



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA



**ANNUAL PERFORMANCE EVALUATION REPORT
OF THE
PROVINCIAL ROADS MAINTENANCE GRANT (PRMG)
FOR THE
2012/13 FINANCIAL YEAR.**

PRESENTATION TO SELECT COMMITTEE ON APPROPRIATIONS

20 August 2013

Presentation Outline

- 1) S'hamba Sonke Background
- 2) Overview of the Provincial Road Maintenance Grant (PRMG) Framework & PRMG Allocations (2011 MTEF)
- 3) Performance Summary for the years 2011/12-2012/13
- 4) Key Achievements
- 5) Capacity Constraints impacted on outcomes
- 6) Performance Summary for the year 2013/14 First Quarter
- 7) Brief Assessment of the Departments Monitoring Capacity
- 8) Way-forward for Improved Outputs and Quality Assurance
- 9) Monthly Reporting & DORA Requirements
- 10) PRMG Business Plans

S'hamba Sonke Background

- ▶ S'hamba Sonke Programme (SSP) was nationally launched on the 18th April 2011 @ the Chief Albert Luthuli International Convention Centre in Durban.
- ▶ S'hamba Sonke Programme is an initiative by the National Department of Transport
 - to develop and maintain South Africa's provincial (secondary) road networks
 - as well as improve access to social amenities and at the same time, to place the rural economy on a labour absorptive growth path.

Overview of SSP

- ❖ The SSP provides a set of principles to guide the prioritisation of infrastructure investments to maximise the economic impact and development multipliers for maintaining and upgrading South Africa's provincial road network.

KEY PILLARS OF S'HAMBA SONKE ROAD PROGRAMME



Department of
Transport
REPUBLIC OF SOUTH AFRICA

Increased
Investment

Labour
Intensity

Know Your
Network

Improved
Access

Safe Road
Environment

- **Increase investment** in maintenance of key arterial routes to support the rural economy
- **Increased focus** in the cost efficient use of **labour absorptive methodologies** in road construction and maintenance;
- **Know your network:** *A focused attention on deployment of local resources to support road network asset management*
- **Improving Access** to Schools and Clinics and other public facilities
- Delivering a **Safe Road environment**



Provincial Roads Maintenance Grant (PRMG)

As a result of engagement with National Treasury informed by a resolution of the Road Maintenance and Construction Summit (24-25 May 2010).

- ▶ A request that road maintenance funding should be ring-fenced and more allocations be made towards maintenance was accepted.
- ▶ The **PRMG** was introduced as an intervention to ensure dedicated funding for road maintenance.
- ▶ The **PRMG** is designed and implemented through S'hamba Sonke Programme to address the current road condition and capacity challenge and also used to address.
 - job creation, and economic transformation
 - reform objectives in the road construction & maintenance industry of South Africa.
- ▶ the re-distribution of road construction and maintenance budgets to achieve the maximum impact for reducing the transaction costs of South African products on international markets.
- ▶ the adoption of best practice road construction and road maintenance methodologies to create cost efficient and cost effective jobs ; SMME and co-operative opportunities.

S'hamba Sonke Budget Allocation through Provincial Road Maintenance Grant (PRMG)

PROVINCE	2011/12	2012/13	2013/14
EASTERN CAPE	R1 034 086	R1 369 985	R1 432 390
FREE STATE	R447 165	R564 930	R735 583
GAUTENG	R566 917	R579 081	R655 248
KWA ZULU-NATAL	R1 237 666	R1 501 171	R1 521 913
LIMPOPO	R934 208	R1 168 594	R1 205 341
MPUMALANGA	R1 016 603	R1 240 694	R1 471 078
NOTHERN CAPE	R308 760	R483 706	R511 765
NORTH WEST	R501 826	R 594 789	R661 905
WESTERN CAPE	R411 141	R 478 895	R500 987
TOTAL	R6 458 372	R7 981 845	R8 696 210

Allocation Criteria

- The 2013 MTEF allocation criteria is based on a scientific formula which is designed on a need basis. The formula takes into consideration the topography, climatic conditions, road network length and traffic volume within the various provinces.
- The new formula has not been fully implemented for the current financial year as it reduced the budgets allocations for Gauteng and EC by a significant amount when compared to the initial MTEF allocations. Therefore, a revision on the current allocation was done to cushion the affected provinces. It was agreed through the National Treasury that as from the next financial year allocations will be strictly distributed as per the PRMG formula.

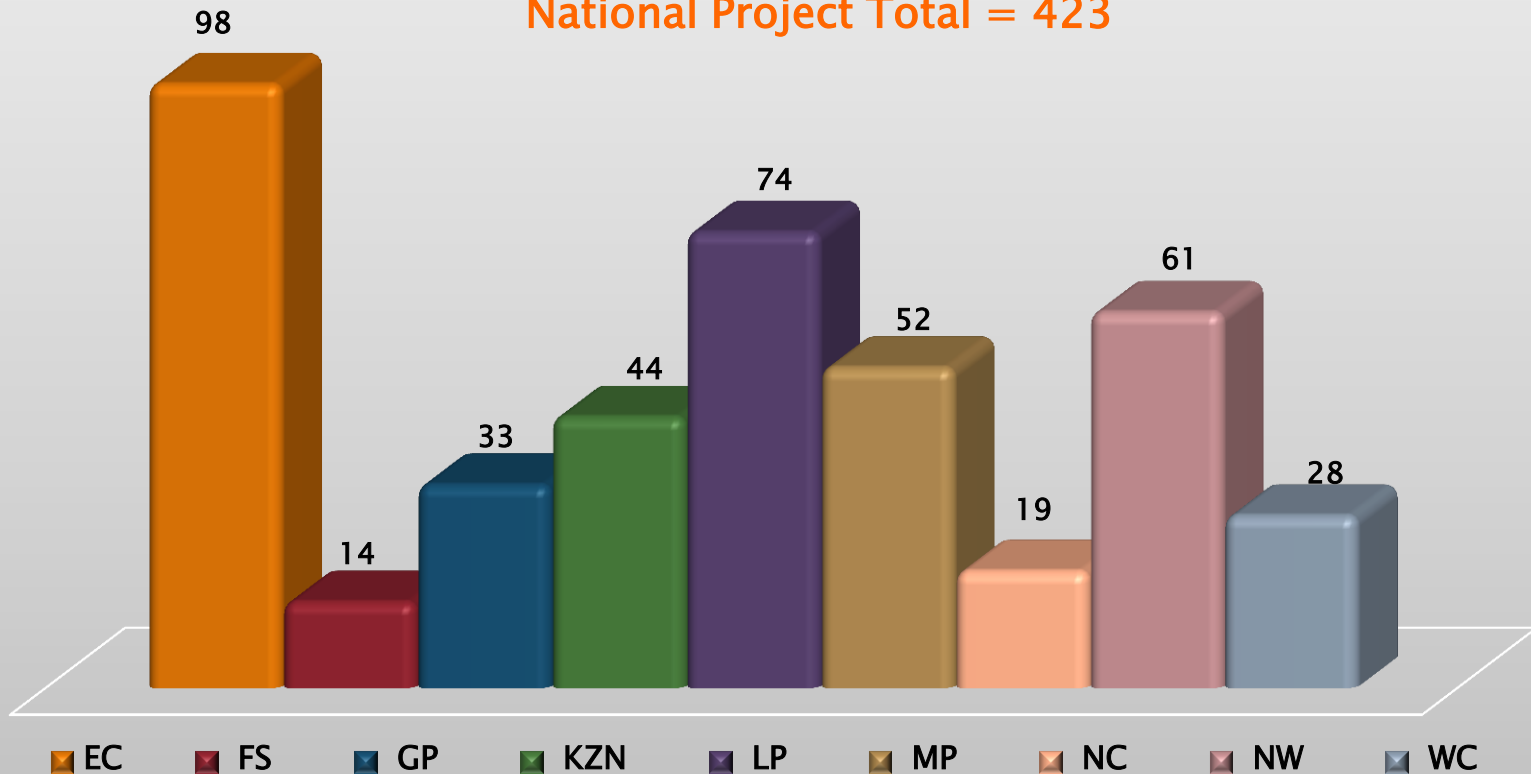
PERFORMANCE SUMMARY FOR THE YEAR (2011/12)

Prov.	Budget	Projects	Exp	FTE Target	FTE Actual	W/O Target	W/O Target	Project Status report by Financial Year End.
EC	R1 034 086	98	R1 048 655	20 736	4 970	32 965	28 489	In Progress
FS	R447 165	14	R340 806	5 693	2 037	10 370	6 795	In Progress
GP	R566 917	33	R137 985	3 800	665	5 636	2 134	In Progress
KZN	R1 237 666	44	R1 357 466	22 278	15 160	57 000	50 848	In Progress
LP	R934 208	74	R777 042	4 432	25 501	23 876	37 307	In Progress
MP	R1 016 603	52	R1 180 210	8 346	2 524	15 740	6 997	In Progress
NC	R308 760	19	R457 460	741	966	1 568	1 704	In Progress
NW	R501 826	61	R258 942	2 142	814	6 427	424	In Progress
WC	R411 141	28	R411 141	597	7 452	1 375	21 420	In Progress
TOTAL	R6 458 372	423	R5 969 707	68 765	60 089	154 957	156 118	87% of Job Creation

Project List: Graphical Presentation

No. of PRMG Projects per Province 2011/12

National Project Total = 423



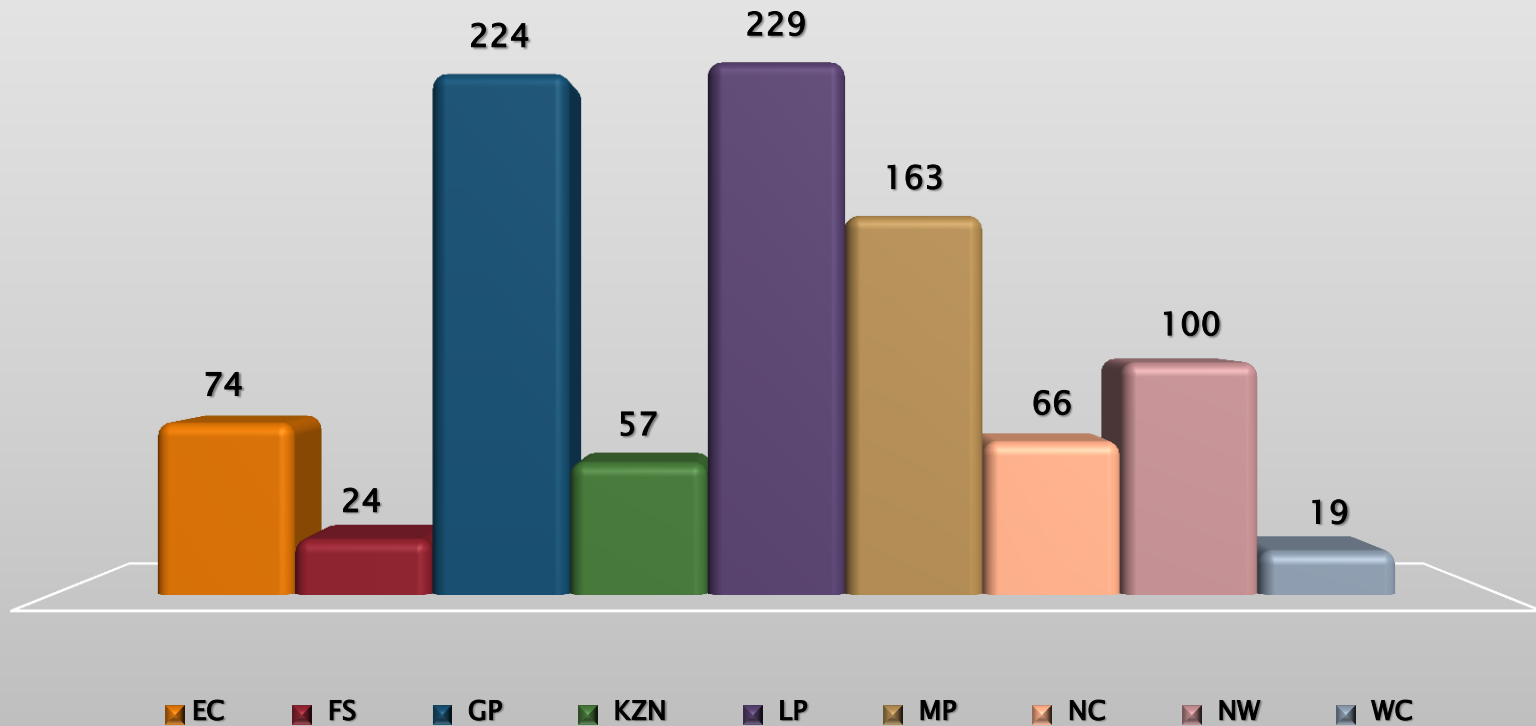
PERFORMANCE SUMMARY FOR THE YEAR (2012/13)

Prov.	Budget R'000	Projects	Exp R'000	FTE Target	FTE Actual	W/O Target	W/O Actual	Project Status report
EC	1 369 985	74	1 302 088	14 461	12 757	33 260	244 959	Over 50% projects are under construction
FS	564 930	24	603 757	6 253	758	14 382	10 408	75% of projects under construction
GP	579 081	224	982 961	9 696	1 012	12 650	9 769	Almost 50% of projects are identified.
KZN	1 501 171	57	1 924 372	17 293	19 568	39 774	312 965	All projects were on completion
LP	1 168 594	229	791 312	13 064	1 705	30 047	1 975	About 50% of projects under planning
MP	1 240 694	163	1 240 769	14 908	3 694	34 288	632	Over 50% on construction and retention
NC	483 706	66	416 946	4 318	696	3 215	1 391	Over 50% projects under construction
NW	594 789	100	344 781	7 018	181	16 141	3 961	Over 50% projects under design
WC	478 895	19	507 886	5 749	2 548	12 425	4 725	Over 50% projects under construction
TOTAL	7 981 845	956	8 114 872	90 000	42 919	196 183	590 785	>50% on construction

Project List: Graphical Presentation

No. of PRMG Projects per Province 2012/13

National Project Total = 956



KEY ACHIEVEMENTS

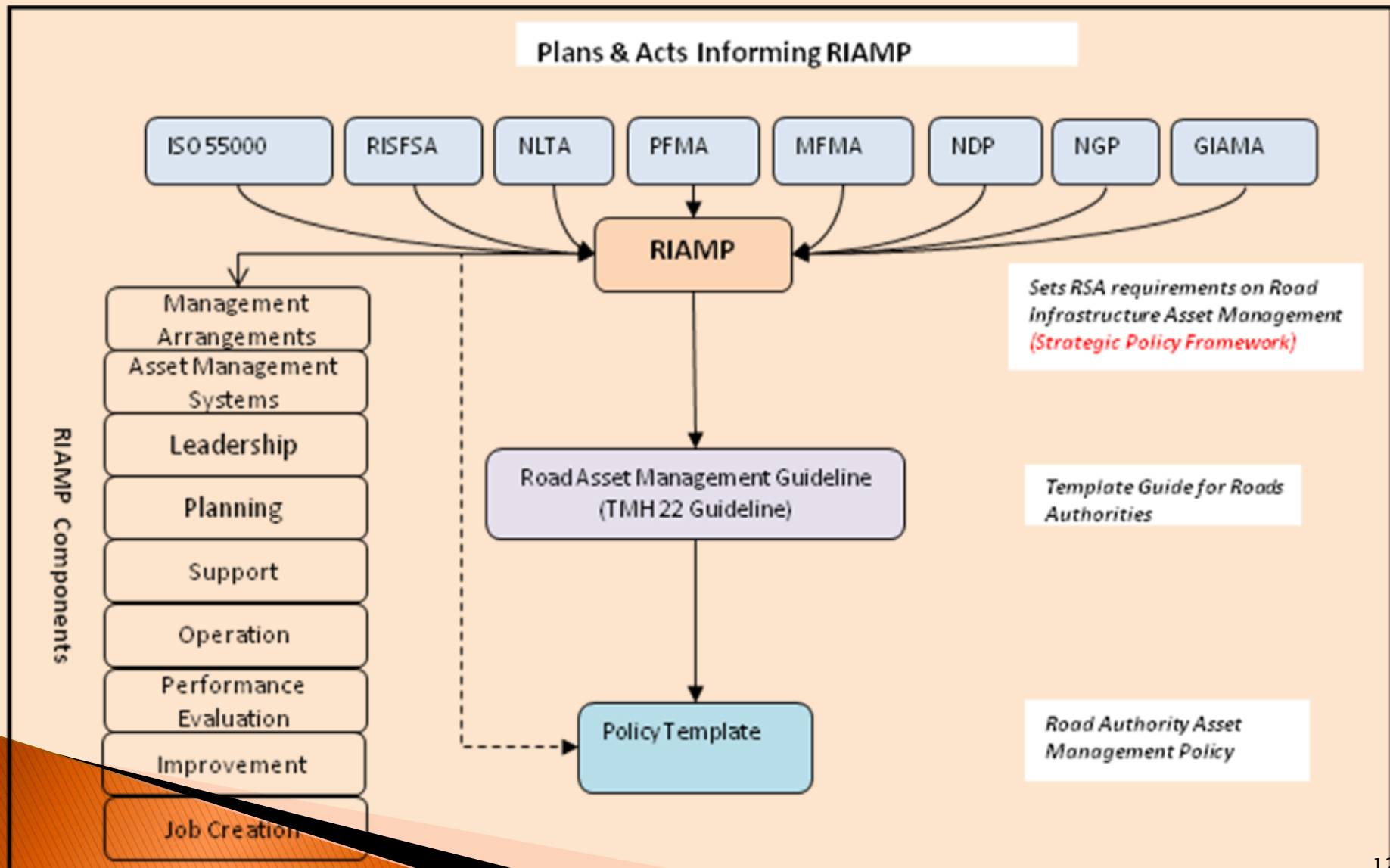
Job creation

- ▶ Uniformity and standardisation of Road Asset Management System (RAMS);
- ▶ Updated road condition data (Visual Condition Assessments of Road and Bridges)
- ▶ Introduction of a PRMG allocation formula to favour maintenance:
 - ▶ *to allocate PRMG funds in “scientifically” equitable way (extent of road network, road conditions, climate, topography, terrain and traffic).*
- ▶ Jobs Created since 2011/12 through SSP

Financial Year	Target : Full Time Equivalent (FTE's)	Actual FTE's	Comment
2011/12	70 000	60 089	About 85 % of FTE's created
2012/13 (<i>Cummulative</i>)	+ 20 000 (90 000)	+ 42 919 (103 008)	About 114% of cumulative FTE's created
2013/14 (<i>Cummulative</i>)	+ 30 000 (120 000)	+ 11 057 (114 065)	About 95% of FTE's created as per the first Quarter Report.
2011 MTEF (TOTAL)	120000	114 065	About 95%% of Cummulative FTE's created as at Q1

KEY ACHIEVEMENTS ...cont

Road Infrastructure Management Policy (RIAMP)



KEY ACHIEVEMENTS

- ▶ Uniformity and standardisation of Road Asset Management System (RAMS);
- ▶ Updated road condition data (Visual Condition Assessments of Road and Bridges)
- ▶ Introduction of a PRMG allocation formula to favour maintenance:
 - ▶ to allocate PRMG funds in “scientifically” equitable way (extent of road network, road conditions, climate, topography, terrain and traffic).
- ▶ Jobs created since 2011/12 through S’hamba Sonke Programme.

KEY ACHIEVEMENTS ...cont

NEW PRMG FORMULA

- ❑ PRMG Budget Allocation = $[(\sum \text{Lane km} \times \text{Climate Zone Factor}) \times \text{Travel Factor} \times \text{Condition Factor}] \times \text{PRMG Budget}$.
- ❑ Through the RAMS COTO Sub Committee, a new formula to allocate funds has been designed and is being applied to all provinces (*Starting from 2013/14*).
- ❑ The new formula is based on extent of road network and its condition; topography; road traffic and weather conditions. These factors reflect the different costs of maintaining road networks in each province.
- ❑ Future allocations will also depend on satisfactory use of the road asset management systems from 2013/14. The grant requires provinces to follow best practices for planning and to use and regularly update road asset management system.

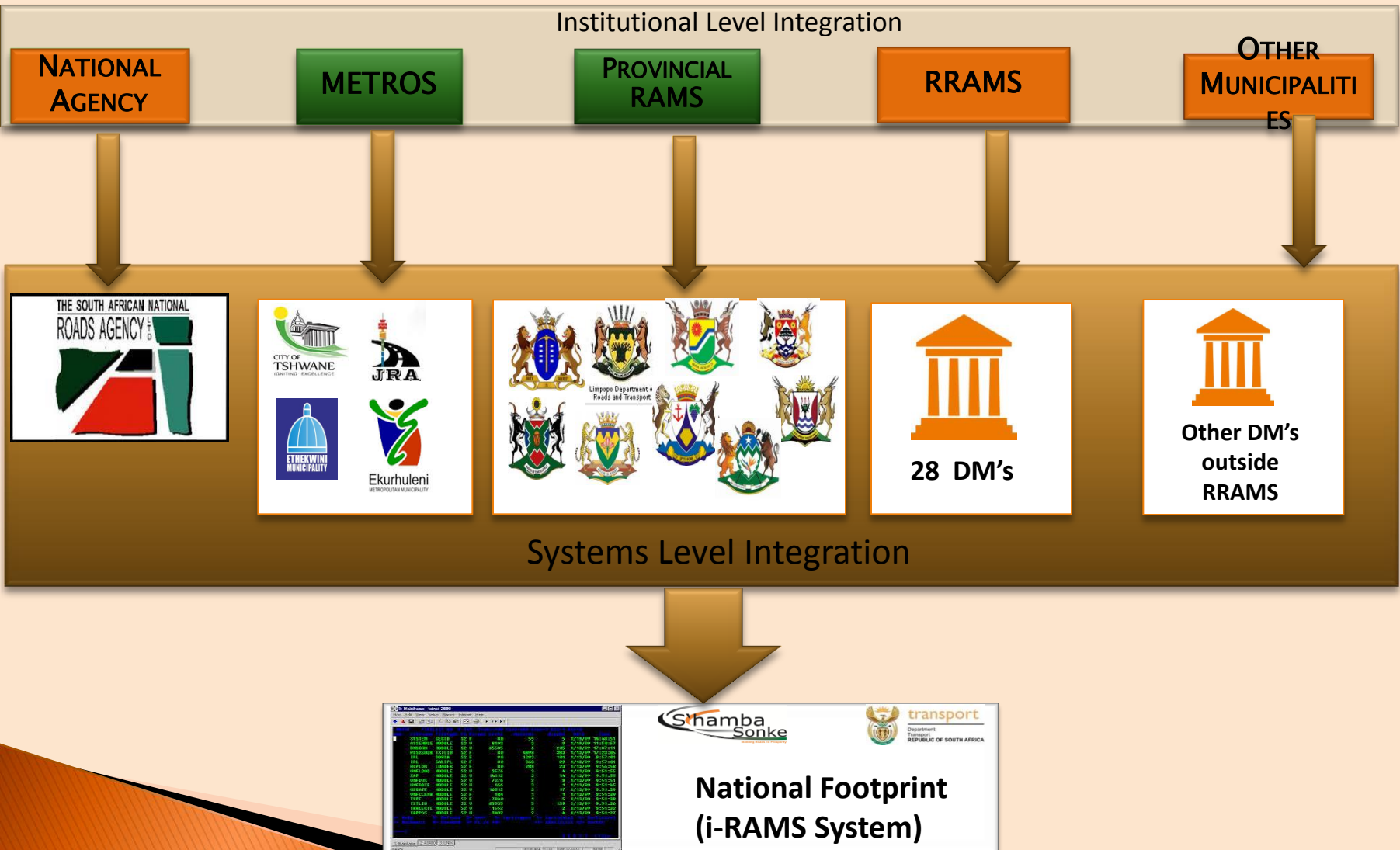
KEY ACHIEVEMENTS ...cont

Road Asset Management Systems (RAMS) Standards

- ▶ **RIAMP-** Promotes establishment of an integrated RAMS across various spheres of Road Authorities.
- ▶ **TMH 22-** Advances scale of maturity ranging from awareness, initiative, competence, good practice as well as excellence
- ▶ **TMH 19** – Manual for the Visual Assessment of Road Structures
- ▶ **TMH-9** - Standard Visual Assessment Manual: Paved, Gravel, Block and Concrete
- ▶ **TMH 8** - Guidelines for manual traffic counting
- ▶ **TMH 14** - South African Standard: Automatic Traffic Data Collection Format

KEY ACHIEVEMENTS ...cont

National Road Asset Management System (Integration , Standardisation & Uniformity)



KEY ACHIEVEMENTS ...cont

Initial 21 District Municipalities

South Africa



EC Province

- Amatole
- Chris Hani
- Joe Gqabi
- O.R. Tambo
- Alfred Nzo

KZN Province

- Ugu
- uMgungundlovu
- Uthukela
- Umzinyathi
- Amajuba
- Zululand
- Umkhanyakude
- uThungulu
- iLembe
- Sisonke

Limpopo Province

- Capricorn
- Mopani
- Sekhukhune
- Vhembe

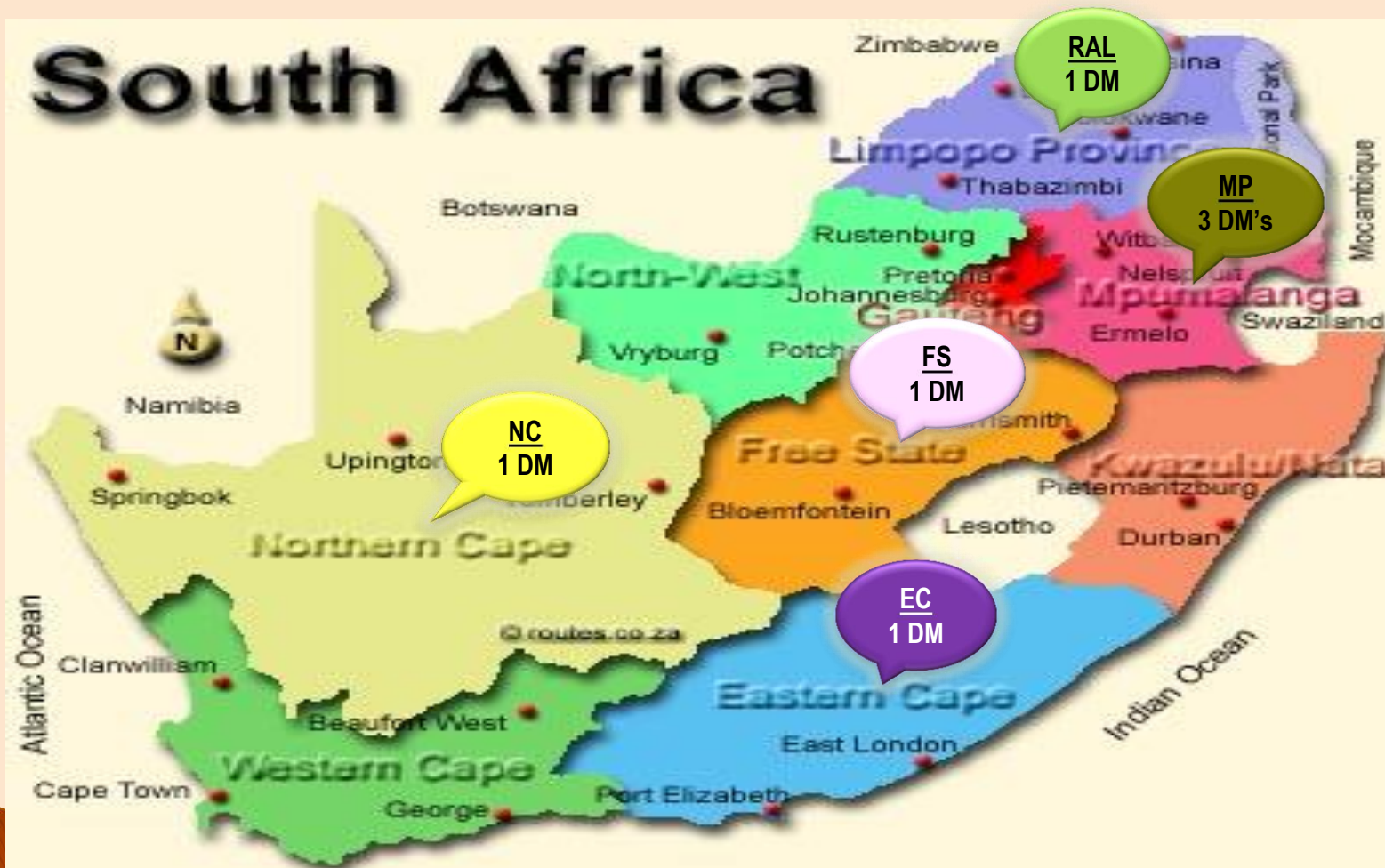
NW Province

- Dr Ruth Segomotsi
- Ngaka Modiri

KEY ACHIEVEMENTS ...cont

Additional 8 District Municipalities

South Africa



EC Province

- Cacadu

FS Province

- Xhariep

Limpopo Province

- Waterberg

MP Province

- Ehlanzeni
- Gert Sibande
- Nkangala

NC Province

- John Taolo Gaetsewe

- ❖ The DM's will increase from 21 to 28 for this coming Municipal financial year 2013/14 MTEF – Additional 8 DM's

Capacity Constraints impacted on outcomes

RISKS	IMPACT
Inadequate technical / professional capacity to implement the programme	Increase in backlog and lack of quality assurance
Non-compliance in terms of reporting	Transfer of grant can be withheld, stopped or redirected as per DoRA conditions
Delay in procurement processes;	Underperformance on outputs
Adoption of projects already designed for conventional construction;	Low employment opportunities
Shortages and high prices of materials	Lesser outputs
Inadequate funding levels for flood damaged projects	Increase in backlog of maintenance and rehabilitation of infrastructure

2013/14 :Targets w.r.t Budget Allocation

Province	PRMG Budget (2013/14) (000)	EPWP Targets for FTEs based on budget as Ministerial determination	Determination of Work Opportunities based on Budget Allocation (*)	Work Opportunities As Sourced From 2013/14 Business Plans
Eastern Cape	1 432 390	19 766	45 462	1 000
Free State	735 583	10 150	23 345	6 252
Gauteng	655 248	9 042	20 797	6 000
Kwa-Zulu Natal	1 521 913	21 000	48 300	58 840
Limpopo	1 205 341	16 663	38 256	20 808
Mpumalanga	1 471 078	20 300	46 690	10 622
Northern Cape	511 765	7 062	16 243	7 800
North West	661 905	9 134	21 008	1 057
Western Cape	500 987	6 913	15 900	320
TOTAL	8 696 210	120 000	276 000	112 699

PERFORMANCE SUMMARY FOR THE YEAR (2013/14); 1ST QUARTER

Prov.	Budget	Projects	Exp	FTE Target	FTE Actual	W/O Target	W/O Actual	Project Status report by End of First Quarter 2013/14.
EC	R1 432 390	57	R132 867	12 757	5 311	45 462	105 014	Over 50% projects on construction
FS	R735 583	109	R214 961	7 457	52	23 345	314	About 50% on construction
GP	R655 248	208	R103 062	8 232	1	20 797	13	Over 80% projects on completion
KZN	R1 521 913	70	R392 495	23 651	4 492	48 300	44 103	65% projects on tender
LP	R1 205 341	98	R25 164	17 206	0	38 256	0	About 80% projects still under design & tender
MP	R1 471 078	106	R187 230	20 300	643	46 690	6 677	Over 60% projects under planning
NC	R511 765	19	R91 587	7 062	101	16 243	2 455	More than 75% projects under construction
NW	R661 905	26	R104 339	9 134	143	21 008	1 710	60% projects on tender
WC	R500 987	46	R54 527	6 913	322	15 900	630	Over 50% projects under planning phase
TOTAL	R8 696 210	739	R1 306 232	112 714	11 210	276 000	159 398	Most projects are still on tender.

COAL HAULAGE (2013/14)

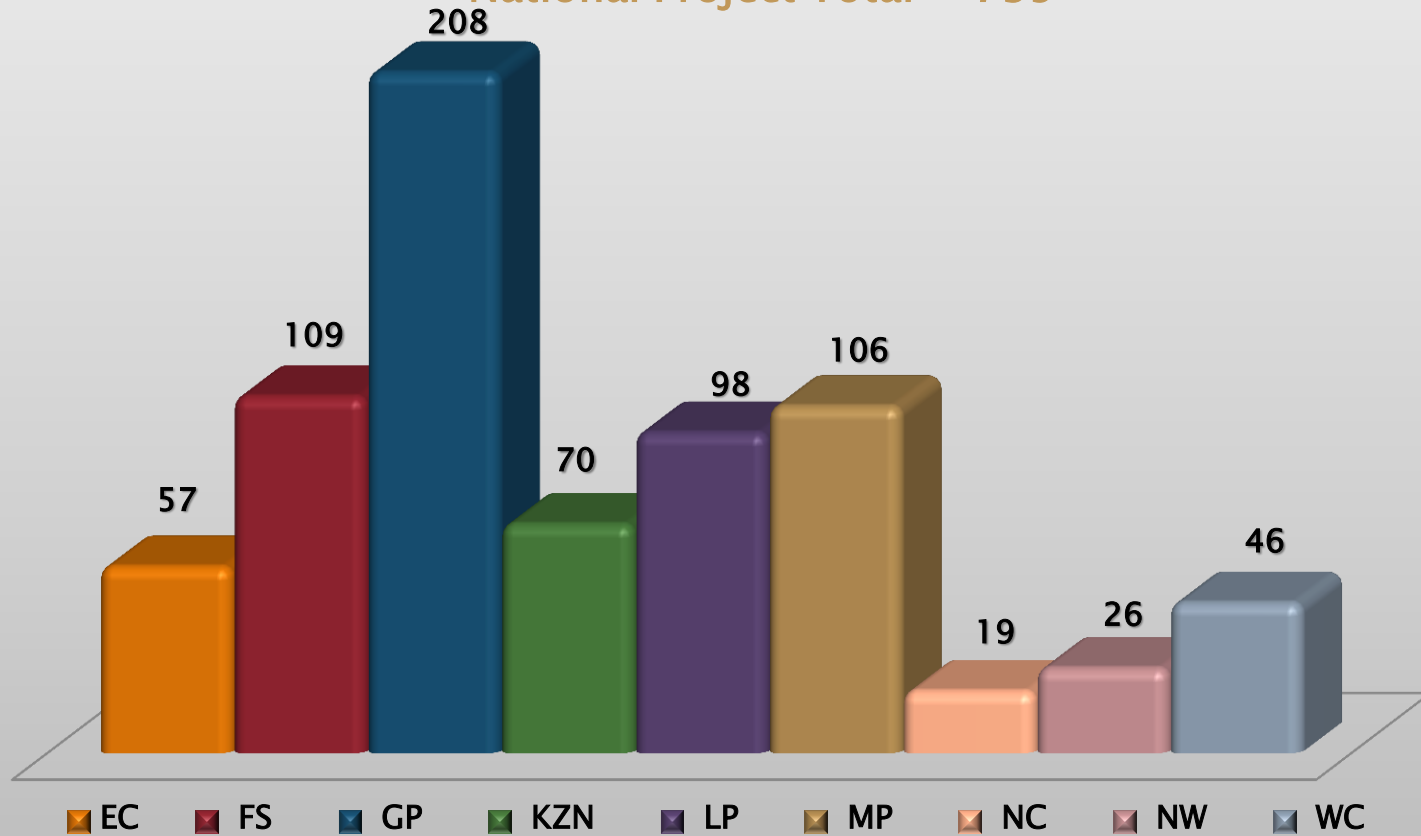
1ST QUARTER

BUDGETS in Millions	Provincial Road Maintenance Grant			ACTUAL EXPENTITURE
Authority	2011/12	2012/13	2013/14	1st Quarter
Gauteng	R 74 000	R 4 400	R 500	0
Mpumalanga	R 511 000	R 655 000	R 808 000	R 8 655
Sub-Total	R 585 000	R 659 400	R 809 000	R 8 655
SANRAL Funded Projects				
				ACTUAL EXPENTITURE
Authority	2011/12	2012/13	2013/14	1st Quarter
SANRAL (from Normal Opex & Capex Budget)	0	R405 693	R630 105	0
SANRAL (special allocation for c/haulage)	R464 782	R667 959	R648 910	R113 292
Sub-Total	R464 782	R1 073 652	R1 279 015	R 113 292

Project List: Graphical Presentation

No of projects as per 2013/14 Draft Table B5

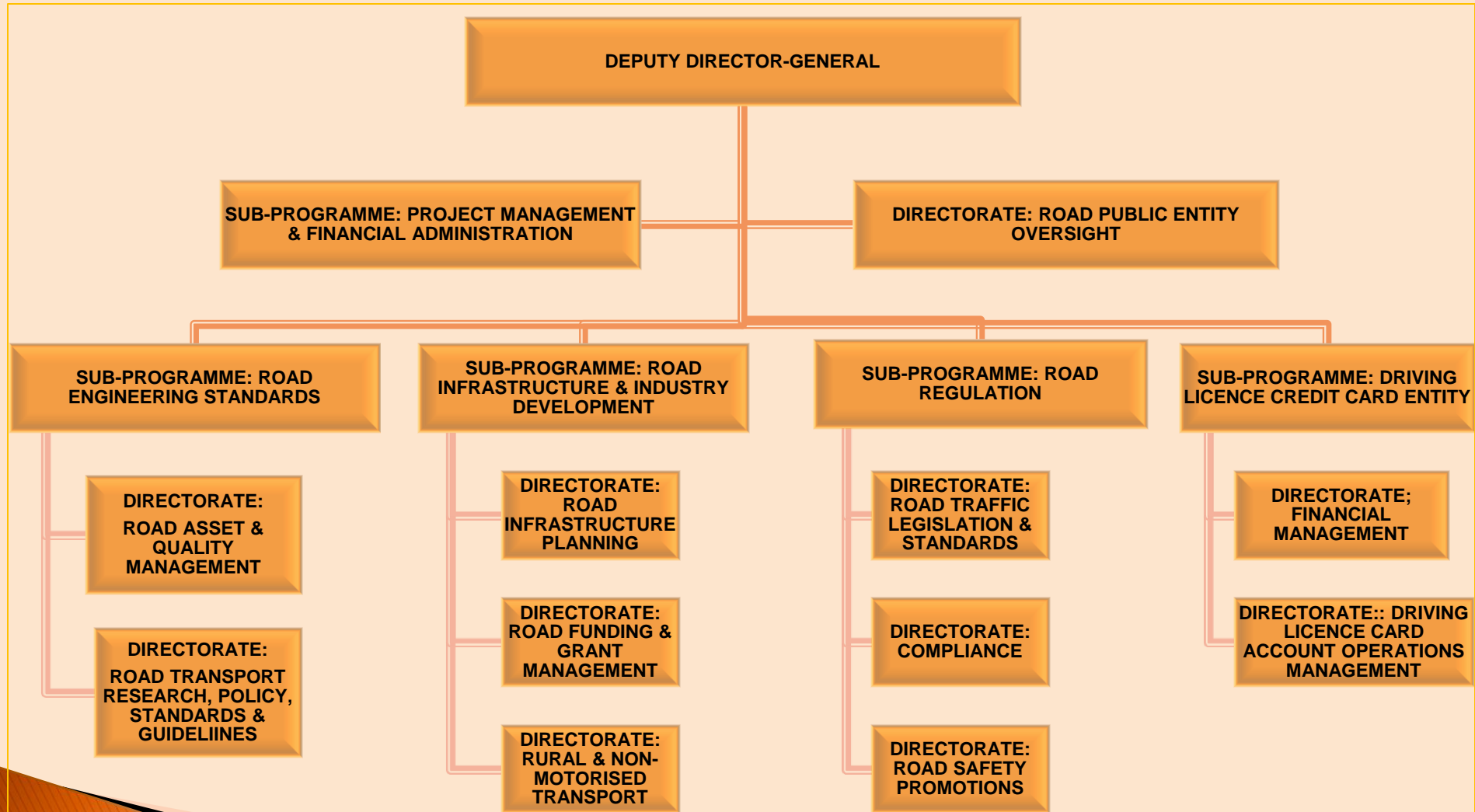
National Project Total = 739



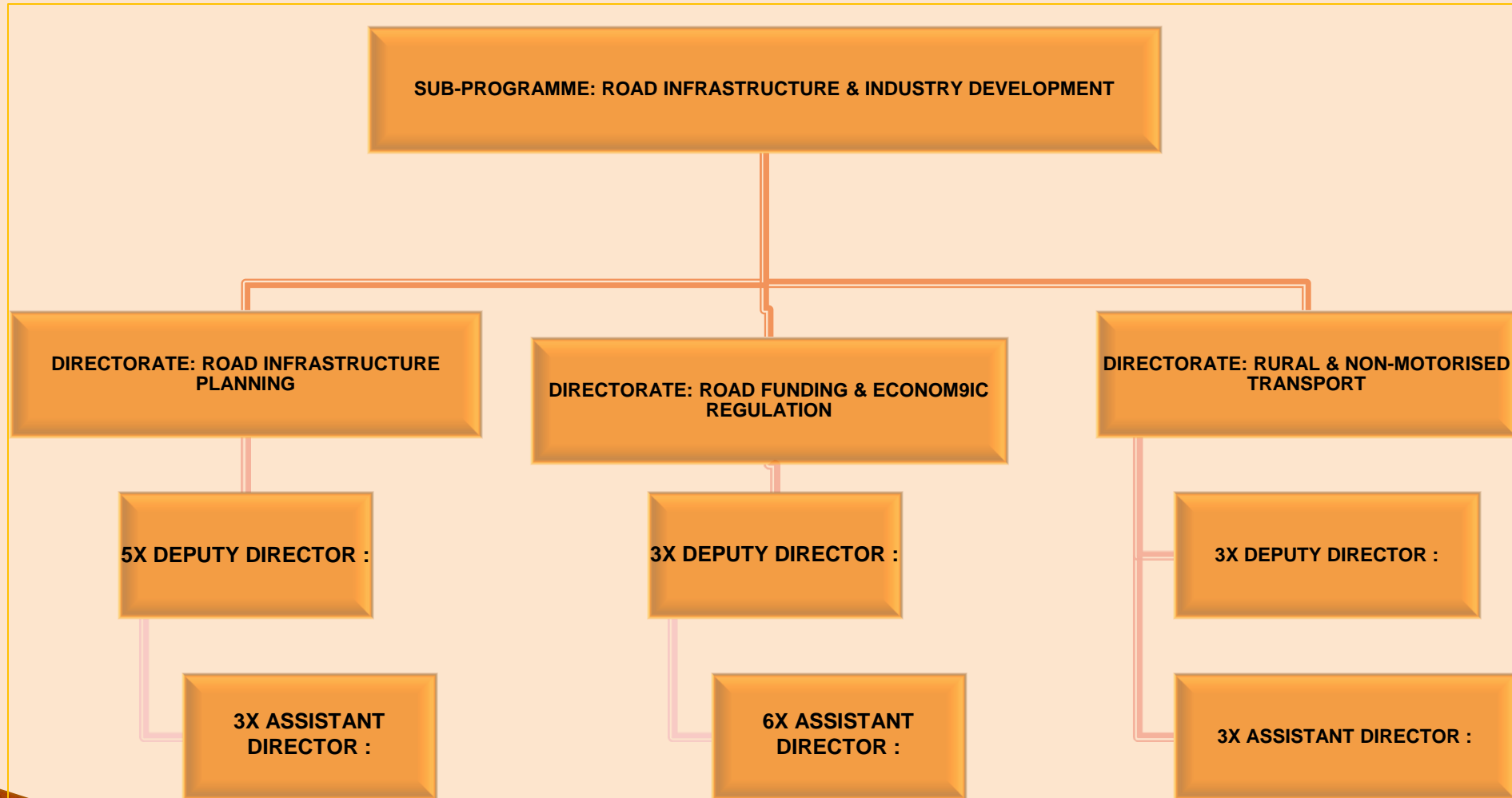
Brief Assessment of the Department's Monitoring Capacity

Key Result Areas of the Roads Branch	Relevant Sub -Programme
Implementation of PICC Strategic Integrated Projects (SIP's).	Road Infrastructure & Industry Development.
Participation in Government Programme of Action through Cluster Meetings (<i>Infrastructure Development and Economic Clusters</i>).	Road Infrastructure & Industry Development
Oversight of the Branch and Roads based Public Entities.	Public Entity Oversight
Management and regulation of roads transport and traffic management.	Road Regulation
Infrastructure Development and Maintenance of the secondary road network through S'hamba Sonke Programme.	Road Infrastructure & Industry Development & Road Engineering Standards
Creation of Jobs through labour intensive roads programme (S'hamba Sonke Programme).	Road Infrastructure & Industry Development
Development of Engineering Standards; Guidelines; effective and efficient network planning and management.	Road Engineering Standards
It is require that the Department of Transport must strengthen its Performance Monitoring & Oversight Role.	

Brief Assessment of the Department's Monitoring Capacity ...cont



Brief Assessment of the Department's Monitoring Capacity ...cont



Way-forward for Improved Outputs and Quality Assurance

Clustering of Provinces

Cluster A

- ❖ Gauteng,
- ❖ North West
- ❖ Limpopo

Cluster B

- ❖ Northern
Cape
- ❖ Free State

Cluster C

- ❖ KwaZulu
Natal
- ❖ Mpumalanga

Cluster D

- ❖ Eastern Cape
- ❖ Western
Cape

Way-forward for Improved Outputs and Quality Assurance

Clustering of Provinces ...cont

- Development of SMME's
- Cooperatives
- Labour absorptive methods
- Use of contracts at provincial spheres – Province to pay

Monthly Reporting & DoRA Requirements

Quarterly Progress Reports were extracted from signed off Infrastructure Reporting Model (IRM) as well as Quarterly Performance Report (QPR), to measure progress against targets defined on annual business plans.

The data was analysed and reports drawn for the following stakeholders.

- Department of Transport;
- National Treasury;
- National Department of Public Works;
- Provincial Departments of Roads and Transport;
- HoD forum and MINMEC.

PRMG Business Plans

- The Department of Transport has developed a guide and format for preparation of a Road Asset Management Plan (RAMP) to be used by South African road authorities in preparation of their annual Road Asset Management Plans.
- RAMP Describe the Road Authority's planning approach for identification of needs for maintenance and rehabilitation of existing infrastructure, and needs for betterment, upgrading and new infrastructure.
- A draft detailed Road Asset Management Plan (RAMP) for 2014/15 that is compliant with the requirements of the Government Immovable Assets Management Act (2007) and based on the COTO Road Asset Management Guidelines is submitted by August every year to DoT, relevant provincial treasury and National Treasury

“THANK YOU”