

Project Summary for Public Disclosure
(after approval of NDB financing)

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| Project Name | South African National Toll Roads Strengthening and Improvement Program |
| Country | The Republic of South Africa |
| Type | Sovereign |
| Area of Operation | Transport Infrastructure |
| Concept Approval Date | 20 May 2019 |
| Financing Approval Date | 12 September 2019 |
| Total Project Cost | ZAR 8.2 billion |
| Initial Limit of NDB Financing | ZAR 7.0 billion |
| Current Limit of NDB Financing | ZAR 7.0 billion |
| Borrower | South African National Roads Agency SOC Limited |
| Project Entity | South African National Roads Agency SOC Limited |
| Project Context | The transport sector accounts for 7% of South Africa's GDP and was ranked the 5th largest contributor in 2018. 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. |
| Project Description | The Project involves 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. |
| Project Objective | The Project is designed to improve key national road segments with the objective to reduce transportation costs in South Africa. |
| Implementation Arrangements | The Project is expected to be implemented over five years. South African National Roads Agency SOC Limited (SANRAL) will be the Project Implementation Agency. Procurement will |

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| | be conducted in compliance with the national law and regulations, and will meet the core principles of NDB's policy | |
| Environmental and Social Information | 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. | |
| Financing | The total cost of the Project is estimated to be ZAR 8.2 billion, 85% of which (ZAR 7.0 billion) will be financed by the NDB. The balance will be financed by SANRAL. | |
| | Source of Fund | Amount (ZAR billion) |
| | NDB | 7.0 |
| | SANRAL | 1.2 |
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