66.39% to 77.77% from 2008 to 2012. Membership fee arrear recoveries averaged 10.4% over the same period. Actual amounts of membership fees collected increased by 84.8% between 2008 and 2012. Arrear recoveries declined significantly from USD 51 159 to USD 9 948 in 2012. Expenditure increased by 30.8% between 2008 and 2012.

This situation calls for diversification of income sources of the Association. The SARA Rail Conference is one initiative introduced in 2010 to generate income for SARA.

Collaborating partners have also played a significant role in funding some of SARA's activities especially those to do with lobbying, publicity and operations improvement. Sponsorship to attend SADC meetings, printing of the SARA information handbook and the Railway Revitalisation Initiative are examples of such support.

1.7.1.3 Regulatory

SADC Protocol on Transport, Communications and Meteorology and the SARA Constitution guides SARA members' activities. Enforcement of these is very weak because of the voluntary nature of the Association. Each country has statutory laws pertaining to railways and regulations that regulate their operations. Some SARA members are ISO certified.

The following standards were developed in the last five years;

    i. *Regional Safety Policy and Standard*

SARA developed a Regional Safety Policy in 2008 which was subsequently converted to SARA Standard 001. This policy assists in creating a standardized approach to regional railway safety management. While management of safety and environmental aspects of railway business imposes additional obligations on the part of railways, it has positive effects on service delivery and corporate citizenry. Safety management has become a strategic issue such that adherence to the policy and standard will improve railway service delivery.

    ii. *Technical Standards*

SARA developed four (4) standards to deal with Technical Requirements for Engineering and Operational issues: General (SARA Standard 002); Track, Civil and Electrical Infrastructure (SARA Standard 003); Rolling Stock (SARA Standard 004).

    iii. *Human Factors Standard*

SARA developed one Standard to deal with the Human Factors Management (SARA Standard 005)

    i. *Operational Standards*

SARA developed two standards namely Road – Rail interface; Level Crossings (SARA Standard 006) and Operational Principles for safe movement on rail (SARA Standard 007).

1.7.2   Review of   Achievements from Previous Strategies

Railways have historically been subjected to extensive government regulation when compared to other surface transport modes. The 2010 decision by SADC Ministers of Transport to create Rail Funds and waiver fuel levies paid by railways was a clear positive policy shift towards railway infrastructure development and maintenance. The Brazzaville Declaration of April 2006 has been the reference point for railway infrastructure development on which SARA has leveraged its lobbying and advocacy.

The new membership drive that entails participation of other railway stakeholders has further strengthened SARA by providing checks and balances within the SARA transport service delivery process. Increase in membership has also increased subscription income for the Association.

Some of the notable achievements that SARA has made are:

1.7.2.1 Lobbying

1.7.2.1.1 *Rail Fund*

SARA successfully lobbied for the creation of Rail Funds in SADC countries to cater for the development and maintenance of railway infrastructure. The Pemba (Mozambique) decision of 2010 by SADC Ministers of Transport gave effect to the creation of national Rail Funds. SARA subsequently developed a generic rail fund framework in 2011 for customisation in the respective

SADC member states. Once set up, the Funds will ensure a systematic and sustainable approach to railway infrastructure development and maintenance.

1.7.2.1.2   *Waiver of Fuel levies*

SARA successfully lobbied for the removal of fuel levies on fuel consumed by railway locomotives. The SADC Ministers of Transport resolved to exempt railways from paying the levies in 2010 in Pemba, Mozambique. An exemption from paying such levies increases the working capital for railways. However, some countries have not yet implemented this decision.

1.7.2.1.3 *Handbook on the Transportation of Hazardous Materials by Rail*

SARA updated of the SADC Handbook on the Transportation of Hazardous Materials by Rail. The SADC Ministers of Transport adopted the SADC Handbook on the Transportation of Hazardous Materials by Rail as updated by SARA in 2010 in Pemba, Mozambique.

1.7.2.1.3 Standards elevated to SADC

All the SARA Standards have been adopted by SADC as regional standards in 2013.

1.7.2.2 SARA Information Handbook

SARA published an information handbook in 2013 which will go a long way in publicising the Association, its members and the services they offer.

1.7.2.3 SARA Rail Conference

The SARA International Railway Conference and Exhibition is an information and expertise exchange platform where key railway stakeholders interact on an annual basis. The conference provides SARA with opportunities to market itself, lobby policy makers over and above being a major source of income with potential to grow. The conference competes with some well established rail conferences in the region. SARAhas come up with a marketing strategy to counter competition and consolidate the SARA Rail Conference's position in the market.

Key railway stakeholders are the main participants in the conference. Since its inception in 2010 the Conference has cumulatively raised at least USD158 479. It is projected that the Conference and Exhibition will be a major financial resource mobilising activity for SARA in the next five years.

1.7.3   Review of Regional Railways Operations

The broad categories of railwayactivities aretransportation, maintenance and leasing, training and conferencing:

Transportation

Railways provide both freight and passenger transportation services.

Freight Services

Local traffic constitutes about 85% of traffic moved whereas transit traffic is about 15% in terms of tonnage. However, some member railways rely largely on transit traffic. Distribution of traffic depends on the size of the economy, its level of economic activity and resource endowment. The performance of individual SARA members is assessed on the basis of their ability to move both local and international traffic.

Competition from road is stiff on international traffic hence the need for collaboration among regional corridors. Collaboration of SARA members is most required on the movement of international traffic in terms of commercial, operational and technical matters otherwise bottlenecks will be encountered in some corridors. Collaboration on the movement of local traffic can also be done mainly through the supply of resources by other members with excess capacity. Regional railways are on the aggregate failing to move business on offer which ends up with road. Minerals dominate the traffic volume transported by railways.

Some railway branch lines in some countries have been closed due to viability problems. Specific strategies are required at the national level because of peculiarities that exist among the concerned branch lines.

Passenger Services

Passenger services generate less than 15% of aggregate annual revenue for railways but accounts for between 30-35% of cost. Resources consumed by passenger services are therefore not proportional to their contribution to the business. Railways image is portrayed through passenger services but these are naturally loss making and therefore a lot of resources are tied in this market segment that has generally very little financial returns. They are usually classified as social service obligations that require support from government. Tourist trains are however a profitable niche requiring a lot of resources and management effort. Conditions of track infrastructure in some member railways often present challenges.

Maintenance and Leasing

Services rendered to other member railways in terms of leasing of or maintaining resources, refurbishment and overhauls, and training in some cases has potential to provide reasonable incomes to supplying railways while at the same time ensuring optimal utilisation of capacity among members. Services to other non-SARA members in this regard will further boost the members' incomes on condition that the railways are able to offer competitive services. Income from such services is expected to vary from organisation to organisation depending on the member's resource endowment in terms of surplus workshop capacity, technical expertise and size of the market. Railway capacity in terms of resource availability (locomotives and wagons) will be boosted at a relatively lower cost if railways are able to provide competitive services to each other.

Training

Railways provide training services through their railway academies. This training could be for a railway's own employees, other railways' employees, other non-railway private companies or apprenticeship programmes. Returns on such services are usually very modest. SARA is in the process of developing standardised regional training programmes.

Conferencing

The SARA International Railway Conference and Exhibition is one new product that SARA is offering to key railway stakeholders. Significant income will be generated through conferencing annually if the conference's position in the market is consolidated

2. ENVIRONMENTAL ANALYSIS

2.1 Political

The political environment in which SARA operates is fairly stable given that all countries from which SARA members originate are members of the Southern African Development Community (SADC). Cordial relationships exist to allow uninterrupted flow of railway transportation services across national borders. The SADC Protocol on Transport, Communications and Meteorology provides the framework through which regional can operate to provide seamless services. There is therefore political goodwill to see railways contributing to regional integration and growth.

However, there are potential problems in the Democratic Republic Congo and Mozambique where threats of internal hostilities exist. These have not to date disrupted any railway services. While DRC is one of the major sources of regional exports, Mozambique provides access to international markets through its ports. It is in the interest of the entire region for stability to prevail throughout the region.

Political decisions often influence allocation of resources and pricing in some cases depending on national priorities. Provision of passenger services is an example of political decisions overriding business decisions. Politicians are also business people and some have interests in road transport. This situation has high potential for conflict of interest on the part of policy makers who are also transporters. Achieving modal policy equity between road and rail may be very difficult under such circumstances as any improvement in the railway sector may imply loss of business for the policy makers.

2.2 Economic

Expanding mining activities are driving the growth of most of the regional economies. Regional trade in minerals is limited because regional countries are endowed with similar minerals and or they have no processing capacity. The export drive for the mining sector will increase demand for railway services. This is due to the bulk nature of minerals and the long distance over which they are transported to ports. However, growing calls beneficiation will in future reduce demand for rail services due to decreased volumes and high value attached to processed minerals. This growing sector together with other key sectors of the economy will also need inputs for which transportation services will be required.

The growth of both the Chinese economy has resulted in increased demand for mineral resources to that country. This is supported by increased Chinese investment in Southern Africa. Globally prices of most minerals are subdued such that output is likely to increase in response to price increase that may be offered. International pressure on commodity prices will force exporters to adopt cost reducing strategies to remain competitive. Exporters will be forced to use railways which are relatively cheaper. Railway transportation services are relatively cheaper and therefore have the capacity to positively contribute towards regional competitiveness.

Competition from road remains high. The need to shift cargo from road to reduce the strain on the fiscus arising from increased maintenance will increase demand for rail services if the shift is effected.

Railways play a critical of human capital development and they are viewed as major trainers and employers in the region. Most regional railways have training centres and workshops for this purpose.

Railway pension funds are renowned for property development and as such contribute to economic well being.

2.3   Socio-economic

Ordinary passenger train services are in most cases are social service obligations as they support low income groups in society. These usually impose a serious burden on railways because they are loss making on one hand and demand critical operating equipment on the other. It is often the case that locomotives and crews are tied to customer services at the expense of profitable freight services. Passenger services are effectively cross-subsidized by freight services unless the railways receive subsidies from government. They however provide affordable transportation services to the regional population.

Demand for ordinary passenger train service reduces as societal tests change with affluence. Travellers begin to demand fast, flexible, predictable and comfortable services which railways struggle to meet. As a result, railways end up serving the tail end of the market.

Most railways engage in corporate social investment (CSI) as a way of supporting the community in which they operate. This assists the disadvantaged in society or empowers the community such that they end up policing railways assets. Besides being good corporate citizens, the railways also gain publicity in the process. It has become an expectation that companies contribute towards CSI.

HIV and AIDS remains a major threat to railway industry workforce. The problem is compounded by the fact that some critical skills take very long to develop. Railways are therefore forced to invest in campaigns against the disease and training.

SADC countries through SADC gender policy and their respective national laws are encouraging women participation in all spheres of the economy. Participation of women in railways has been low historically. Regional railways are in the process of improving women participation in railways in order to meet the requirements of national laws and regional protocols. There are still very few women in top management positions in the railway industry

Railways contribute to national employment, training, education and health.

2.4   Technology

Technological developments are taking place at a very fast pace and many organisations are leveraging on these developments. Technology has become a strategic variable contributing towards cost reduction, information access, operations improvement, maintenance of infrastructure and equipment, and equipment design. While road has benefited immensely from increased loading capacity per truck through technological advancement, railways have not benefited that much. Maintenance of equipment in most railway workshops has largely remained manual.

Signalling and telecommunications technology has advanced so much globally. These present opportunities for railways to leverage on but very few regional railways have embraced technology in its true sense possibly due to funding constraints. There is no regionally integrated information system for SARA which makes it impossible to track operating equipment within and across most networks.

2.5   Environment and Safety

The need to promote sustainable development through environmental protection has become more pronounced in recent years. Railways are expected to comply with national, regional and international requirements in this regard. Infrastructure, equipment, operations and facilities have to conform to the dictates pertaining environmental protection. This calls for special arrangement to handle those classes of cargo that can be harmful to the environment through covering and protecting, and procedures for recoveries in case of spillage or exposure. Railways are penalised heavily should they be found to be in breach of the statutes protecting the environment. Internally, SARA has updated the SADC Handbook on the Transportation of Hazardous Materials by Rail in an effort to standardise handling of such goods and benchmark against international standards.

Safety in particular has become a strategic issue for railway organisations as it affects infrastructure, equipment, passengers, customer cargo, railway employees and the society at large. Safety therefore affects organisational profits more so for railways whose equipment and infrastructure are very expensive.

SARA's safety strategy is guided by international best practice and the SADC Protocol on Transport, Communications and Meteorology. This led to the development of a Regional Safety Policy and Standard as SARA's first standard.

Safety, health, environment and quality (SHEQ) issues within railway transport affect the well being of the railway organisations and society. In this regard railway operations are guided by extant regulations, standards and procedures

2.6   Legal

Most of the railways in the region are State owned having been formed under Acts of Parliament. The Acts define the governance structure for the railways. These Acts are impose regulatory conditions on railways as most countries have no regulatory authorities, be it economic regulation, safety regulation or otherwise. There is no regionally binding legal framework for the railways as each railway is bound by its own national laws. Enforcement of decisions at Association level becomes difficult. Furthermore, this situation makes standardisation and harmonisation difficult to achieve.

National railways are bound by legislation on the environment, safety and labour. The labour Acts in most countries prescribe minimum wages which may not have any relationship whatsoever with employee productivity. Railways are required to observe these otherwise they will suffer penalties.

Legislation is also supposed to protect railway assets from vandalism through stiffer penalties for perpetrators. This legal function is so critical to the railway industry given the expensive nature of equipment and infrastructure.

3. TOWS ANALYSIS

3.1 Threats and risks

The following are the threats that may frustrate and militate against achievement of SARA's objectives;

    i. Deteriorating infrastructure and equipment threatens SARA's ability to provide decent services.
    ii. Failure to collaborate and negative competition among members in some cases.
    iii. Competition from road remains SARA's perennial challenge as the number of trucks on the road and their unit sizes continue to grow.
    iv. Failure to pay subscription fees by some of the members.
    v. Slow pace of standardisation that makes it difficult for railways to lower their cost of providing services.
    vi. High cost of infrastructure and equipment.
    vii. Reluctance to share information and ideas by some members.
    viii. Lack of commitment by some members evidenced by non-attendance of SARA meetings, defaulting on subscriptions and failure to share information through the Secretariat.
    ix. The uneven playing field between road and rail remains a major threat to SARA, more so given that some owners of road trucks have significant policy influence in their respective countries.
    x. Skills drain to other parts of the world will have medium to long term negative effects on SARA.

3.2 Opportunities

Opportunities that SARA can capture and improve its performance include the following among others;

    i. The Brazzaville Declaration that recognises the importance of railways and the decision by governments to invest in railways provides a starting point in the lobbying process.
    ii. The SADC Ministers' decision to create Rail Funds for infrastructure development and maintenance.
    iii. Waiver of fuel levies paid by railways creates savings for railways which can be used to fund other aspects of the business.
    iv. Existence of demand for railway services presents business opportunities for regional railways and scope to increase their market share.
    v. Recognition by international donors, regional, continental bodies and other collaborating partners provides opportunities for SARA to benefit through strategic alliances and partnerships.
    vi. Increased support for SARA activities by collaborating partners like Trademark Southern Africa (TMSA) and Southern Africa Trade Hub (SATH).
    vii. Interconnectivity of member railway networks provides opportunities to offer joint services along defined corridors without the need for transhipment.
    viii. Recognition by SADC through the SADC Protocol on Transport, Communications and Meteorology gives the mandate and direction to implement regional projects.
    ix. Membership to the Union of African Railways will create opportunities to access donor funds through the African Union (AU).

x.   Scope to increase income through sharing of resources and providing services to other members and the public at large.

xi.   Relationship with international railway associations provides platform for information sharing and benchmarking.

xii.   Potential to recruit new members on the basis of the new SARA strategy.

xiii.   Direct access to government ministries and departments.

xiv.   Availability of land which railways can use for real estate development and diversify income sources.

xv.   The SARA International Rail Conference and Exhibition presents income generating opportunities and platform for generating solutions to current railway challenges, elicit stakeholder support and market the organisation at regional level.

3.3 Weakness

SARA's major weaknesses that militate against meeting set objectives include the following among others;

i)   Lack of enforcement mechanism for Board resolutions.

ii)   Capacity challenges arising from poor condition of infrastructure and shortage of operating equipment.

iii)   Failure by members to fully collaborate on some commercial issues.

iv)   Non – standardised equipment.

v)   Non-standardised commercial procedures.

vi)   Differences in training curricula and hence operating procedures.

vii)   Differences in legal environments for the individual member railways.

viii)   Non-commitment of some members.

ix)   Absence of properly functioning communication infrastructure that allows for rapid transfer of information and tracking customers' cargo.

x)   Slow decision making process on commercial matters leading to loss of customers to competition.

xi)   Fixed geographical nature of railway track that makes it impossible to offer door to door services.

3.4   Strengths

The following are SARA's strengths on which it can leverage;

i)   Well organised regional Association.

ii)   Interconnectivity of rail networks with similar Cape gauge.

iii)   Well defined railway corridors that provide a framework for joint service provision and management.

iv)   Diversified asset base among railway operators which allows for handling of various classes of cargo.

v)   Interoperability of equipment owned by members especially locomotives and wagons.

vi)   Experienced staff at individual member railway level.

vii)   Long and sustained relationship with key stakeholders.

viii)   Established networks with other railway and transport associations in general.

ix)   Established networks with development agencies.

x)   Diversity of membership allows for balanced views on most issues.

xi)   Diversity of skills organized, experienced and well-structured among its members.

xii)   Promotes regional integration through provision of seamless rail services, and sports and cultural games.

4.   COMPETITIVE ANALYSIS

4.1   Industry overview and nature of competition

SARA is in the business of bringing about fair competition, developing an equitable market driven surface transport (road and rail) industry, providing a means for the railways to improve their efficiency and effectiveness to increase their market share.

SARA's main competitor is road haulage transport in terms of freight business and access to state (and possibly donor) funds. Road at present has the inherent advantage of providing flexible door to door services, short transit times and quick decision making on commercial matters. Road haulage is characterised by many large trucks owned by different companies in different countries.

Road haulers are flexible in their decision making. They can provide quotations on the spot whereas railways take more than a week to do the same in some cases. Further, road isable to offer huge discounts on backloads due to provision of service individually, undercutting railway rates in the process. Railways are not able to do the same because of joint provision of services. The imbalance of traffic between the two directions is an inherent challenge for railway transport. Railways do not provide one stop shop services to their customers thereby reducing accessibility to railway services.

Road haulers compete against each other besides competing against rail. Despite this state of affairs, road still poses serious competition to rail. Road haulers do not cooperate amongst themselves to the extent that SARA members do.

Technological advancement in respect of trucks is offering a serious challenge to rail as trucks can now carry loads comparable to those for railway wagons.

SARA has a diversified pool of skilled personnel and experienced railway managers who can meet the business challenges of today. However ageing workforce may affect critical skills in the railway industry.

The uneven playing field created by the provision of road and its maintenance by the State gives road an unfair competitive advantage. Owners of these trucks are usually people of influence in society and at political level and as a result SARA has found it a challenge to have the uneven playing field levelled as the former seek to protect the status quo from which they are benefiting.

SARA is a well organised Association of regional railways and number of rail transport business associates (customers and suppliers) that has a better regional structure than the Road Freight Associations and has greater visibility in that respect. However, at national level, Road Freight Associations are very active. They lobby continually and are very vocal.

SARA on the other hand has a Secretariat and is well organised at regional level such that it is in a better position to lobby through various channels. This being the case, SARA is more active regionally and has strong social, environmental and economic arguments on its side that need be presented to key stakeholders.

Coastal shipping is in competition with railways in terms of movement of cargo that would have otherwise moved by rail.

4.2 Key competitive capabilities

SARA has a wide interconnected rail network on Cape gauge that allows for the provision of joint seamless services between major industrial and mining centres without the need for transhipment. The broad asset base for its members allows it to conveniently handle various types of cargo and passengers. Suitability of rail transport to the bulk nature of products produced in the region creates economies of scale which present SARA members with opportunities for charging competitive prices.

SARA has a diversified pool of skilled personnel and experienced railway managers who can meet the business challenges of today. Existence of railway corridors makes it possible for railways to compete against road.

4.3 Key competitive weaknesses

i.   SARA's failure as an association to enforce its own resolutions and agreed policies among its members is self defeating as it leads no non-implementation of otherwise noble business ideas/initiatives.
ii.   Non functioning of CMGs
iii. Old unreliable equipment militates against the provision of quality railway services.
iv.   Failure to provide door to door services and slow decision making (failure to provide instant quotes) tend to create a competitive weakness especially against road competition.
v.   Absence of real-time information system among members also creates a competitive disadvantage.
vi.   Negative perception in terms of speed, safety and efficiency in railway operations
vii. Failure to fully implement the SARA Marketing Policy.
viii. Competition and lack of trust between rail operators instead of complementing each other especially at corridor level.
ix.   Failure by regional governments to implement agreed upon railway regional and continental initiatives such as waiver of fuel levy, creation of Rail Funds and the Brazzaville Declaration.
x.   Global economic slowdown
xi.   Stiff competition from road
xii. Lengthy and cumbersome quoting procedure
xiii. Lack of a standard costing model
xiv. Backlog in rolling stock equipment maintenance

4.4 Customer needs

Customer needs differ according to market segments. Railway customers require quality transportation services from railways, which services demand adequate locomotives, wagons and sound infrastructure. Service quality is measured in terms of transit times, efficiency, reliability, safety and security of cargo and passengers.

Customers expect railways to provide services that are comparable to road at a relatively cheaper cost. Customers therefore require railways to offer seamless, cost effective, reliable and predictable transportation services upon which they can plan to enable them to meet their own customers' demands.

Passengers for ordinary trains expect railways to be always cheaper than other surface transport modes. Safety, cleanliness, condition of equipment and adherence to scheduled times are the key variables they use to evaluate railway passenger services. For luxury trains, customers expect to have unique life-time experiences characterised by a high degree of comfort, convenience and safety. Passengers in this case expect value for their money from the excursions.

In terms of equipment related services provided to other railways or non-SARA members, quality output and reliability of equipment are the major issues. Cost of such services relative to other service providers is also another consideration that customers take into account. Customers therefore expect railways to adhere to agreed service levels both in terms of quality and delivery.

SARA has over the years not been able to fully meet customer needs as a result of capacity challenges, unfavourable institutional framework and commercial related reasons arising from failure to fully implement the SARA Marketing Policy. This has led to a significant decline in rail market share and calls for a review of railways' operating philosophy especially on international traffic and transport policy in general.

5.   SARA STRATEGY FOR 2014 TO 2018

SARA's strategy is intended to achieve the organisation's set objectives within resource limitations and public policy prescription taking into account the dynamics of the business environment. The strategy seeks to consolidate the organisation's strengths, overcome or at least minimise effects of its weaknesses, capture opportunities that are available to the organisation and minimise risks and threats that may derail progress towards achievement of the organisation's set objectives. This calls for a critical assessment of key issues and developing appropriate strategies to address. These issues include infrastructure development and maintenance, acquisition of key operating resources, harmonisation of policies and procedures, human resource development, operations, commercial and marketing aspects of the business.The strategy will therefore be driven by the objectives to generate adequate capacity to meet current and future demand for the next 5 years. Investment plans and their implementation will be effected at country or railway operator level.

Derived from its Mission statement the main goal of SARA is to make railways the surface transport mode of choice.Therefore the stakeholders should be aware of the important role of railways in regional economies and challenges they face in order to eliminate negative perceptions. In this regard, SARA's role needs to be understood by policy makers, customers and suppliers as well as collaborating partners for policy and funding support purposes. Improvements in performance to meet stakeholder expectations will make it easier to gain their support.

5.1 Assumptions

The plan is underpinned by the following general assumptions:

   i.   SADC continues to be in existence and any change to the Protocol on Transport, Communications and Meteorology will enhance the objectives of SARA.
   ii.   SARA membership will continue to grow. It is envisaged that 3 full member and 5 associates will be recruited during the plan period.
   iii. Regional governments will be committed to implement the Brazzaville Declaration and the Pemba decisions.
   iv.   Increased demand for railway services in promoting regional trade and economic growth.
   v.   SARA will continue to receive support from collaborating partners in its effort to push forward the advocacy agenda and enhancing railway operations.

5.2 Strategic Objectives

SARA has set out strategic objectives based on its strategic focus aimed at creating an environment that is conducive for increased business volumes and market share growth. The strategic objectives are as outlined below;

   i.   Infrastructure Development

   - Eliminate infrastructure missing links and maintenance bottlenecks

   ii.   Equipment

   - Providing adequate, interchangeable and interoperable operating equipment to meet demand through
   - Exploring the possibility of technology migration benchmarked on modern trends

iii. Operations

- Providing safe, cost effective and seamless railway transport services through

iv. Technology

- Developing a regional information centre for the SADC railways for purposes of managing operating resources, train movement and documentation

v. Regional Transport Policy Harmonisation

- Harmonize regional transport policy to allow coordinated investment in the sector and uniform treatment of economic players

vi. Finance

- Improving and maintaining a well resourced Association

vii. Human Resources

- Developing a balanced skills base to meet current and future business and operations requirements

viii. Marketing and Publicity

- Marketing of SARA internally, regionally, continentally and internationally to publicize the organisations' activities, achievements, challenges and resources requirements

ix. Environment and Safety

- Provide safe and environmental friendly rail transportation services

5.3 Key Strategies

Infrastructure is the backbone of railway operations and it is the basis on which regional railway networks are interconnected. Key strategies shall therefore recognise this underlying factor. The strategies to be pursued will improve railway market share, operational performance, railway image and attract investment:

5.3.1 Infrastructure Development

i. Plan and provide adequate infrastructure capacity ahead of demand through development of a regional master plan.
ii. Prioritising joint development and maintenance of corridor infrastructure.
iii. Develop new infrastructure to eliminate missing links and create shorter routes.
iv. Ensure integrated infrastructure development planning with ports to ensure seamless intermodal operations.

v. Advocate for government support on infrastructure development and maintenance through creation of appropriate institutional structures capable of allocating resources and responsibilities.

vi. Develop and implement coordinated maintenance plans to ensure availability of corridor infrastructure.

5.3.2 Equipment

i. Harmonising of maintenance policies and standards.

ii. Capitalizing on technological advancement to improve reliability, speed and reduce maintenance cost.

iii. Initiate and support development of local suppliers to ensure timely and cost effective procurement systems.

iv. Increasing capacity of railways for current and future business.

v. Standardising equipment.

vi. Joint procurement of corridor operating equipment to benefit from economies of scale.

5.3.3 Operations

i. Pooling of resources for corridor operations.

ii. Harmonising operational policies and standards to ensure provision of seamless services.

iii. Leveraging operations on modern ICTs in terms of cargo tracking, resource planning and monitoring.

iv. Strengthening CMGs for them to play an effective role as prescribed by SADC Protocol on Transport, Communications and Meteorology.

v. Providing standardized regional training for key operational staff to meet demand for integrated services.

vi. Strengthen operations along corridors through planning execution and monitoring anchored on joint operations centres (JOC).

5.3.4 Information Technology

i. Developing a regional real time information centre using both internal and external resources.

ii. Lobbying for the harmonisation of legislation on telecommunications and exchange of information.

iii. Hooking up the SARA database with UAR, AAR and UIC in order to benefit from information sharing.

iv. Modernising communication equipment to facilitate communication among SARA members and with other key customers and suppliers.

v. Develop train control systems that maximise line capacity.

vi. Standardise information systems to ensure compatibility and smooth information exchange and quick decision making.

5.3.5 Regional Transport Policy Harmonisation

i. Lobby for a supportive institutional framework to achieve a common approach to investment decisions and prioritization.

ii. Reviewing of existing policies benchmarking on international best practise and exiting Protocol.

iii.   Seeks buy-in from key stakeholders through SADC structures.

5.3.6   Funding

i.   Vigorously pursue governments to fund infrastructure in line with the Brazzaville Declaration.
ii.   Pushing for the creation of Rail Funds in line with the SADC Ministers of Transport's decision of 2010 and the generic Rail Fund framework developed.
iii.   Lobbying governments for duty exemptions on certain imports on railway recapitalisation equipment and infrastructure to support quick regeneration of capacity.
iv.   Member railways to access concessionary government to government loansin their respective countries or official loans from international development agencies.
v.   Strengthening SARA Secretariat through adequate funding to enable it execute its mandate.
vi.   Fund raising through identifying potential donors and their project preferences, and submitting attractive regional projects for funding.
vii.   Developing a common costing model to ensure a standardized approach to costing and pricing of railway services and timeous provision of quotations to customers
viii. Procuring equipment and materials from same suppliers to maximize discounts.
ix.   Implementing the SARA debt policy to eliminate minimise default rate on membership subscriptions.

5.3.7   Human Resources

Human skills are an important resource for railways without which railways are not able to function. It is therefore prudent to align human resources requirements with business level.

i.   Developing and conducting regional training programmes based on standardized curricula for operating and technical staff to promote seamless servicesand technical staff to promote seamless services.
ii.   Sponsoring cadets at universities for recruitment by railways on completion.
iii.   Designing and facilitating staff exchange programmes among SARA members.
iv.   Team building to ensure harmonious working environment to achieveset objectives.
v.   Collaborating with universities on the development of curricula and training of engineering and managerial skills for the railways.
vi.   Review retirement age in view of skills shortage and the need for succession planning.
vii.   Increase participation of women in railways at all levels

5.3.8   Marketing and Lobbying

SARA will use various platforms for its marketing and lobbying agenda. These will include;

i.   Engaging relevant government departments in member railway countries for lobbying and advocacy purposes.
ii.   Effective communication with customers and other key stakeholders.
iii.   The SARA International Rail Conference and Exhibition which is attended by key SARA stakeholders.
iv.   Developing a regional railway information centre to serve the needs of key stakeholders.
v.   Participating in SADC, AU, African development Bank fora to push for the SARA agenda
vi.   Building Relationships.

5.3.9 Environment and Safety

A common approach to railway safety, environment management and health matters is critical in establishing efficient, safe, cost effective, environmentally and predictable seamless services. Outlined below are some of the safety strategies that SARA will pursue;

i.   Harmonise railway safety regulations and procedures at regional level.
ii. Minimise accidents
iii. Standardise technical and operational procedures and maintenance to minimise accidents and incidences.
iv. Handling transportation of hazardous substances by rail in accordance with the handbook.
v.   Provide health, education and environmental management to employees and the society at large.
vi. Maintain infrastructure and equipment in a safe condition to curtail the number of accidents.
vii. Members to seek international certification for quality and environment.

6. STRATEGIC FOCUS AREAS

The vision and mission will be achieved through bringing addressing the following strategic focus areas:

- ➢ Fair competition,
- ➢ Railway operation,
- ➢ Advance the cause of regional railways
- ➢ Resource mobilization
- ➢ Safety

6.1   Goals and Desired Outcomes for five Strategic Focus Areas,

Below are goals and desired outcomes for the five strategic areas of focus

6.1.1   Fair Competition

Goals
- Achieving modal equity
- Efficient allocation of national resources
- Institutional framework effectiveness and adequacy
- Provide adequate infrastructure capacity

Desired outcome

- Enhancing Railway market share
- Levelling of the play field for surface transport
- User pays principle to all modes

- Resourcing of railways
- Ability to compete effectively

- Accountability and clear allocation of responsibilities
- Enabling railways to move higher business volumes

- Enhancing safety
- Improved resource utilization

6.1.2 Railway Operations

Goals

- Provision of attractive transport service
- Harmonized regional policies
- Standardized procedures
- Develop regional costing model
- Applying modern technologies

Desired outcome

- Provision competitive transportation services
- Promoting regional growth and competitiveness
- Making railway the preferred mode of transport
- Meeting social service obligations
- Increasing market share in tourism

- Integration of railway services
- Reduce the cost of doing business

- Promoting resource sharing
- Improving access to railway services

- Standardized approach to tariffs
- Ensuring that railway tariffs reflect the true cost of railways in order to avoid over or under pricing of services
- Facilitating through-rating and flexibility on tariff structure in response to business demands

- Reducing operational delays
- Improving resource management and services planning
- Improving communication with customers
- Reducing human error by minimizing manual systems

6.1.3 Marketing and Publicity

Goals

- Enhance railway capacity through increased stakeholder support
- Improve visibility of railway transport mode
- Build relationships
- Improve resource allocation to the railway industry

Desired Outcome

- Promoting conducive business environment for railway operations to increase market share
- Provision of high quality services to customers
- Gaining stakeholder support in terms of resource sharing and policies
- Strengthen regional integration
- Appreciation of railway challenges
- Allocation of resources through fiscal support
- Promoting conducive environment for investment in railway business

6.1.4 Resource Mobilization

Goals

- To generate capacity required to meet current and future business requirement
- Develop railway industry suppliers
- Develop a regional railway Information Centre
- Developing a highly skilled and balanced labour force
- Creating aTraining Fund

Desired Outcome

- Improved capacity to move high business volumes
- Satisfactory services
- Reduced cost of doing business
- Ensuring timely and cost effective material procurement systems

- Generate regional employment and supplier capacity

- Improvement in availability of equipment to avoid disruption of services

- Increase competition among suppliers to force price reduction

- Adequate resourcing of the Association to meet business and coordination requirements

- Availability of information

- Quality decision making

- Reducing searching costs for members

- Marketing SARA and its members' services

- Ensuring harmonious working environment

- Balanced human resource skills base

- Productivity improvement

- Improve quality of services

- To be able to provide regional training when required

6.1.5 Safety

Goals

- Make rail the safest mode of transport
- Maintain the high levels of safety, health, quality and security
- Provide environmental friendly railway business
- Ensure compliance to regional safety policies and standards

Desired outcomes

- Safe railway services

- Employee safety

- Safety of the public

- Preservation of passenger and goods to reduce claims

- Facilitate a modern, flexible and efficient regulatory scheme to ensure continuing enhancement of railway safety
- Use of modern technologies in SHEQ

- Preservation of the infrastructure
- Preservation of the environment

- Quality and environmental certification
- Improve profitability

7   SERVICES TO BE PROVIDED

In order to meet its objectives and expectations of stakeholders, SARA will provide a number of services and pursue certain key activities as outlined below.

7.1 Classification of services

7.1.1 Transportation services

These will constitute the main role of SARA through railway operators individually and collectively. The following services will be provided;

i.   Freight services for both international and local traffic- bulk, fuels and containerised
ii.   Passengers – ordinary and special trains

7.1.2 Advocacy and Lobbying

Advocacy and lobbying will continue to be one of SARA's key roles given that equity in surface transport has not yet been achieved. Lobbying and advocacy will be anchored on the following;

i.   Demonstrating the business case for railways.
ii.   The African Union's (AU) Brazzaville Declaration of 2006, in which governments agreed on the need to invest in railways.
iii.   SADC Ministers' 2010 decision to create Rail Funds and waiver fuel levies.
iv.   The SARA Rail Conference and Exhibition as a stakeholders' interaction platform.

7.1.3 Advisory Services

i.   SARA will through various task teams and the Secretariat offer advisory services to its members and the public at large. Resource persons will be on an ad hoc basis pooled from staff of member railways that have relevant skills and experience to execute business projects under consideration.
ii.   The Secretariat will also provide advisory services to members on policy, business and technical issues.

7.1.4 Information Services

7.1.4.1 Regional Information Centre

SARA will develop a regional information centre on regional railway services, resources, tenders, conferences, equipment for hire, training information, members' advertisements, information, standards and newsletter leveraging on modern ICTs. The information system will facilitate better decision making which will result in improved in operational efficiency, asset utilisation, cost reduction, transit times, service reliability and ultimately customer's satisfaction.

SARA will be the central source of regional railway information based on primary information supplied by its members. SARA will be the information centre for operating statistics, resources and any general information that may be required from time to time.

7.1.4.2 SARA Information Handbook

The SARA Information Handbook will be distributed to key stakeholders of SARA, potential investors, collaborating partners and major customers and suppliers.

7.1.4.3 Newsletter

A SARA Newsletter will be produced quarterly covering railway issues in the region and in other regions as well. It will cover developments in SARA member organisations for purposes of information sharing. The newsletter will initially be on line and then hard copies in due course.

8. IMPLEMENTATION OF THE STRATEGIC PLAN

SARA Committees will take a leading role in the implementation of activities falling within the purview of their areas of specialisation. Given the common agenda that these members share and through coordination efforts by the SARA Secretariat, the association should be able to implement its programmes. SARA takes cognisance of differences in members' size in terms of business volume, technological development, permanent way size and autonomy at national level.

8.1 Resources Requirements

SARA as an Association functions through its members. Resources are therefore required at member and Secretariat levels. Pooling of resources such as funding, equipment and human capital is paramount to support the identified regional projects.

8.2 Source of funds

Funds for SARA projects are primarily from donors although members may individually access funds from their governments or loans from financing institutions. The SARA Rail Conference and Exhibition funds will be a major source of funding for regional projects. SARA members themselves will have to finance some of the regional projects where donor funds are not available (e.g. training programmes). The actual amounts required will depend on the magnitude of the detailed programme of activities to be agreed on. Donor funds will be used to financecapacity building (visits, training, IT hardware and software) and in-depth studies to be undertaken by experts. SARA was identified as one of the beneficiaries of funding under the North South Corridor. Income from membership subscriptions will be used to meet operating costs of the Secretariat whereas income from the SARA Rail Conference, advisory services, donor agencies and any other contributions that may be forthcoming from members will be principally used to fund regional projects.

The financial plan in table 3 below is driven by the level of activities to be undertaken and shows the projected income and expenditure for five years from 2014 to 2018. The primary sources of income for SARA are membership subscriptions, SARA Rail Conference, advisory services and donor community.

Table 3; Projected Income and Expenditure for the Plan Period (2014 – 2018)

Year	2013	2014	2015	2016	2017	2018
Expected Income from subscriptions	**390,721**	**433,223**	**457,659**	**463,731**	**463,731**	**463,731**
Projected receivable income from subscriptions	324,022	389,901	411,893	417,358	417,358	417,358
Other Income including arrears received	23,107	90,814	73,500	65,450	55,765	45,630
Total projected Income receivable	**347,129**	**480,715**	**485,393**	**482,808**	**473,123**	**462,988**
Projected Income from SARA Rail Conference	-	110,500	121,550	127,628	134,000	140,709
Projected Expenditure	**(329,102)**	**(408,241)**	**(374,650)**	**(393,325)**	**(408,635)**	**(423,845)**
Recurrent	(329,102)	(333,902)	(363,150)	(385,525)	(400,135)	(415,345)
Capital	(-)	(74,339)	(11,500)	(7,800)	(8,500)	(8,500)
Surplus/Deficit	**(18,027)**	**72,474**	**110,743**	**89,483**	**64,488**	**39,143**

Conference income is expected to grow by 10% in 2014 and 5% thereafter.

8.3   Action Plan

The strategic objectives demand certain activities to be pursued for their realisation during the plan period. The activities below are broken down to sub-activities to be undertaken in order to address the broader strategic focus areas.

8.3.1   2014-2015

    i.   Solicit for funds to carry out a study reviewing the SARA Marketing Policy.
   ii.   Initiate capacity enhancing projects and seek funds from collaborating partners.
  iii.   Aggressive membership drives to convince non-active members to renew their commitment to SARA (SNCC, RACHO and the 3 railways in Angola).
   iv.   Major drive to expand membership through recruiting new railway operators and associate members.
    v.   Lobbying governments for policy shift in favour of railways or at least modal equity.
   vi.   Collaborating with SADC Secretariat to ensure advancement of railway sector issues.
  vii.   Consult and collaborate with other bodies (e.g. UAR, UIC, AAR etc.) for benchmarking and information exchange.
 viii.   Operational Systems, Train Control Systems and Equipment, Stations Standards will be developed.
   ix.   Update SARA databases through the secretariat.
    x.   Monitoring and reporting member railway performance.
   xi.   Undertake training needs analysis for corridors and designing appropriate regional Human resources development programmes based on standardised curricula through a Human Resources sub-committee.
  xii.   Strengthening of SARA committees.
 xiii.   Improve the design and layout of SARA web site and explore possibility of linking with other relevant regional bodies.

8.3.1   2016 – 2018

    i.   Completion of studies on the other major policy issues.
   ii.   Publication of full SARA yearbook.
  iii.   Development and implementation of other Management Information Systems for traffic forecasting, passenger and freight reservations, yield management, fleet scheduling, fleet planning, crew scheduling, maintenance planning, interline transaction payments and settlement.
   iv.   Railway interface with Other Modes and Utilities Occurrence Management will be developed.

8.4   Key Success Factors

The following are the key success factors for each SARA's strategic focus areas;

    i.   **Fair competition**

- Stakeholder support

- Recognition by SADC member governmentsas a key player and source of advice on railway policy in particular and surface transport policy in the region

ii.   Operations

- Information sharing and collaboration instead of negative competition
- Active participation by railway members in SARA committees
- Active role of the SARA Secretariat
- Ensuring that high standards of safety guided by set standards is maintained
- Ensuring that CMGs function properly.
- Introduction of Joint Operating Centres (JOC) will improve corridor operations
- Reduce the cost of doing business
- Providing for seamless services

iii.   Marketing and Publicity

- Advocate and lobby for allocation of resources from central governments
- Feedback from customers through customer surveys
- Advocate for development of railway supportive policies
- Participation of key stakeholders at SARA Rail Conference and Exhibition

iv.   Resource mobilization

- Mobilizing adequate resources to support this strategic plan implementation
- Ensuring timely and cost effective procurement system
- Pricing and cost effectiveness
- Maintaining a balanced skills base.
- Conducting regional training programmes when required

v.   Environment and Safety

- Compliance with safety, environmental, health, quality will be key to the achievement of SHEQ objectives

8.4 Implementation Plan

	Narrative	Verifiable indicators	Output	Sources of Verification
1	**Goal - Eliminating unfair competition**			
	Desired Outcomes			
	1.1.1 Enhancing Railway market share	1.1.1.1 Transit time per corridor 1.1.1.2 Tonnage moved	- Seamless services	- Member's update Report - Secretariat report
	1.1.2 Levelling the playing field of surface transport	1.1.2.1 Number of countries funding infrastructure 1.1.2.2 Number of railways exempted from paying fuel levy 1.2.2.3 Number of countries enforcing user pay Principle 1.2.2.4 Number of countries controlling overloading on roads 1.2.2.4 Allocated resources from governments	- Governments investing in railways - Safety Policies and Standards - Savings from fuel levies	- Members' update report
	1.1.3 User pays principle to all modes	1.1.3.1 Number of countries tolling roads to recover full cost		
	1.2.1 Resourcing of railways	1.2.1.1 Number of countries whohave created rail funds 1.2.1.2 Number of countries funding railways through Public Sector Investment Programme 1.2.1.3 Amounts given to railways 1.2.1.4 Duty exemption received by each RAs	- Rail Funds - Implementation of Brazzaville Declaration - Inventory of resources available - Government support	
	1.2.2 Ability to compete effectively	1.2.2.1 Increased market share 1.2.2.2 Positive feedback from customers	- Increased tonnage moved per annum	

	1.3.1	Accountability and clear allocation of responsibilities	1.3.1.1 Extent of institutional reforms undertaken 1.3.1.2 Number of reviewed Acts or procedures 1.3.1.3 Clear incidence of social service obligation	- Passenger trains running - Railways being involvement in Social service obligations
	1.4.1	Enabling railways to move higher business volumes	1.4.1.1 Tonnage moved annually 1.4.1.2 Enhancement of capacity (Locomotives, wagons and permway) 1.4.1.3 Number of passengers moved 1.4.1.4 Favourable policies passed	
	1.4.2	Enhancing safety	1.4.2.1 Number of accident and occurrences quarterly 1.4.2.2 Number of RAs complying with safety standards and policy	- Reduction in accidents and Incident occurrences - Reduction in speed restriction
	1.4.3	Improved resource utilization.	1.4.3.1 Rolling stock turnaround times 1.4.3.2 Locomotives and wagon km per day loaded	- Improved railway performance

	Narrative	Verifiable indicators	Output	Sources of Verification
2	**Goal - Improved Railway operations**			
2	**Desired Outcome** 2.1.1 Providing competitive transportation services 2.1.2 Promoting regional growth and competitiveness 2.1.3 Making railway the preferred mode of transport 2.1.4 Meeting social service obligation 2.1.4 Increasing rail market share in tourism 2.2.1 Integrated railway services 2.2.2 Reduced cost of doing business 2.3.1 Promoting resource sharing 2.3.2 Improved access to railway services	2.1.1.1.Customer feedback 2.1.2.1 Total transit time inland and seaward 2.1.3.1 Number of passenger trains run per RAs 2.1.4.1 Number of passengers carried per quarter 2.1.4.2 Number of tourism trains run per railway 2.2.1.1 Time at interchange point 2.2.1.2 Number of through trains 2.2.1.3 Quarterly CMG meetings 2.2.2.1 Competitive rates 2.2.2.2 Improved profitability levels 2.2.2.3 Wagon turnaround time 2.2.2.4 Number of backloaded wagons 2.2.2.5 Transit time of a corridor 2.2.2.6 Reduction in empty running 2.3.1.1 Frequency of resource sharing 2.3.1.2 Number of RAs implementing resource sharing framework 2.3.1.3 Resource pooling arrangements 2.3.1.4 Average resources on foreign lines 2.3.2.1 Number of operating assets on foreign Lines 2.3.2.2 Time taken to provide quotations 2.3.2.3 Corridors offering one stop shop services	- Satisfied customers - Passenger trains running at affordable rate - Increased and frequency of tourism trains across the region - Functional CMGs and JOCs - Running of through trains - Use of the Marketing Policy - Use of the Resources sharing Framework - Sharing of resources - Regional costing formula	- Corridor statistics - Feedback from survey reports - Member's update Report/ - Members' annual statistics - CMG/JOC reports - Survey reports - Costing model formula

2	2.4.1 Standardized approach to tariffs	2.4.1.1 Regional Costing model/framework 2.4.1.2 Convergence of the rate per ton per km 2.4.1.3 Ability to quote on behalf of other RAs		
	2.4.2 Ensuring that railway tariffs reflect the true cost of railways in order to avoid over or under pricing of services	2.4.2.1 Number RAs implementing the costing model	- Through rates quoted customers - One stop shop when quoting customers	
	2.4.3 Facilitating through-rating and flexibility on tariff structure in response to business demands	2.4.3.1 RAs using through rate	- Increased business	
	2.5.1 Reducing operational delays	2.5.1.1 Number of trains maintaining 2hrs delays at interchange 2.5.1.2 Number of joint inspections carried out 2.5.1.3 Time spend at interchange points and in yards 2.5.1.4 Transit times	- Improved and efficient train Services	
	2.5.2 Improving resource management and services planning	2.5.2.1 Number of RAs/corridors performing joint planning 2.5.2.2 Corridors conducting planned maintenance 2.5.2.3 Transit times 2.5.2.4 Turnaround times 2.5.2.5 Locomotive and wagon km/day		
	2.5.3 Improving communication with customers	2.5.3.1 Number of corridor/RAs offering one stop shop when quoting customers		
	2.5.4 Reducing human error by minimizing manual systems	2.5.4.1 Number of computerised systems developed and integrated 2.5.4.2 Number of accidents due to human error		

	Narrative	Verifiable indicators	Output	Sources of Verification
3	**Goal - Promoting railway interests**			
3	**Desired Outcomes**			
-	3.1.1 Conducive business environment for railway market share growth	3.1.1.1 Modal equity 3.1.1.2 Rail friendly legislation and procedures passed	- Increased resource sharing along corridors - - Involvement of all key stakeholders in railway business - Rail friendly Policies enacted	- Member's update report - Survey report - Members update report/annual statistics - National budgets
	3.2.1 Provision of high quality services to customers	3.2.1.1 Reliability of services 3.2.1.2 Cost effectiveness 3.2.1.3 Improved rail performance – reduced Delays at interchange, reduced transit times 3.2.1.4 Accident and incident magnitude		
	3.2.2 Gaining stakeholder support in terms of resource allocation and policies	3.2.2.1 Number of railway supportive policies passed 3.2.2.2 Resources allocated to railways 3.2.2.3 Prioritization of railway issues 3.2.2.4 Participation at SARA Rail conference and Exhibition 3.2.2.5 Externally funded trips	- Improved railway business across the region - Increased tonnage moved	
	3.3.1 Strengthening regional integration	3.3.1.1 Number of regional projects undertaken 3.3.1.2 Seamless services provided 3.3.1.3 Regional Centre for railway information 3.3.1.5 Number of harmonised policies and standards	- Policies supporting railway business - enhancing railway business Externally funded projects	
	3.3.2 Appreciation of railway challenges	3.3.2.1 SARA participates in different regional and continental fora 3.3.2.2 Participants at SARA Rail Conference and Exhibition	- SADC governments awareness of railway challenges	

3.4.1 Allocation of resources through fiscal support	3.4.1.1 Public sector funded projects (through annual budgets) 3.4.1.2 Value of public sector funded projects 3.4.1.3 Supporting structures developed and legislation enacted	- SADC is a spring board for	
3.4.2 Promoting conducive environment for investment in Railway business and operations	3.4.2.1 Growth in railway market share 3.4.2.3 Government support for railways 3.4.2.3 Number of investment supportive policies 3.4.2.4 Number of joint ventures and Public Private Partnerships	- Government support for railways - Improved railway capacity	

	Narrative	Verifiable Indicators	Output	Sources of Verification
4	**Goal – Resource Mobilization**			
4	**Desired Outcomes** 4.1.1 Improved capacity to move high business set volumes 4.1.2 Satisfactory services 4.1.4 Generate regional supplier capacity to ensure timely and cost effective material procurement systems 4.2.1 Increase competition among suppliers to force price reduction 4.2.2 Improve railway capacity through availability of equipment to avoid disruption of services 4.3.1 Adequate resourcing of the Association	4.1.1.1 Number of locomotives, wagons and tarpaulins to move traffic 4.1.2.1 Positive customer survey feedback 4.1.2.2 Tracking and signalling condition 4.1.4.1 Number regional of bulk procurement Agreements 4.1.4.2 Lead times for spares delivery 4.1.4.3 Cost of spares 4.1.4.4 Suppliers database 4.2.1.1 Procurement cost (pricing) 4.2.1.2 Number of regional suppliers/tenders 4.2.1.3 Queuing period 4.2.2.1 Rolling stock inventory 4.2.2.2 Number of RAs implementing the resource sharing framework 4.2.2.3 Track availability 4.3.1.1 Annual membership fee received 4.3.1.2 Arrears recovered 4.3.1.3 Number of new members recruited 4.3.1.4 Income from SARA rail conference and Exhibition	- Increased capacity - Reliable, seamless predictable and cost effective services - Rolling stock database - Smooth maintenance programmes - Spares inventory - Reduced procurement costs - Resources available for the Secretariat	- Members update/CMG reports - Secretariat/ Members update reports - Secretariat/ PIFA/ Members update

4.4.1 Availability of information 4.4.2 Quality decision making	4.4.2.1 Rolling stock database 4.4.2.1 Number of RAs with functional MYSQL installed 4.4.2.3 Regional Wagon Tracking System	- MYSQL database - Region wagon tracking system - Increased tonnage moved	
4.5.1 Balanced human resource skilled base	4.5.1.1 Regional curricula for identified skills gaps 4.5.1.2 Number of regional training programme run	- Trained regional personnel - Number of women in railways and levels of employment	
4.5.2 Productivity improvement	4.5.2.1 Number of regional railway training centre 4.5.2.2 Number of trained personnel		
4.6.1 Ensuring harmonious working environment	4.6.1.1 Number of staff exchanged 4.6.1.2 Regional training seminars 4.6.1.3 Number or percentage of women in railways and levels of employment		

	Narrative	Verifiable Indicators	Output	Sources of Verification
5	**Goal – Improving SHEQ in railway business**			
5	**Desired Outcomes** 5.1.1 Safe railway services	5.1.1.1 Reduced accidents 5.1.1.2 Resource utilization levels 5.1.1.3 Increased tonnage and patronage 5.1.1.4 Feedback from customers 5.1.1.5 Public opinion 5.1.1.6 Database of rail accidents investigators	- Removed speed restriction - Good image - Positive accidents records - Reduced risk - Reduced accidents and incidents	- Members update/CMG reports - Secretariat/ Members update reports - Secretariat/ PIFA/ Members update
	5.1.2 Safety of the public	5.1.2.1 Reduced fatalities and injuries from railway operations 5.1.2.2 Reduced accidents at rail crossing	- Stakeholders support - Reduced railway crossing accidents	
	5.1.3 Employee safety	5.1.3.1 Work related fatalities	- Safe work environment - Reduced occupational accidents and incidents	
	5.1.4 Preservation of passenger and goods to reduce claims	5.14.1 Number of claims 5.1.4.2 Passenger death or injuries 5.1.4.3 Reduced claims 5.1.4.4 Reduced theft of cargo	- Passenger friendly services - Reduced theft of cargo	
	5.2.1 Facilitate a modern, flexible and efficient regulatory scheme to ensure continuing enhancement of railway safety	5.2.1.1 Regulations passed 5.2.1.2 Regulatory authorities created 5.2.1.2 Time taken for emergency recovery	- Regional Signalling and telecommunication system standardized - Safety regulatory authorities	
	5.2.2 Use of modern technologies in SHEQ	5.2.2.1 Train Control systems in place 5.2.2.2 Documentation of accidents and incidents	- Use of Train control system across the region - International certification	

5.3.1 Preservation of the infrastructure	5.3.1.1 Maintenance of permway 5.3.1.2 Speed restrictions 5.3.1.3 Cost of accidents damaged infrastructure 5.3.1.4 Cost of vandalised infrastructure	- Removal of speed restrictions - Reduced vandalism and theft - Reduction of accidents caused by infrastructure related factors	
5.3.2 Preservation of the environment	5.3.2.2 Initiatives taken 5.3.2.3 Compliance with Hazardous handbook , regulations and standards	- Environmentally friendly operations	
5.4.1 Quality and environmental certification	5.4.1.1 Number of certified operator	- Efficient railway services - Reduced claims	
5.4.2 Improve profitability	5.4.2.1 Cost of accidents	- Increased profitability/reduced costs - Reduced claims	

9. MONITORING AND EVALUATION

This Plan is a guide to SARA's activities over the next 5 years whose implementation has to be monitored so as to address any deviations where possible. Performance Indicators below will be used for monitoring purposes.

The main indicators of performance are those relating to the objectives of the Strategic Plan outlined in sections 5.1 of this plan. Other indicators needing further development will relate to:

i. SARA's lobbying achievements.
ii. Membership related indicators (Number of members by category, measures of importance of membership, tonnage of sales, employment, etc).
iii. Production indicators: Annual report, quarterly newsletters, studies, meetings organised and attended.
iv. Financial performance indicators will include membership income, advertising income, budget performance indicators, and cash flow.
v. Policies and standards developed.
vi. Improvements in safety (e.g. decline accident statistics).
vii. Performance improvement recorded in terms of tonnage and improvements in market share.
viii. Business generated through joint marketing efforts.
ix. Projects and activities financed by collaborating partners.
x. Training achievements in terms of numbers, skills type and training centres/institute created.
xi. Advisory services successfully provided and income generated.
xii. SARA Rail Conference participation and income.

10.   CONCLUSION

Achievement of objectives set out in this plan calls for cooperation and determination among SARA members. The positive policy shift on the creation of Rail Funds and waiver of fuel levies provides regional railways with the opportunity to improve their infrastructure and capacity in general. Harmonisation of policies and standards will further promote the provision of efficient, cost effective, integrated and seamless railway transportation services. These efforts should see an improvement in rail market share.

The role of government remains central in terms of infrastructure funding, regulation and policy in general. Collaborating partners' role remains critical in view of inadequacy of local resources. SARA will maintain cordial relationships that exist with collaborating partners and also seek to invite other new collaborating partners.