

Project Summary for Public Disclosure

Project Overview	
Project Name	South African National Toll Roads Strengthening and Improvement Programme
Country	South Africa
Sector	Transport
Approval Date (by the Board)	12 September 2019
Total Project Cost	ZAR 8.2 billion
Loan Amount	ZAR 7.0 billion
Borrower	South African National Roads Agency SOC Limited (“SANRAL”)
Implementation Agency	South African National Roads Agency SOC Limited

I. Introduction

In South Africa, the transport sector accounts for 7% of GDP, and was ranked the 5th largest contributor to the country’s GDP in 2018. The modal split of the transport sector is heavily skewed towards roads, particularly national roads. Road transportation is the predominant transport mode in South Africa and accounts for more than 60% of freight and around 90% of long-distance passenger trips. Within the road sector, the main role is attributed to national roads which carry 34% of vehicle kilometers driven in the country. The heavy reliance of freight on national roads makes them susceptible to quick degradation. Without proper management, the conditions of the national roads would have an adverse impact on the population and industries.

II. Project Description

The Project is designed to improve key national road segments with the objective to reduce transportation costs in South Africa. The contents of the Project include rehabilitation of the pavement for the existing toll sections of national roads, construction of additional lanes to widen such roads, and rehabilitation of related infrastructure such as bridges and intersections. After successful implementation of the Project, about ZAR 68 billion of savings of road user costs (in real terms) are expected to be achieved over 25 years forecasting period.

III. Environmental and Social Aspects

The positive impacts of the Project include: (i) job opportunities during construction phase, (ii) improved connectivity for the affected population; (iii) enhanced access to markets and opportunities for its people and businesses; (iv) enhanced transport efficiency; (v) enhanced quality of living for the connected population.

The Project is Category “B”, in line with NDB’s Environment and Social Framework (ESF), as its impacts are minimal and can be mitigated by adherence to established environmental and social practices and requirements of the country system. The negative impacts mainly pertain to additional land acquisition and physical resettlement; however, these impacts are minimal.

IV. Financials

The total cost of the Project is estimated to be ZAR 8.2 billion. The NDB will finance ZAR 7.0 billion, accounting for 85% of the total cost. The remaining balance will be financed by SANRAL.

Financier	Amount (ZAR billion)
New Development Bank	7.0
SANRAL	1.2

V. Implementation

The Project is estimated to be implemented over five years. SANRAL will be the Project Implementation Agency. Procurement will be conducted in compliance with the national law and regulations, and will meet the core principles of NDB’s policy.