



# JOINT MEDIA STATEMENT

**BIODIVERSITY OFFSET AGREEMENT  
FOR VELE COLLIERY**

**HISTORIC BIODIVERSITY OFFSET AGREEMENT SIGNED BY THE DEPARTMENT OF ENVIRONMENTAL AFFAIRS, SANParks AND COAL OF AFRICA FOR VELE COLLIERY**

**9 October 2014**

The Acting Director General of Environmental Affairs, Ms Judy Beaumont, on behalf of the Department of Environmental Affairs (DEA), today signed a historic biodiversity offset agreement (BOA) for the Vele Colliery Colliery to the value of R55 million over the life of the mine. The agreement was signed jointly with the Chairperson of the South African National Parks (SANParks), Mr Kuseni Dlamini and CoAL of Africa Limited (CoAL) CEO, Mr David Brown.

The biodiversity offset agreement for Vele Colliery is based on the ecosystem approach to biodiversity management. This approach promotes the integrated management of land, water and natural capital to achieve optimal conservation and sustainable use of biodiversity. It is aimed at strengthening co-operation between the three parties towards the conservation and sustainable development of the Mapungubwe Cultural Landscape (MCL) World Heritage Site. It is also aimed at maintaining the integrity of the site, and ensuring that the negative impacts of development are avoided, minimised or remedied in the pursuit of sustainable development.

The Agreement is intended to promote the development of Mapungubwe so that it benefits the environment, the local economy and resident communities.

The background to today's signing lies in the granting of a mining right to Limpopo Coal Company (Pty) Ltd, owner of Vele Colliery, a wholly owned subsidiary of CoAL. On 19 March 2010, the Department of Mineral Resources (DMR) granted a mining right to the Limpopo Coal Company (Pty) Ltd (also known as Vele Colliery) to extract coal on a surface area of 8 663 hectares. The area is approximately 7km North East of the Mapungubwe Cultural Landscape World



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Heritage Site (MCLWHS) boundary and within an area that was initially earmarked for expansion of the Greater Mapungubwe Transfrontier Conservation Area.

The mining permit attracted opposition from conservation stakeholders, including the United Nations Educational, Scientific and Cultural Organisation (UNESCO). At the time Unesco considered the mining right area to be part of a future buffer zone area envisaged at the time of world heritage listing.

The chairman of the SANParks Board, Mr Kuseni Dlamini, said through the processes to revise the Mapungubwe World Heritage Site buffer zone, SANParks had expressed the view that it was possible for the mine to continue with its operations without impacting negatively on the protection Mapungubwe, provided an appropriate framework is put in place to manage the interface between mining operations and the World Heritage Site.

“There are those who have insisted on seeing conservation as being opposed to development and job creation, but this is certainly not the case. SANParks has long held the view that our national parks should serve as catalysts for local economic development, particularly in some of the more isolated rural areas where opportunities are limited,” said Mr Dlamini.

Vele Colliery applied for and was, on 5 July 2011, issued with an environmental authorization in terms of Section 24G of the National Environmental Management Amendment Act, (Act No. 107 of 1998), to continue with the listed activities that were commenced without authorization. The conditions for authorisation included formalisation and implementation of a Memorandum of Agreement (MoA) between DEA, CoAL and SANParks (the Management Authority for the World Heritage Site).

The MoA was signed on 01 September 2011 and relates to implementation of the Section 24G conditions of authorisation which included the development and implementation of the biodiversity offset programmes and implementation plans that (were) to be agreed upon. It committed the three parties to “ensuring that the negative impacts of development are avoided, minimised or remedied in pursuit of sustainable development.”

In addition, the parties agreed to promote alliances in the management of natural and cultural resources, as well as to collaborate in the formulation of biodiversity offset programmes that would ensure continued access to financial resources and achieve greater conservation value within the Mapungubwe World Heritage Site (WHS).

Following this, a Mapungubwe Biodiversity Offsets Negotiation Committee comprising officials from the department, SANParks and CoAL was established. One of the key objectives of the Committee was to agree on the scope of the offsets including target areas, residual impact, financial resources, legal and policy framework and allocation of responsibilities. The Committee met at least ten times between December 2011 to March 2013 to develop working documents to guide the BOA.

A number of high-level engagements were also held between the three organisations and related stakeholders around the BOA and its terms. These engagements had included representatives of regional and national government, tourism and parks agencies. On 27 September 2013, the parties reached an agreement with CoAL indicating that they were prepared to commit to an offset amount of R55 million over the life of mine, payable in five phases over a period of 25 years. Therefore the agreement will terminate at the end of 2038. If the mine extends beyond 2038, the parties will negotiate new terms.

The Acting Director General of Environmental Affairs, Ms Judy Beaumont, said: “We have indeed reached a momentous stage in our country’s development, where sectors originally perceived to have competing mandates, have realised the common vision of growth and prosperity for our country, and are beginning to walk this path towards sustainability together.”

Ms Beaumont said the offset will enable Mapungubwe National Park and World Heritage Site to implement various projects to rehabilitate and improve management of archaeological sites, as well as the development of key park infrastructure such as an overnight education facility for children and roads.

These projects will create an estimated total of 349 temporary work opportunities for local communities over a fifteen year period, supporting at least 15 SMME's. The bulk of the work opportunities – a total of 250 - will be created during the first 5 years of the programme. The eleven permanent positions needed for the management of the new facilities will become part of the operational responsibilities of the park.

"I hope that this will set an example for other companies with mining and similar interest in environmental sensitive areas to also act responsibly and ensure that any potential impacts are properly managed including by way of offsetting," said Ms Beaumont.

The CEO of CoAL, Mr Brown, said: "It was a complex journey as we sought to marry the interests of environment, heritage and development. The signature of this agreement bears testimony to the commitment of the representatives of our respective organisations. We believe that Vele Colliery has set a new benchmark for co-existence between mining, heritage and agriculture."

A Steering Committee will be established in order to manage and implement the terms of the agreement. Three representatives from each of the three parties to the Agreement (DEA, CoAL and SANParks) will be appointed to the Committee, which will meet quarterly.

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