

# **THE ENVIRONMENTAL MONITORING COMMITTEE FOR THE N2 WILD COAST TOLL HIGHWAY PROJECT**

**Reference:** N2WCTH BOA Funding

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The Chairperson  
Environmental Monitoring Committee  
N2 Wild Coast Toll Highway Project  
PO Box 32097  
Braamfontein  
2017

10 May 2017

The Director: Transport  
Urban Development and Infrastructure  
National Treasury  
Private Bag X115  
Pretoria  
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Attention: Ms Ulrike Rwida

Dear Madam

## **CONCERN REGARDING THE DELAY IN FUNDING FOR THE IMPLEMENTATION OF THE BIODIVERSITY OFFSET AGREEMENT FOR THE N2 WILD COAST TOLL HIGHWAY**

This letter expresses the concerns of the Environmental Monitoring Committee (EMC) for the N2 Wild Coast Toll Highway over the delay in the release of funding for the Biodiversity Offset Agreement (BOA).

The N2 Wild Coast Toll Highway EMC was established as a condition of the environmental authorisation issued by the Department of Environmental Affairs (DEA) granting approval for the construction of the N2 Wild Coast Toll Highway.

The EMC consists of representatives of the key authorities (DEA, Eastern Cape Department of Economic Development, Environmental Affairs and Tourism (DEDEAT), Department of Water and Sanitation (DWS), Department of Agriculture, Forestry and Fisheries (DAFF), Department of Mineral Resources (DMR), Department of Rural Development and Land Reform (DRDLR), Eastern Cape Provincial Heritage Resources Authority (ECPHRA), Eastern Cape Parks and Tourism Agency (ECPTA), OR Tambo District Municipality, Alfred Nzo District Municipality, Port St Johns Municipality, Ingquza Hill Municipality and Mbizana Municipality) as well as representatives of the traditional authorities, NGOs and contractors and the Environmental Control Officers (ECOs).

The main purpose of the EMC as set out in the environmental authorisation is:

- a. To monitor and audit the project compliance with specific conditions of the environmental authorisation and the requirements of the approved environmental management plan (EMP).
- b. To make recommendations to the Director on issues related to the monitoring and auditing of the project implementation.

- c. To advise the department on issues related to non-conformance reports (NCRs) raised against the applicant by the ECO.

The EMC meets on a quarterly basis and the first EMC meeting was convened on 15 November 2016, with subsequent meetings on 25 January and 19 April 2017. There is also an Authorities Coordination Committee (ACC) which meets on a quarterly basis and first met on 22 July 2016.

One of the key conditions in the environmental authorisation is that a Biodiversity Offset Agreement must be negotiated and agreed to with DEA, the forestry section of DAFF, ECPTA and Working for Water (WfW). The condition states that construction may not start in the greenfields sections before the offset agreement has been signed. The BOA was signed on 22 March 2016 and in terms of clause 5 of the agreement, within five days the ECPTA registered as a vendor in accordance with SANRAL's vendor registration process and submitted an invoice to SANRAL for the initial payment. This initial payment was due for payment within 30 business days of SANRAL receiving the invoice but to date it has not been paid. SANRAL has reported to the EMC that National Treasury instructed them not to pay the ECPTA invoice as Treasury did not want the funding for the BOA to flow via SANRAL. However, to date SANRAL has apparently been unable to get finality from Treasury on the funding mechanism to be followed.

The non-payment of the initial payment, which in turn has prevented the commencement of the BOA, has been the main issue of concern to the ACC and EMC since these meetings began. At the last meeting of the EMC on 19 April 2017, the chairperson of the EMC was mandated to raise this concern in writing with National Treasury.

The EMC is of the opinion that SANRAL is non-compliant with the intent of the environmental authorisation in that construction has commenced in the greenfields sections while the BOA has not been honoured.

The EMC would therefore like to appeal to National Treasury to expedite the prompt resolution of the funding mechanism for the BOA so that the initial payment can be made and work can commence on the implementation of the BOA.

We would like to request a response within 14 days of the date of this letter indicating if SANRAL may proceed with the initial payment as per the agreement and, if not, when the funding mechanism to be followed can be finalised so that the initial payment can be made which should be no later than the end of June 2017. We look forward to a swift resolution to this matter to avoid the possibility of legal proceedings which could result in unnecessary delays and reputational damage for the project and institutions involved.

Yours sincerely



**JULIAN DREW**  
**CHAIRPERSON - N2 WILD COAST TOLL HIGHWAY ENVIRONMENTAL MONITORING COMMITTEE**