



Media statement by the Bench Marks Foundation

Stop the plundering and exploitation of South Africa's resources, says Bench Marks Foundation

19 August 2014

FOR IMMEDIATE RELEASE

A report released today by the Bench Marks Foundation, says that serious interventions are needed to stop the uncontrolled plundering and exploitation of South Africa's resources and living environments which existing communities and future generations depend on to survive.

Released in Johannesburg today, the report, titled *Policy Gap 9 on South African Coal Mining: Corporate Grievance Mechanisms, Community Engagement Concerns and Mining Impacts*, focuses on communities near mines in the Nkangala District including Witbank (eMalahleni) and Middelburg (Steve Tshwete) in South Africa and on two mining corporations, Anglo American Corporation and BHP Billiton.

According to the report, South Africa's economy is heavily fossil fuel dependent, with 91% of electricity produced through the use of coal. In addition, South Africa is a significant participant in global coal markets.

The country's economically recoverable coal reserves are estimated at between 15 and 55 billion tonnes and coal production in the Central Basin, which includes the Witbank, Highveld and Ermelo coalfields, is likely to peak in the next decade.

"In light of these statistics, our research report expounds the main concerns related to the impacts and externalisation of costs of coal mining operations in the country," says Bishop Jo Seoka, chairperson of the Bench Marks Foundation.

"With so many mines in such a small space, it's difficult to disaggregate the impact of one operation from all the others. We looked at the cumulative impact and where possible, we have named individual operations.

"The report found that there are huge hazards for communities, the environment and food security as a result of the processes used in the sector. In addition, the mining industry has a very cavalier attitude towards the closure of mines, never mind to the rehabilitation of the environment.

The report states that all mining in South Africa should be informed by global best practice, which in turn should be guided by the UN Guiding Principles on Business and Human Rights (2011). In addition, the four leading international standards, namely the OECD guidelines for multinational enterprises, UN Global Compact, IFC's Performance Standards and the Bench Marks Principles for Global Responsibility, should inform responsible business conduct and setting of required performance settings.

"We have found that there are no sanctions or penalties or accountability for non-adherence to the global best practices or legislation. We have also found that there are still too many senior members of government involved in the mining sector.

"This makes it impossible for government to fulfil their legal obligations. The comfortable revolving door between politics and business must be shut immediately," says Seoka.

"Mining companies serially contravene environmental, labour and social laws. They are not afraid to admit it either as they know there is no consequences to their actions.

“In light of the serious impacts, hazards and disregard for policies and law discovered by our research into the industry - which has fuelled the anger and frustration of communities and workers resulting in violence and protests – the Bench Marks Foundation has made many recommendations in the report, aimed at protecting human rights and bringing the sector more in line with global best practice”.

The Bench Marks Foundation recommends:

- The establishment of an independent national grievance and arbitration mechanism: communities will be able to refer all mine impact-related grievances to this mechanism, thus reducing the intimidation and mistrust currently felt by stakeholders through mining companies' grievances mechanisms;
- The establishment of an independent central fund on which mine-impacted communities can draw from to appoint their own law, geological, environmental, social and economic experts, offsetting the current imbalance in knowledge and power that exists between mining corporations and communities in consultation processes;
- The rigorous application by the Department of Environmental Affairs and Department of Water Affairs of the 'polluter pays principle';
- The implementation by government of alternatives to coal production which is intrinsically unhealthy and the cause of serious illnesses to communities and the destruction to the environment;
- The introduction of effective energy and climate laws by the government, limiting the damage to our environment caused by this sector, and the regulation and monitoring by the Public Protector and South African Human Rights Commission of the adherence to the environmental impacts on communities;
- The implementation of laws governing air pollution, emissions and dust particulate impacts by the Department of Environmental Affairs and the Department of Health and that the Department of Health undertakes a proper scientific epidemiological study in the coal mining areas of the country to determine the full health impact of mining on the workers inside the workplace and communities near mines;
- The strict application, by government, of mining, water and environmental laws and regulations when mining companies apply for mining licences at a particular mining site and across the entire life of the mine;
- The prosecution of those responsible for pollution of the water systems of the country;
- That the government takes the threat to water and food security posed by coal mining in Mpumalanga more seriously. The loss of top soil in particular is of grave concern, and as South Africa is on the most water scarce countries in the world, the destruction of groundwater, rivers, dams and water systems through mining needs to be halted and reversed where possible;
- That the Department of Mineral Resources and the national parliament effects changes in the Minerals and Petroleum Resources Act to make it illegal to sell off a mining operation near the end of life of a mine so as to avoid the costs of proper mine closure;
- The tracking down and prosecution by the Department of Mineral Resources, of former owners of abandoned mines;
- The implementation, by government, of heavy fines for violation of government laws and regulations and of international treaties, guidelines and codes of conduct and the withdrawing of licences when there is serial noncompliance to the laws, regulations, treaties, guidelines and codes of conduct;
- The implementation of a moratorium on all current licence negotiations, by government, so as to investigate, by means of a commission of inquiry, legal and regulatory compliance in the negotiation process and to weed out possible corruption and to ensure the compliance of national and international laws, regulations and codes;
- The replacement of voluntary principles with statutory and legally binding regulations and obligations;
- The investigation into financial institutions involved in the mining industry and the tightening of controls by the Department of Mineral Resources and the Treasury on these institutions to prevent collusion and the failure of the implementation of due diligence prior to financing a project;
- Transparency, by mining corporations, regarding mine closure funds and plans;
- Effective community consultations, negotiations and participation across the life of a mine from greenfields to closure;
- The adoption of community's informed continuous right to consent, or refuse proposed mining operations and developments;

- The phasing out by mining corporations, over time, of the living out allowance and the provision of corporate subsidised housing options. The government, and the mining corporations must be obliged to do proper urban planning along with the social and labour plans and IDPs, in line with the resource, the length of time mining will occur and the fact that communities have been and will be impacted on; and
- The re-examination, by Anglo Coal and BHP Billiton, of the mines' current practices with regard to the ways in which they conduct consultations with surrounding communities. This is important as the study found disturbing violations of national and international treaties with regard to the way the mining houses conduct negotiations with local communities.

Says Seoka: "The continuous role of civil society as a 'watch dog' actively holding corporations accountable cannot be overemphasised.

"In addition, everyone: community leaders, community monitors, pastors, priests, faith leaders, journalists, photographers and other media partners, academics, activists, entrepreneurs, naturalists, teachers and students, nurses, doctors and lawyers etc, must realise that the long-term impacts of coal mining on our environment and health is a reality.

"We all need to get involved in ensuring that this does not continue to happen. The future of our country is extremely dependent on the collaborative effort of all stakeholders in society standing together to help change the industry.

"We know that many people are just trying to make a living, but at what cost? When will we say enough is enough and take charge of our future and that of our future generations?"

To download the report and to view Bench Marks Foundation's other research reports, go to www.bench-marks.org.za.

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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 in 2001 and the Rt Rev Dr Jo Seoka chairs the organisation.

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