



Media statement by the Bench Marks Foundation

Government still disregards environmental and health impacts of coal mining

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FOR IMMEDIATE RELEASE

Despite very strong opposition to Coal of Africa's (CoAL) Vele and Makhado mines in South Africa's Limpopo Province from community members and NGOs, the Department of Mineral Resources seems set to allow these mines to operate, according to a report released today by the Bench Marks Foundation.

The report, titled "Vitol and coal trading: Challenges of human rights due diligence in the supply chain", assesses the human rights approach of Vitol, Switzerland's largest company by turnover and one of the world's top five coal traders, and one of its suppliers, Coal of Africa Limited.

CoAL's Vele Colliery is on the border with Zimbabwe and is only 9km from the Mapungubwe National Park, a World Heritage Site. It is also surrounded by large farms that produce citrus and vegetables.

The report shows that opposition to the mine started in 2009 with NGOs forming a coalition and interdicts and an appeal being filed against the mine's various authorisations. South Africa's Environmental Affairs and Tourism Department also raised 'significant concerns' about the colliery, citing local and trans-boundary impacts which included water and air pollution, and did not support the project.

Despite this intense opposition, the Department of Mineral Resources granted CoAL the necessary authorisation to mine the Vele Colliery.

"The mine's record for not complying with regulations is clearly shown by its actions all the way back to 2010 when it received one of the highest fines by a mining company for non-compliance," says John Capel, Executive Director for the Bench Marks Foundation.

"It unlawfully commenced several listed activities under the National Environmental Management Act without the required authorisations.

"In that same year, it made unauthorised use of water under Section 21 of the National Water Act. Following this, the Department of Water Affairs issued a directive to the company to cease all unlawful water use.

"A coalition of NGO organisations, including the Mapungubwe Action Group, the Endangered Wildlife Trust and the World Wildlife Fund, concerned about the granting of mining rights to CoAL, launched interdict proceedings against the company that same year.

"Notwithstanding an appeal that was launched by the same coalition represented by the Centre for Environmental Rights in 2011 against the decision to award an Integrated Water Use Licence to CoAL, the colliery was allowed to start with full operations at the beginning of 2012, as the appeal was rejected".

Capel says the research report shows that although the colliery was temporarily stopped in 2013 due to it producing coal that was of a lower grade than expected, the company has amended its original mine plan to include an underground component where 40% of coal will be sourced going forward.

The research also shows that the colliery has filed an amended Environmental Authorisation to increase the total area of the project by five times more than originally planned. All changes have been put forward without conducting new Environmental Impact Assessments.

“The coalition filed an appeal against these changes in April 2015,” says Capel. “With the colliery using outdated specialist reports, it is impossible to know what the individual and the cumulative impact of this change will be.

“Although the colliery is not working now, its effects from when it did is still affecting the community and environment and will increase once they do start again, especially since it’ll be increasing it’s size.

“We constantly see the pro-mine actions of the government during our research and the exclusion of communities and civil society in decisions affecting these very important and affected stakeholders.

“This pro-mine action is very clear with the decision by the Government to redesign a plan originally intended to delimit a buffer zone on the east side of Mapungubwe National Park so as to allow CoAL to mine close to the heritage site”.

The report shows that similar to Vele, opposition to the Makhado Mine is very strong and has reached an unusual level in South Africa with the black community in Mudimeli uniting with white farmers and eco-tourism businesses to oppose the development of the mine and to demand that alternative development opportunities be seriously considered.

“Opposition to the mine has occurred from the beginning with the Mudimeli Community, on whose land Makhado mine is situated, raising their objections with the Department of Mineral Resources in Polokwane,” says Capel.

“During our research, we discovered that the position of these stakeholders has not changed in three years. In fact, it is increasing.

“This opposition led to an interdict on water use in 2014. But in May 2015, despite the intense opposition and the interdict, the Department of Mineral Resources granted CoAL the Mining Rights for its Makhado Project.

“This is ludicrous, and we are not surprised that the Mudimeli community, the Mudimeli Royal Council and the Vhembe Mineral Resources Stakeholders Forum filed an appeal against the granting of the mining rights.

“The mine will have a huge impact on the water in the area, with even the management of CoAL confirming that boreholes will go dry because of the mine. The whole of the Vhembe district, including our essential farms, will be severely affected by the contaminated water”.

According to the report, an independent review of CoAL’s Environmental Impact Assessment done in 2011, and commissioned by 13 organisations, concluded that any further approvals for CoAL’s Makhado Colliery project be suspended, and existing permits be urgently revisited, revised or cancelled.

“To date and to our knowledge, this has not been done,” says Capel. “This yet again shows the blatant disregard by the mines and the government for those who are affected by mining, as well as the damage that mining does to the environment.

“CoAL’s regional cumulative impact on the right to water, the right to work, the use of land and the impacts on food security and on the environment are large, especially since the company has the Vele Mine, and also plans to construct not only the Makhado mine, but also three additional mines that will be larger than that mine.

“It’s time that all stakeholders are properly consulted and their voices and concerns really heard and taken seriously. Coal mining has tremendous impacts on not only the environment, but on health through air pollution with one million deaths attributed to coal air pollution per year according to the World Health Organisation.

“We strongly recommend that investigations be made, as soon as possible, into the awarding of mining licences by the Department of Mineral Resources, especially where massive opposition has been expressed and strong action be taken against those responsible”.

The “Vitol and coal trading: Challenges of human rights due diligence in the supply chain” report is the product of the joint work of research teams from the Bench Marks Foundation and the Swiss-based organisation, Bread for All. A coalition of 70 organisations has been formed to support the Initiative for Responsible Multinational Corporations. This initiative requires every multinational company to conduct human rights due diligence.

The Bench Marks Foundation monitors multinational corporations operation in Southern Africa and the rest of the African continent to ensure that they meet minimum social, environmental and economic standards and promotes an ethical and critical voice on what constitutes corporate social responsibility.

This report is one of eleven other reports by the organisation highlighting corporate social responsibility issues in various corporations.

For more information on the Bench Marks Foundation and to access this and the other reports, go to www.bench-marks.org.za.

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About Bench Marks Foundation:

Bench Marks Foundation is an independent non-governmental organisation mandated by churches to monitor the practices of multi-national corporations to

- ensure they respect human rights;
- protect the environment;
- ensure that profit-making is not done at the expense of other interest groups; and
- ensure that those most negatively impacted upon are heard, protected and accommodated within the business plans of the corporations.

The Foundation was launched by the Rt Rev Dr Jo Seoka who chairs the organisation and by member churches of the SACC in 2001.

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About Bread for All:

Bread for all is the development service of the protestant churches in Switzerland. It empowers people in Asia, Latin America and Africa to free themselves from poverty and dependency and it motivates people in the North to commit to a fairer world.

The organisation empowers people to build sustainable livelihoods through over 350 development projects and programmes in 50 countries in Asia, Latin America and Africa; informs and provides educational services about development policy issues for the public at large in Switzerland; advocates for international social, political and economic structures that provides the framework for a fair and sustainable development process worldwide and raises financial resources for development projects and programmes and provides monitoring and evaluation, based on defined quality criteria.