

Proposed coal mine in  
Mpumalanga threatens entire  
country's freshwater hotspot:

# WHO BENEFITS, AND AT WHAT COST?



**FACT SHEET**

The Mabola Protected Environment – a freshwater hotspot threatened by a proposed coal mine despite the fact that it has been classified as one of 22 Strategic Water Source Areas by the South African National Biodiversity Institute, a government body, and the Council for Scientific and Industrial Research. Strategic Water Source Areas are the 8% of our land that provides more than 50% of our freshwater. Image: James Oatway for CER.



## BACKGROUND

In 2015, the Minister of Mineral Resources granted Atha Africa Ventures (Pty) Ltd, an Indian-owned mining company, the right to mine for coal in an area in Mpumalanga that was declared a Protected Environment in January 2014.

The Centre for Environmental Rights, on behalf of a group of eight civil society and community organisations from across South Africa, challenged this decision on the basis that it was illegal and dangerous, and would compromise the local community, region and country's access to precious water resources.

**The matter is currently being considered by a number of courts and regulatory bodies.**

Image: James Oatway for CER.

## Why is it so important for South Africa to protect this area?

- Mpumalanga is the source of many of South Africa's biggest rivers.
- The Mabola Protected Environment in Mpumalanga falls within the Enkangala Drakensberg Strategic Water Source Area, and is vital for producing water that is consumed by local communities.
- This area was identified as incredibly important and strategic to protect in the interest of all South Africans.
- The area is composed mostly of wetlands, pans and grassland.
- The proposed mine area is located in a part of the Enkangala Drakensberg Strategic Water Source Area that constitutes the headwaters of the Usutu River System, via the Assegaai River. The Usutu River flows through Swaziland and, after joining the Pongola River, flows into Mozambique, where it is known as the Maputo River. Accordingly, the health of the Usutu River System is also relevant to South Africa's international obligations to Swaziland and Mozambique. The Assegaai River also flows into the Heyshope Dam, from which water is inserted into the Vaal River System via inter-basin transfer. Accordingly the mine area is a water source of the

Vaal River System and supports the economic hub of Gauteng. These users will all be affected if the sources of those rivers are compromised.

- The area has been classified as one of 22 strategic water source areas by the South African National Biodiversity Institute, a government body, and the Council for Scientific and Industrial Research in a project supported by government. Strategic water source areas are the 8% of our land that provides more than 50% of our freshwater. From 2015, South Africa has been experiencing the worst drought in 30 years, with a state of drought disaster declared in 8 of our 9 provinces (including Mpumalanga).
- Long before Atha Africa was given a mining right by the former Minister of Mineral Resources, the Mpumalanga provincial government, the Department of Environmental Affairs, the Department of Water & Sanitation, the South African National Biodiversity Institute and the Water Research Commission were working to protect the Mpumalanga grasslands.
- This work culminated in the declaration of the Mabola Protected Environment in January 2014.

## What would Atha Africa's coal mine look like and who would it benefit?

- The mine proposed by Atha Africa is a massive underground coal mine, mined through conventional bord-and-pillar mining. Atha says they plan to export two thirds of the coal mined, and plan to sell the rest to Eskom.
- However, there is currently no commitment from Eskom to buy this coal, and even if it did, this coal would constitute less than 1% of South Africa's coal reserves.
- Once mined, the coal would be transported to Richards Bay, meaning lots of big coal trucks will travel through and out of Wakkerstroom. Coal trucks have caused huge damage to the roads in many parts of Mpumalanga. The coal dust from coal haulage is one of the main contributors to the Highveld's bad air quality.



## WHO WILL BENEFIT FROM THIS MINE?

**Atha Africa is not a South African company.** It is a subsidiary of Atha Group, a private company registered in India. The current directors are Gaurav Atha, Vishal Atha and Morgambary Munsamy.

**Atha's BEE partner is the Bashubile Trust.** The trust deed shows that the trustees are Prince Thabo Mpfu, Vincent Gezinhliziyo Zuma, and Sizwe Christopher Zuma. Beneficiaries of the trust are the heirs of Mpfu, and two young people with the surname Zuma. Several newspapers have reported that both Vincent and Sizwe Zuma are related to former President Jacob Zuma.

As far as we know, **none of these trustees or beneficiaries live in or near Wakkerstroom, Dirkieisdorp or Volksrust – or even in Mpumalanga.**

Coal mining at Arbor, near Delmas, Mpumalanga.

### What jobs would the mine provide?

- Atha's report to authorities claims the mine would generate more than 500 jobs once fully operational, but without any guarantee that these jobs will be sourced locally.
- It states "there is unlikely to be significant opportunities for the local population to be employed during the construction phase, and the opportunities are likely to be temporary" and there will be "limited numbers of unskilled, [and] semi-skilled employment opportunities".
- The Atha report states that the 60 "skilled" jobs estimated to be created for the mine's construction will not be sourced locally, and that 10 management staff will come from Atha's Indian operations.
- Moreover, our experience, and that of our partners, is that the number of jobs promised by mining companies rarely materialise, particularly not for local people.
- In contrast, the area employs many people in agriculture and in a growing – and sustainable – nature-based tourism sector. At least some of these jobs may be lost as a result of the mine.

### Will the mine be of value to South Africa's energy needs?

- According to Atha, the mine will operate for 15 years. However, the quality of the coal at Mabola is low grade. During the next 15 years, at least 5 Eskom coal-fired power stations will be shut down owing to the pollution they generate, causing poor health and deaths, particularly in local communities.
- Internationally, imports by big buyers like India and China have reduced drastically in the past 5 years and are unlikely ever to increase again as almost 200 countries, including South Africa, work to reduce reliance on coal to meet international commitments to mitigate climate change. Coal is dying.

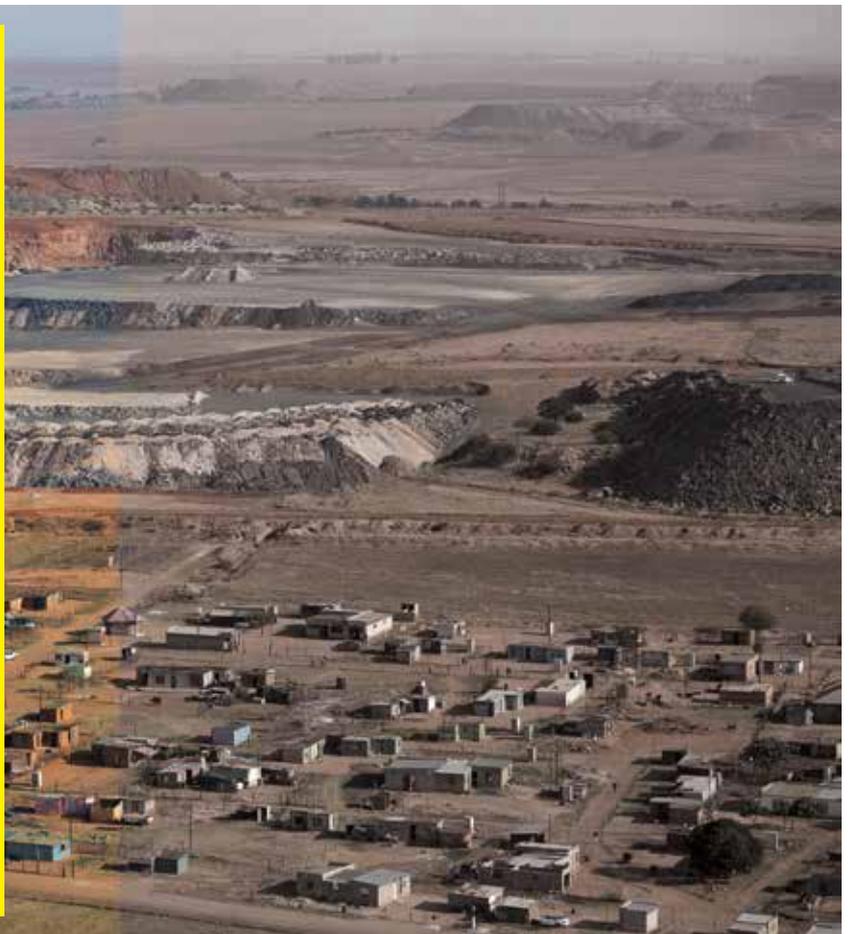
### What else has

### Atha Africa promised the community?

- Atha's Social and Labour Plan (SLP) is limited: some training, bursaries, a local mobile clinic, an extra classroom and some guest teachers for a local secondary school. Total cost: R7.738 million over 5 years, about R1.5 million per year. Compared to revenue of at least R1 billion Atha claims it will create during the first 10 years of the mine's operations, this is not major investment in local communities.
- The SLP is unlikely to be enforced by DMR. At Marikana, for example, mining company Lonmin built 3 out of the 5000 houses its SLP required it to build for local mine workers. It has still not been held accountable by the DMR.
- Atha concedes in its SLP that it may leave the community with "negative impacts on the health and safety of the surrounding community and future employees from the generation of dust, airborne emissions (noxious gases and smoke), noise, vibrations, traffic, and contamination of surface and groundwater on downstream users"; an increase in foreign workforce; and a negative impact on crime and security.

## What have other communities living alongside Highveld coal mines experienced?

- All over the Highveld, communities live with coal dust and polluted water from coal mines that make them and their livestock sick, and make it impossible to grow crops. Regular blasting by the mines cracks houses and is disruptive and distressing.
- Nowhere on the Highveld has coal mining left communities better off than before.
- The mine would result in less water for communities, as it would lower the water table, and cause acid mine water for 45 years after the mine closes. In other words, if the mine starts in 2017, mining will take place until 2032, water level rebound will be in 2077 and contaminated water treatment must continue until 2097. Atha has not provided for that water treatment. It provided a financial guarantee for closure costs of only R5.758 million.



The lives of the Arbor community have been devastated by coal mining adjacent to their homes. Arbor village is dumped upon by coal dust daily, and people have been relocated – and had their homes cracked, and air and water polluted – as a result of the mining operations.

## WHY ARE 8 NGOS AND COMMUNITY ORGANISATIONS WORKING SO HARD TO RESIST THIS PARTICULAR MINE?

- Earthlife Africa Johannesburg, the Mining and Environmental Justice Community Network of South Africa, Birdlife South Africa, the Endangered Wildlife Trust, Federation for a Sustainable Environment, groundWork, Association for Water and Rural Development and the Bench Marks Foundation, represented by the Centre for Environmental Rights, are non-profit organisations working to realise people's Constitutional environmental rights to clean air, clean water and health, and sustainable, decent jobs.
- We defend the rights of all interested and affected parties, particularly local people, to be consulted on new developments, and to benefit equitably from them.
- We believe everyone is entitled to accurate information, so that when they decide whether to support or resist a new development, they do so on the basis of the facts, not myths or anecdotal evidence.
- The organisations opposing this particular mine do so because the proposed mine would be inside a declared protected area and a strategic water source area. It will threaten water security not only in the local area, but in the region.
- The damage that this mine would do to water resources cannot be undone. All these organisations are deeply committed to job creation and improving the quality of life of local people, but we also know that coal mining has devastated the lives, health and well-being of communities across the Highveld.

