

Exxaro pledges R100 M for Lephalale road



NEW BEGINNING: Limpopo Public Works MEC Nandi Ndalane and RAL CEO Maselaganye Matji participate in a sod turning ceremony for the construction of a multi-million road in Senwabarwana. Exxaro has pledged R100 million to upgrade another road in Lephalale in a similar strategic partnership with the road agency.

Photo: Mukurukuru Media

PIET RAMPEDI

RAL since 2015.

Exxaro Resources has set aside R100 million to tar a road in Lephalale.

The project follows the signing of a Memorandum of Agreement between Exxaro Resources and Roads Agency Limpopo (RAL) on Wednesday. This is the second strategic partnership between Exxaro and

Both parties released a joint statement saying the project would be implemented jointly by RAL and Exxaro. The project is for the upgrade from gravel to tar road D2001 that stretches 9.56 kilometres.

"The estimated cost of the project is R100 million, and Exxaro will contribute 100% of the project cost," they said in a

statement.

This is the second strategic partnership between Exxaro Resources and Roads Agency Limpopo SOC. The first project, which is still in implementation stage is due for completion by end of November 2018.

This is for the upgrading of several roads connecting Ga-Seleka villages to the Commercial Centre of Lephalale which was jointly identified through the Integrated Development Plan (IDP) of the Lephalale Local Municipality, and the provision for co-funding was subsequently included in Exxaro Grooteveld's Social and Labour Plan (SLP). The cost of the project is R250m, and Exxaro contributed R71.2m or 28.5% towards that construction with RAL carrying the balance of R178.8m.

Exxaro's Executive Head of Coal Operations Dr Nombasa Tsengwa said: "the combined oversight role that RAL and Exxaro have through their respective Project Managers and Engineers has been professional and make for a successful partnership."

She says Exxaro decided to fund this project not only because it was a mandatory requirement for Exxaro and future project developments, but also because it was not currently provided for in the RAL budget.

"As a responsible citizen, Exxaro understands that Public-Private Partnerships (PPP) are required to alleviate the backlog on infrastructure to power better lives for all communities," she said.

Roads Agency Limpopo CEO

Maselaganye Matji said the undertaking by Exxaro was an indication that the private sector has confidence in the way the Agency conducts business.

He added that the strategic partnership approach has been one of the key tenets of RAL's successful turnaround strategy. Since 2015, RAL has raised a consolidated R382 million from the private sector to co-fund the construction and maintenance of roads in economically strategic areas.

"The amount has now increased to R482m and fast approaching a half a billion milestone. Most partnership contributions are between 25% and 30%, and those who have experience of working with us have increased these contributions significantly in subsequent projects," he said.

Matji further added that at current estimates, RAL will need R160 billion to maintain and upgrade the entire road network in Limpopo. The budget allocation from provincial treasury for the entire Department of Public Works, Roads and Infrastructure for 2018/19 sits at R3.1 billion, of which only R988.9 million is allocated to RAL for this purpose.

He reiterates that these private sector contributions have helped to supplement the grant allocation from government of building roads.

"We are, therefore, making a steady dent in the battle against the road infrastructure backlog that has been the bane of the province," he said.

Roads Agency Limpopo ringfence 30% of every project value to the employment of local Small Medium and Micro Enterprises (SMMEs) and 10% to the employment of local labourers in areas where it implements its construction projects.

The proposed road infrastructure project is expected to facilitate for the commercial development in Lephalale and contribute significantly towards reducing the cost of doing business in the area.

The extension of the upgrade will predominantly assist with easy access to the operations whilst also benefitting all other road users in the area as well by reducing travelling time and improved road safety of communities.

Other benefits will include job creation and people development in the area.



Public Works MEC, Roads and Infrastructure Nandi Ndalane.

