



Media statement by the Bench Marks Foundation

Department of Water Affairs fails to apply its mind sufficiently to Makhado Water Use Licence

21 January 2016

FOR IMMEDIATE RELEASE

Despite extensive opposition and clearly not being in the country's best interests, the Department of Water and Sanitation (DWAS) issued an Integrated Water Use Licence (IWUL) on the 14th of this month to Coal of Africa's Makhado operation.

So says the Bench Marks Foundation which notes that South Africa, as a signatory to agreements at COP21 held in Paris towards the end of 2015, was duty bound not to encourage licences for fossil fuels.

The licence which has been issued is for a fossil fuel – coal.

“The granting of this Integrated Water Use Licence therefore, demonstrates a cynical hypocrisy on the part of the Department of Water and Sanitation”, says John Capel, Executive Director for the Bench Marks Foundation.

“Coal of Africa released a communiqué this month stating that the Department had deemed it fit to issue the licence for its Makhado Project in the Vhembe District of the Limpopo Province, for a period of 20 years.

“In our opinion, the Department has not applied its mind sufficiently in the allocation of this IWUL as this area suffers from severe water scarcity. We are also concerned that the notification from the Department has not been made public”.

The Bench Marks Foundation's concerns regarding the IWUL are as follows:

- The Makhado project faces extensive and legitimate public opposition;
- This public opposition is based on among other things, severe water scarcity in the area;
- The fact that the focus of DWAS is more on water use than on water abuse by mining corporations;
- The fact that this mining operation will come at a huge cost to the community and the Limpopo province as a whole in that mining will eliminate other economic opportunities that are more sustainable and environmentally friendly;
- There is no available information on the externalised costs of this operation in terms of the Constitutional Rights of people living in proximity to the mine to (i) water security; (ii) a healthy

and safe environment, (iii) to administrative justice and (iv) economic freedom;

- Major coal mining companies in South Africa such as BHP Billiton, Anglo Coal, Glencore and others are winding down coal mining operations because it is unprofitable and environmentally destructive.

Says Capel: “We note that South Africa is already responsible for 98% of Africa’s air pollution and for 86% of Africa’s waste production. In addition, many of the country’s water resources are already under severe stress.

“It is therefore ludicrous that the company was granted an IWUL which should be contested at the highest level, including the Constitutional Court”.

According to Bench Marks, CoAL claims to have completed a Class II Definitive Feasibility Study on the Makhado Project during 2013. The company anticipates developing the colliery to produce 2.3 million tonnes per annum (Mtpa) of hard coking coal and a further 3.2 Mtpa of thermal coal over the life of mine. CoAL also claims that tests have confirmed that the coal can be successfully beneficiated to produce high strength coke for the steel manufacturing industry.

“It’s time that the concerns of the people and the real needs of the country are taken into consideration,” says Capel.

“We know that farmers and communities are up in arms claiming there is not enough water for both agriculture and mining and with the country already experiencing a severe drought in most areas the granting of licences such as this is more than just irresponsible, it’s obscene in the current climate”

The Bench Marks Foundation monitors multinational corporations operating 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.

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

ENDS

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.

Bench Marks contact:	Media contact:
John Capel Executive Director, Bench Marks Foundation	Chantal Meugens 083 676 2294

+27 11 8321743/2 or 082 870 8861
Email: jcapel@eject.co.za

Email: Chantal@quo-vadis.co.za