Upgrading and maintaining roads not only provides motorists with safer travel options, it also creates job opportunities for local communities. These projects contribute to the economic growth of the province and the health of our SMMEs.
MEC’s Message

Visibility of our traffic officers is critical for law enforcement. Currently, 30 young people are in the middle of their training as traffic officers. They will be deployed to various traffic stations to increase traffic law enforcement visibility on our roads.

We have made strides in ensuring that we strengthen the development of our province through the improvement of transport sector skills. We hosted the second Mthatha Airshow and Aviation Career Expo and exposed over 1,000 Grade 9 - 12 learners to various careers in aviation.

During the last year and as part of our revenue collection strategy, we implemented an “amnesty” for vehicle license penalties and arrears which ran from October to December 2018. We received 822 applications and at the end of December 2018 about R27m was collected.

We recently also contracted 38 companies that will maintain our roads for a period of three years. In line with our Local Economic Development goals we ensured that almost 82% of them are Eastern Cape based.

A budget of R110m was set aside to do work between January and March 2019. Roads leading to schools, clinics, police stations, farms and other social amenities will be maintained.

Through the South African National Roads Agency SOC Limited (SANRAL) we continue providing world-class road infrastructure to revitalise the local economy and attract foreign investment. The flagship N2 Wild Coast Road project from East London to the KwaZulu-Natal boundary experienced a setback in the last quarter of 2018 when the project was halted for two months due to community protests.

Through engagements with local stakeholders, a process led by the project’s Political Oversight Committee (POC), which I chair, we are reaching consensus to ensure the project resumes. We appreciate our stakeholders and the community of Mbizana for their cooperation to deliver on a project that not only promises to benefit the community of the Wild Coast, but the Eastern Cape province in its entirety.

Spinoffs from N2WCR project

The N2 Wild Coast Road (N2WCR) is a catalytic route for regional, local and socio-economic development. As a flagship project of SANRAL, the N2WCR is expected to bring much-needed changes to the local and national economy, boost tourism and improve transport nodes.

In terms of transport, we can expect to see significantly faster delivery times and lower transportation costs. It is estimated that approximately R1.55bn will be saved per annum in transport costs alone.

This will have a major positive impact on GDP through accelerated business development and income-multiplier effects. This, together with local socio-economic development, will provide operational job opportunities, (8,000 direct jobs and 16-20,000 indirect jobs) during construction.

The N2WCR greenfield portion will be an investment of over R9bn. Economic development opportunities for local SMMEs and local businesses, both direct and indirect, will be created. There will be positive impact on the economies of Port St Johns, Lusikisiki and Mzamba, as well as towns such as Flagstaff, Bizana and Holy Cross.

In addition to SMME development and local socio-economic growth, the project will also improve access for agriculture, health care, education and other social and economic opportunities. Once completed, the road will improve access, mobility and attractiveness for tourists. This will lead to major eco-tourism and conventional tourism opportunities. This project currently includes a two 24-month training and development programme for 20 SMMEs and three have already been completed where 31 SMMEs received similar training. There are other training and development projects in the planning stages and will be rolled out over the next three years.

Current disputes about the contract will, unfortunately, lead to delays. SANRAL is disappointed by the decision of the contractor to terminate some construction activities. However, we remain committed to this project because of its potential to contribute to the economic transformation of the Eastern Cape.
Construction on the Msikaba bridge begins

The construction on the Msikaba bridge started in February and is expected to be complete in three years. The total contract amount is approximately R2.15bn.

SANRAL awarded the tender to Concor Mota-Engil Joint Venture – a strategic partnership between Concor, a large and majority black-owned South African civil engineering company, and Mota-Engil – a major international construction firm.

The bridge will be built near Lusikisiki over the Msikaba gorge. Construction of the nearby Mtentu River bridge started in January 2018 and both form part of the new N2 Wild Coast Road. The first three months on site is the ramp-up period, where the contractor establishes itself on site and starts to engage with SMMEs and labourers.

Concor brings a proven track record in the construction of major roads and bridge projects in South Africa and Africa, while Mota-Engil has experience in large-scale cable-stayed bridge projects and delivery of major civil engineering projects throughout Africa.

The contract has strict contract participation goals of 4% labour and 30% targeted enterprises. These are set to encourage the utilisation of SMMEs from the OR Tambo and Alfred Nzo district municipal areas, while not excluding SMMEs from the rest of South Africa.

The entire route is expected to be completed in 2023.

Xolobeni ruling has no effect on N2WCR

The court ruling in favour of the Xolobeni community against the issuing of mining rights in the area will not have any influence on SANRAL’s N2 Wild Coast Road (N2WCR) project.

SANRAL is working closely with local communities and the Eastern Cape Department of Rural Development and Land Reform (DRDLR) to address issues relating to communal land in areas affected by the construction of the road.

“The road will contribute to the economic development of the region and open opportunities for eco-tourism, conservation and the hospitality sector,” says Craig McLachlan, SANRAL N2 Wild Coast Road lead project manager.

The project will also give communities that have been marginalised in the past access to essential government services, such as schools, clinics and pension payout points. It enjoys strong support from the Eastern Cape Province, local and district municipalities, traditional leaders and communities in the region.

SANRAL and the DRDLR obtain community consent to acquire the land required to build any new or realigned road and negotiate with individual land right use holders to acquire communal land assigned to individuals.

Meetings are held with traditional leaders and the affected municipalities to explain the acquisition processes and receive feedback and guidance on how to proceed. Community meetings where resolutions are taken are advertised and agreements are signed relating to compensation for the land that is required for construction.

The value of the land is determined by a professional valuer and compensation is paid into a trust account managed by the community.

In cases involving individuals, the contracts make provision for issues relating to buildings that might have been constructed and the possible relocation of graves.

Residents of the Eastern Cape have responded positively to SANRAL’s initiatives and the process of consultation prior to land acquisition.

Lulamile Mapholoba, a resident from the Amadiba Tribal Authority area, next to the Mtentu River, moved into his house last year.

“I was happy with the process that took place when SANRAL acquired the land. They follow a good process. They have built houses for us and we are very happy with the project,” said Mapholoba, a municipal manager at Greater Kokstad local municipality.

On 7 March 2019, the High Court (Gauteng Division) ruled in favour of SANRAL in the application to review and set aside the granting of environmental authorisation to proceed with the N2 Wild Coast road project. The application was denied and the presiding judge stated that the public participation process to inform and canvas input from affected persons in the area was “one of the most comprehensive”.

Pull-out map on next page
N2 upgrade: Grahamstown to Fish River Pass
Start June 2017
Total value R283m
For SMMEs R48m *to date
Finish Mid 2019
Training and construction management services formed a large part of the upgrading of community access roads in Whittlesea. SANRAL started upgrading community access roads in November 2016. Training consisted of classroom and practical work.

SANRAL placed six civil engineering technicians and four interns who were busy with their practical training to obtain their civil engineering diplomas. “We want to give technicians an opportunity to gain practical experience and develop their careers. They are all busy with their training, so they will be able to register with the Engineering Council of South Africa (ECSA),” said Lindelani Tsanwani, SANRAL Southern Region Project Manager.

Another unique aspect is the TVET Future Engineers (FE) Programme. Twenty-eight students from various Eastern Cape colleges undertook their practical training to upgrade their certificate to a diploma, others to be site foremen and supervisors. By the end of December 2018, more than 200 students benefitted from the programme.

In February 2017, the Future Engineers (FE) Programme was piloted through SANRAL’s community development projects in Whittlesea. “We had initially set out to train a few students, however, the overwhelming interest we received from students in the area wanting to be part of the programme proved there was a desperate need for such training on a larger scale”, said Tsanwani, who initiated the programme.

The group was selected from college students who passed their N6 civil engineering qualification with a 55% and above average, as well as university students studying towards a civil engineering qualification.

Upon completion of training, the TVET college students will be eligible to enrol at a university to complete a B.Tech in civil engineering. They would not have had this opportunity if such programmes did not exist.
During the 2018/19 financial year, to date, work has been provided to 190 SMMEs ranging from CIDB 1 to 6 CE Sub-Contractors, with a total spend on the SMMEs of R193m. These contracts also provided work to 425 workers and the wages paid to the workers totalled R52m.

In the Southern Region there are about 19 routine road maintenance contracts which look after: pavement layer repairs, crack sealing and patching of asphalt pavements, cleaning of all drainage structures, including removal of grass and debris from grids, clearing bridge drainage ports and scuppers, repairing damaged fencing, clearing refuse from the road reserve, lay-byes and interchanges, repairing damaged road signs, repairing damaged guardrails, regular mowing of grass in the road reserve including the median and emergency assistance at accident scenes.

These developments called for intense engagements between SANRAL and all affected stakeholders – local government, local business chambers, traditional leadership, the contractor and the community of Amadiba and J ama villages. Ongoing engagements took place between November last year and the end of January 2019.

Given the magnitude of this National Strategic Infrastructure Project (SSIP), as well as the cost to the taxpayer of approximately half a million-rand loss per day for every day of stoppage, the matter was referred by SANRAL to the leadership of both national and provincial government.

A meeting between the Minister of Transport, the Eastern Cape Premier and the MEC for Transport, Safety and Liaison, Weziwe Tikana, set the political intervention in motion – with senior provincial political leadership delegated to engage stakeholders in the Wild Coast and find a resolution to the impasse.

Following several weeks of intense engagements, consensus was reached on a way forward during an engagement held in the first week of January 2019, led by Transport MEC Weziwe Tikana and SANRAL Board Chair, Themba Mhambi.

The project, however, suffered further delays, after the primary contractor decided to suspend construction activities. SANRAL disputes the reasons given for the work stoppage and the matter is currently before the courts. SANRAL, as well as the national and provincial governments, remain committed to the project and trust that the issue will be speedily resolved to enable construction work to proceed.

Her main goal is to ensure a fixed income for her current workforce. “This will help to stabilise incomes in their households, and also contribute towards the local charity foundations in my area,” she said.

Alfred Joloza from Duna Construction and Building CC, employs between 15 and 20 people depending on the workload.

“My goal is to see my company grow and expand into a main contractor one day. Also, I want to help the communities in the vicinity where I am working, to uplift them and help impoverished people to provide meals on their tables at night. This would assist their children to perhaps get an education if the parents can have a job to pay for the studies,” Joloza said.
WHEN WILL CONSTRUCTION OF THE MSIKABA BRIDGE START?
February 2019.

WILL WORK BE CREATED FOR EVERYONE WHO APPLIES OR TENDERS?
Not every contractor or SMME will be successful when a tender is awarded. All procurement processes must be done according to supply chain rules, competitive biddings or quotes.

There are more than 1 000 SMMEs within the three local municipalities and the aim is to accommodate many of them on the project – depending on the skills requirements.

WHAT IS THE ROLE OF THE PLC?
The Project Liaison Committees (PLCs) are not responsible for giving employment. The PLCs in each project are there to create a platform for project liaison, works execution, subcontracting and employment facilitation.

SANRAL chairs PLCs and provides secretarial support. The PLC representatives include: SANRAL, contractor, consultant, business, traditional, provincial and municipal government and community representatives and any other critical local stakeholder that may be deemed necessary by the PLC.

When the contractor is in need of labourers the PLC will provide a database with names of SMMEs.

DOES SANRAL REGULARLY MEET WITH STAKEHOLDERS TO DISCUSS THE N2WCR PROJECT?
Yes. Regular stakeholder engagements are held. The roads agency’s stakeholders are grouped into 10 primary stakeholder categories: political, industry, business, partners, academic fraternity, pressure groups, communities, media, opinion formers, as well as internal stakeholders. These stakeholders have unique needs and necessitate varied engagement methods at differing intervals. With regards to the N2WCR project there have been several engagements between SANRAL and communities in the Eastern Cape to discuss the benefits and opportunities flowing from the construction of the road.

Also, the Amadiba Crisis Committee, representing the community of Xolobeni, was engaged on several occasions to discuss pertinent matters in relation to the project, its impact on the community, as well as on the environment. SANRAL is also in regular consultation with local leadership through the local municipalities, as well as the traditional leadership along the N2 Wild Coast route. This close consultation will continue throughout the year as work intensifies on the project. This project will transform the regional economy and bring major positive spinoffs for communities served by the new infrastructure.

SANRAL will also aim to intensify its engagements with stakeholders to eliminate the misconception that the N2WCR project is connected to the Xolobeni Mining Project.

WHAT ABOUT THE MINING?
The N2WC Road has been identified as a national Strategic Infrastructure Project (SIP) and forms part of the National Development Plan. The economic and social development of South Africa for all its citizens is much bigger than mining. Concerns over the Xolobeni sand dune mine have been expressed with reference to the N2WCR project, but these are the facts:

- The N2WCR project has no direct link to the proposed Xolobeni sand dune mine
- SANRAL does not award mining licenses.

Remember, SANRAL is in the business of developing and maintaining roads and in doing so making sure that the natural environment is preserved and protected.

WHO IS PAYING FOR THIS ROAD?
The National Treasury (in essence, government) has announced that funding for the road – including the nine bridges – will be from taxes and “the road upgrades will be tolled.” The road will bring enormous socio-economic benefits to the Eastern Cape but will also have a much wider impact on the South African economy. It will improve mobility and access along the eastern seaboard and improve the effective movement of goods and people. Travel time between East London and Durban will be reduced by up to three hours. To make sure that there are jobs and the economy grows, government must invest in projects that will promote local and national economic growth in the medium and long term. This road has been identified as such, a key economic driver in the National Development Plan and forms part of one of the identified national Strategic Infrastructure Plan (SIP) projects.

Investment in the local road network as an alternative to the Wild Coast road would have a very low economic rate of return due to:

- The very low traffic volumes on these roads
- The high cost of construction of these local roads
- The only limited and purely local growth such an investment would bring.