

# THE NATIONAL LOTTERIES COMMISSION FUNDING FOR INFRASTRUCTURE PROJECTS



**The National Lotteries Commission (NLC) was established in terms of the Lotteries Act, Act No 57 of 1997, as amended. The NLC mandate is to regulate all lotteries and sports pools with integrity and ensure protection of all participants. The second mandate of the NLC is to distribute grants to good causes.**

Through its second mandate, the NLC has distributed over R 25 billion to good causes. The funded projects include amongst others infrastructure projects that range from schools, libraries, museums, old age homes, multipurpose sport facilities, early childhood development centers etc. The projects are funded in urban, peri-urban, rural, townships and informal settlements.

Previously, the NLC used to fund organisations for infrastructure, who in turn implement projects on their own without any technical support. The NLC would then conduct monitoring and evaluation on these projects. Through a process of continuous improvement, the NLC identified a need to appoint a panel of professional engineers to assist in ensuring that infrastructure projects are implemented in line with relevant standards and norms. Qualified engineers were then appointed to assist with the following, among others:

- Providing technical assistance on the construction of infrastructure projects; and
- Conducting monitoring and evaluations on the projects.

The engineers provide NLC with progress and final reports on the infrastructure projects.

As the biggest funder for non-profit entities in the country, the NLC has identified the following as some of the major factors that leads to delays and cost escalations for infrastructure projects:

- The geographical location of the site:
  - The soil condition might not be conducive for the project
  - Lack of required construction material locally



*NLC Funded Early Childhood Development Centre, Limpopo*

- Contractual disputes between the funded organisation and its contractors
- Civil society unrest
- Natural disasters

The cost escalation leads to request for variation or additional funding to complete the projects. In line with NLC processes, all requests for variation are submitted to NLC engineers for evaluation and recommendation for approval.

The NLC only approves or declines the request for variation based on the recommendation of the engineers. Once request for additional funding is approved, the engineers will continue to monitor and report on the implementation of the project.

The allocation of funds and tranches to any project is the sole prerogative of independent Distributing Agencies.

Recently, the NLC Board appointed an independent audit firm to investigate any acts of wrongdoing, corruption or fraud. An open invitation was made to members of the public to provide all evidence of these, notwithstanding those independently investigated and concluded.

The investigation is underway, and despite delays caused by COVID-19 lockdown restrictions, investigators are continuing with the process.

The Board and the NLC are committed to clean corporate governance and promotion of public knowledge and awareness in respect of grants as defined in the Lotteries Act.

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