



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

## **MOLOTO CORRIDOR: INFORMATION FOR THE SELECT COMMITTEE ON APPROPRIATIONS IN RESPONSE TO QUESTIONS RAISED BY MPUMALANGA IN THEIR PROVISIONAL MANDATE ON THE 2014 DIVISION OF REVENUE**

### **1. PROPOSED MOLOTO LIGHT RAIL LINK**

The Department of Transport is conducting a feasibility study to find transport solutions (including road- and rail-based solutions) to the problems being experienced on the Moloto Corridor. The project has been registered with Treasury as a Public Private Partnership (PPP) with the feasibility study being undertaken in terms of Treasury Regulation 16 and the PPP guidelines.

In terms of the PPP guidelines, the feasibility study must consist of the following phases:

- Project inception
- Needs analysis
- Options analysis
- Project due diligence and value assessment
- Build the business case
- Present the business case
- Economic valuation
- Prepare the procurement plan
- Final submission for Treasury Approval 1 (TA 1)

On 18 December 2013, the Minister of Transport chaired the Political Oversight Committee (POC) meeting for the Moloto Development Corridor project. At this meeting, the recommendations of the Steering Committee on the Options Analysis were considered. Four options were analysed in the Options Analysis.

Option 4 envisaged the long distance line-haul service being provided by a rapid rail service, with feeder and distribution services provided by 50-seater buses. Upgrading of 240 kilometres of feeder routes in the rural villages is provided for, as well as upgrading of the R573 Moloto road in line with traffic demands.

The rapid rail option, which was recommended as the preferred option in the feasibility study, was unanimously endorsed at the POC meeting. Further detailed investigation of the rapid rail option will now be conducted with the aim to complete the feasibility study in June 2014. The

next milestone in the feasibility study is the project due diligence and value assessment, which will be completed in the first week of April 2014.

The POC further resolved that a Project Implementation and Management Office (PIMO) be established within PRASA, as the body responsible for commuter rail services, to take the project further to completion.

Funding for the rail project will require significant allocations from the national fiscus. Requests for such funding can be considered as part of the 2015 Budget Process, if the Department of Transport submits a request in time. As government has adopted an expenditure ceiling, funding the Moloto Rail project will require reprioritising funds from other areas of planned expenditure.

## **2. Upgrading the R573 Moloto Road**

Construction of a railway line will take several years, the immediate need for improvements to the R573 road therefore remain a priority and the Political Oversight Committee chaired by the Minister of Transport has recommended that interim measures be implemented to improve traffic safety on the R573 Moloto road. The upgrading will include the following:

- Intersection capacity and safety improvement;
- Improvements of bus bays (position and capacity);
- Widening of structures (bridges);
- Storm water and drainage structures;
- Lighting of selected intersections;
- Construction of passing and climbing lanes where required;
- Addition of lane to both directions;
- Pedestrian and non-motorised transport facilities in urbanised areas;
- Weigh bridge and vehicle fitness testing centre;
- Addition of paved shoulders;
- Closure of informal/unsafe accesses and illegal accesses;
- Improved sight distances and
- High level of service intersections, ideally roundabouts.

Discussions are underway with the South African National Roads Agency Limited (SANRAL) for them to take over responsibility for the road. The R573 is currently a provincial road and National Treasury has established that the Mpumalanga Provincial Government has not allocated any funds to upgrading the road in 2014/15. Until the future ownership of the road is resolved it is unlikely either SANRAL or provinces will invest in its upgrading. The Committee may want to request the Department of Transport to provide it with further information on how this issue is being resolved so that the urgently needed upgrades to the R573 road can be expedited.