###### National Assembly

###### Question Number: 2204

**2204. Ms S V Kalyan (DA) to ask the Minister of Transport:**

(a)(i) What are the reasons for the under-expenditure in the Moloto Development Project and (ii) what are the amounts concerned, (b) what is being done to ensure the under-expenditure does not reoccur, (c)(i) why is the specified project behind schedule and (ii) what are the financial implications thereof and (d) what procedures, processes and mechanisms have been put in place to ensure that the project runs according to schedule? NW2436E

**REPLY**

(a)(i) & (ii) The Mpumalanga and Limpopo sections of Moloto road (R573) were transferred to SANRAL in July 2015. At the time SANRAL indicated to National Treasury that the timelines are severely dependent on the regulated procurement, design and land acquisition processes to be followed by SANRAL, running according to plan.

 On the Mpumalanga section a Consulting engineering firm was appointed in February 2016 and in March 2016 for the Limpopo section, for design and supervision of the construction contracts.

 Due to the urgency in addressing the safety concerns on the route, a process to accelerate the works was initiated. To this end, one construction project in Mpumalanga and Limpopo, each, commenced in January 2017, where the delays of regulatory requirements were limited.

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| **MOLOTO ROAD PROJECT** | **2016/17** | **2017/18** | **2018/19** | **2019/20** | **Totals** |
| R’ 000 | R’ 000 | R’ 000 | R’ 000 | R’ 000 |
| **Budget** | R 660 834 | R 1 279 029 | 1 806 813 | 1 691 990 | 5 438 660 |
| **Transfer to date** | R 660 834 | R 639 515 | n/a | n/a | R 1 300 380 |

**Table 1: Summary of SANRAL Budget Allocations and Expenditure**

1. The Gauteng section of the R573 Moloto road is not transferred to SANRAL. SANRAL and Gauteng Province signed an implementing agent agreement, in which the funding for the design, land acquisition and construction is provided by the Gauteng Province. To date, the Province has not been able to secure the funding and therefore construction has not started.

 The under-expenditure is therefore only on the Gauteng Provincial section of the Moloto Road.

(c)(i) The section of the project under SANRAL’s jurisdiction is not behind schedule, however the following challenges exist:

* Encroachment of the road reserve – The fact that no proper statuary control was exercised in the past, a high number of formal and informal structures were erected within the road reserve. These need to be relocated from the road reserve prior to any construction works commencing.
* Tribal Land Issues – No formal sub-divisions and title deeds exist in tribal areas. To determine compensation for a land owner, SANRAL needs to first establish the land affected, which is normally done from sub-division diagrams available at the deeds office. Since that is not existing for this area, SANRAL first need to survey the area and establish such basic sub-division diagrams based on conflicting stakeholders input. This leads to an extended stakeholder engagement and land acquisition process.
* Demands and threats placed on contractors and subcontractors by local community and organised groups – demanding employment and business opportunities. To date, delays of 2.5 months and 4 months have been experienced for current construction projects in Mpumalanga and Limpopo, respectively. This will be an ongoing challenge throughout the project.
* Environmental and mining authorisations – longer procurement, design and stakeholder engagement processes affect these regulatory processes, thus delaying the implementation phase of the projects.

(c)(ii) None.

(d) (i) Extensive engagement with stakeholders i.e. Local and Tribal Authorities, Land Occupiers and Service Providers.

(ii) Community Participation – Setting up of Public Liaison Committees (PLCs), appointment of the Project Liaison Officers (PLOs) and recruitment processes, which involves setting up databases for labourers and sub-contractors; and selecting labourers through the raffle methods in their Wards (32 in Mpumalanga). All these processes need to be completed prior to any construction works commencing.

(iii) Workshops for SMME’s and prospective contractors and sub-contractors.