



Mine Community Relations, SACRHA in Mpumalanga Province

Herbert K Modupi: Coal Collaboration, Mpumalanga Province



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Food For Thought

- **African Proverb**“ If there is no enemy within, the enemy outside cannot hurt us”
Collaboration, Co-creation and Unity.
- **South African**“ Batho Pele Principle” The 1992 – 1994 RSA story has inspired the rest of the world, dialogue enhances better decisions-and also promotes unity
- **Chinese Proverb**“ An inch of time is an inch of gold but you cannot buy that inch of time with an inch of gold” 86 400 seconds a day to make a difference-The Time is Now or Never
- **Chinese Proverb**“ Better to light a candle, than to curse darkness” Can we as the Coal Sector do that?
- ***Concluding Proverb will make the call.***

Problem statement

Problem Statement

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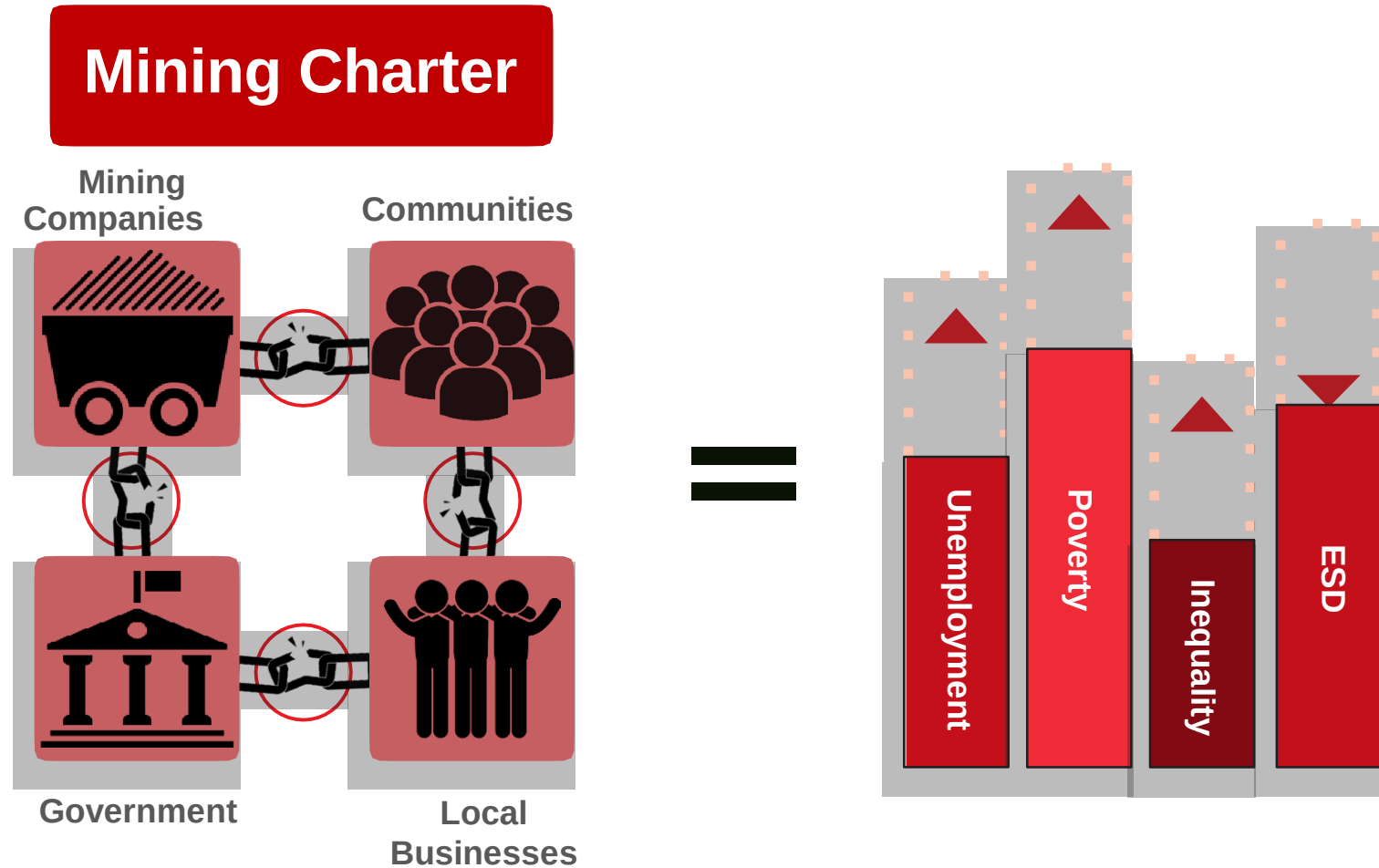
1. The relationship between the mining companies, communities, Local Government, and other stakeholders is fragile and not improving. Although there are efforts at different levels to making this better, the levels of intolerance are growing and threatening social stability.
2. The causes of the worsening relationships ranges from the reality of the ever growing unemployment rate, high poverty levels and inequality. The introduction of the SLP's raised expectations that the mining industry can and will make a difference in the mine host communities

Problem Statement

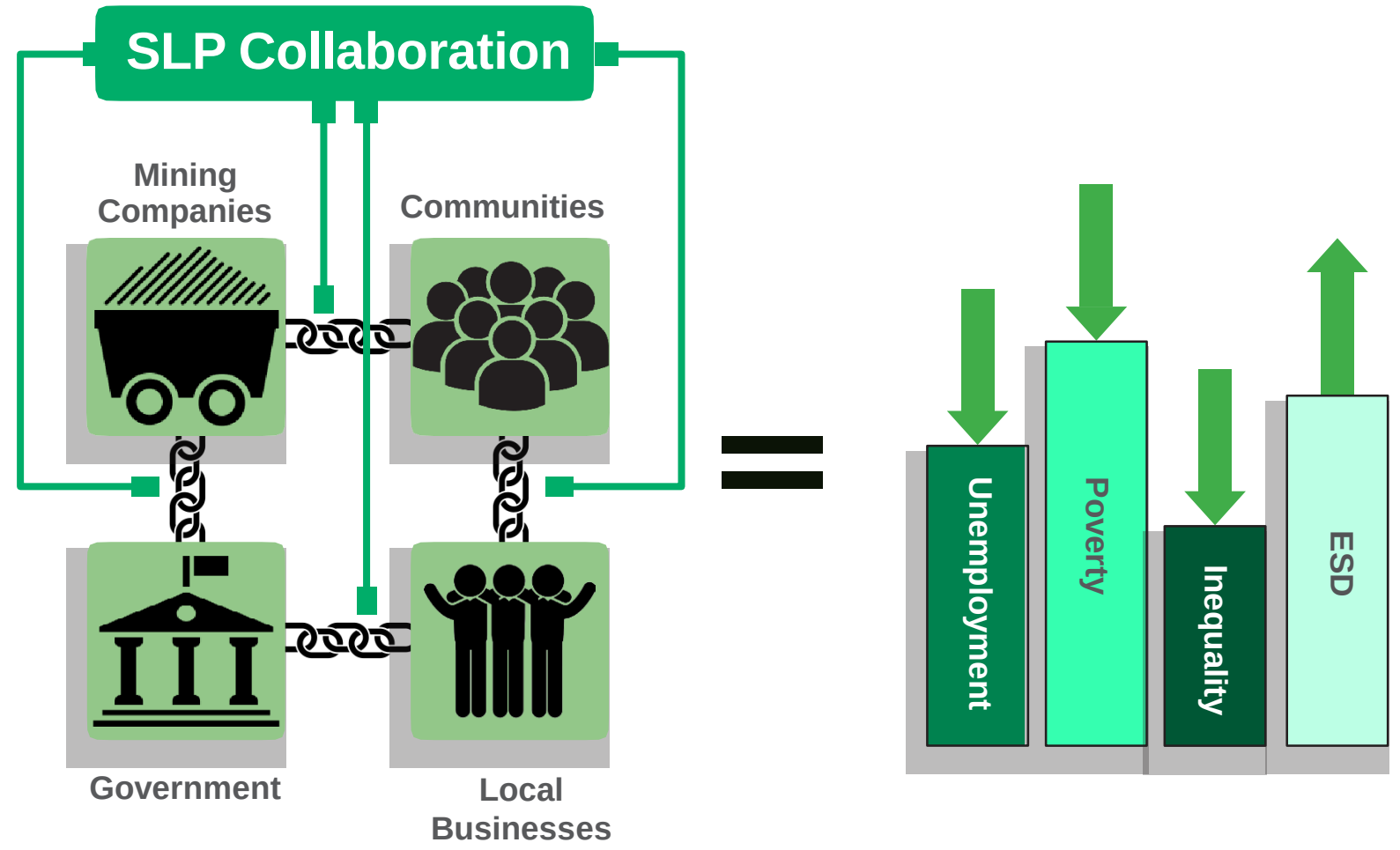
- The Mining Charter carries in it the principles designed to harmonize the relations between all the stakeholders but since its inception, the desired results have not been realized fully. There are many reasons why the situation is what it is. The issue of service delivery or lack of such by the local municipalities is also increasing the pressure on mining companies, rendering them to a level of becoming surrogate governments.



Problem Statement



Problem Statement



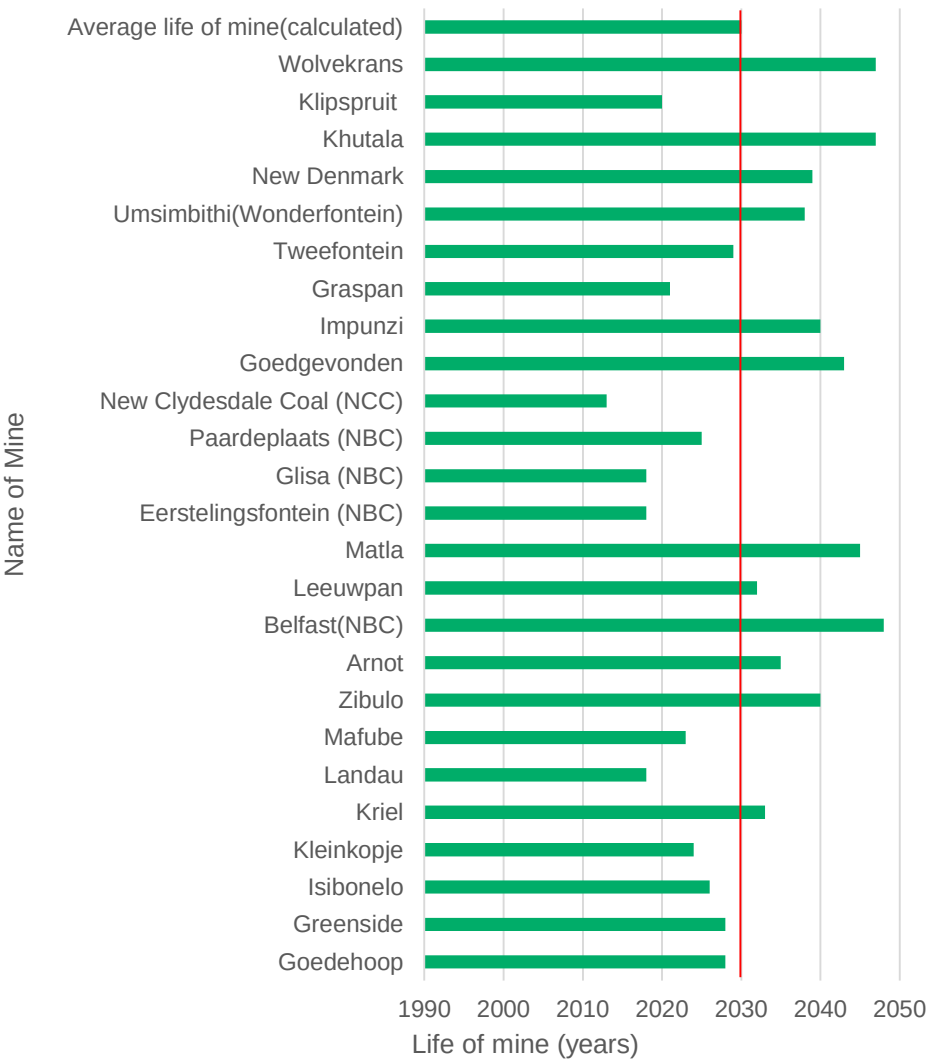
Social and Labour Plans: Gap analysis

Employment projections

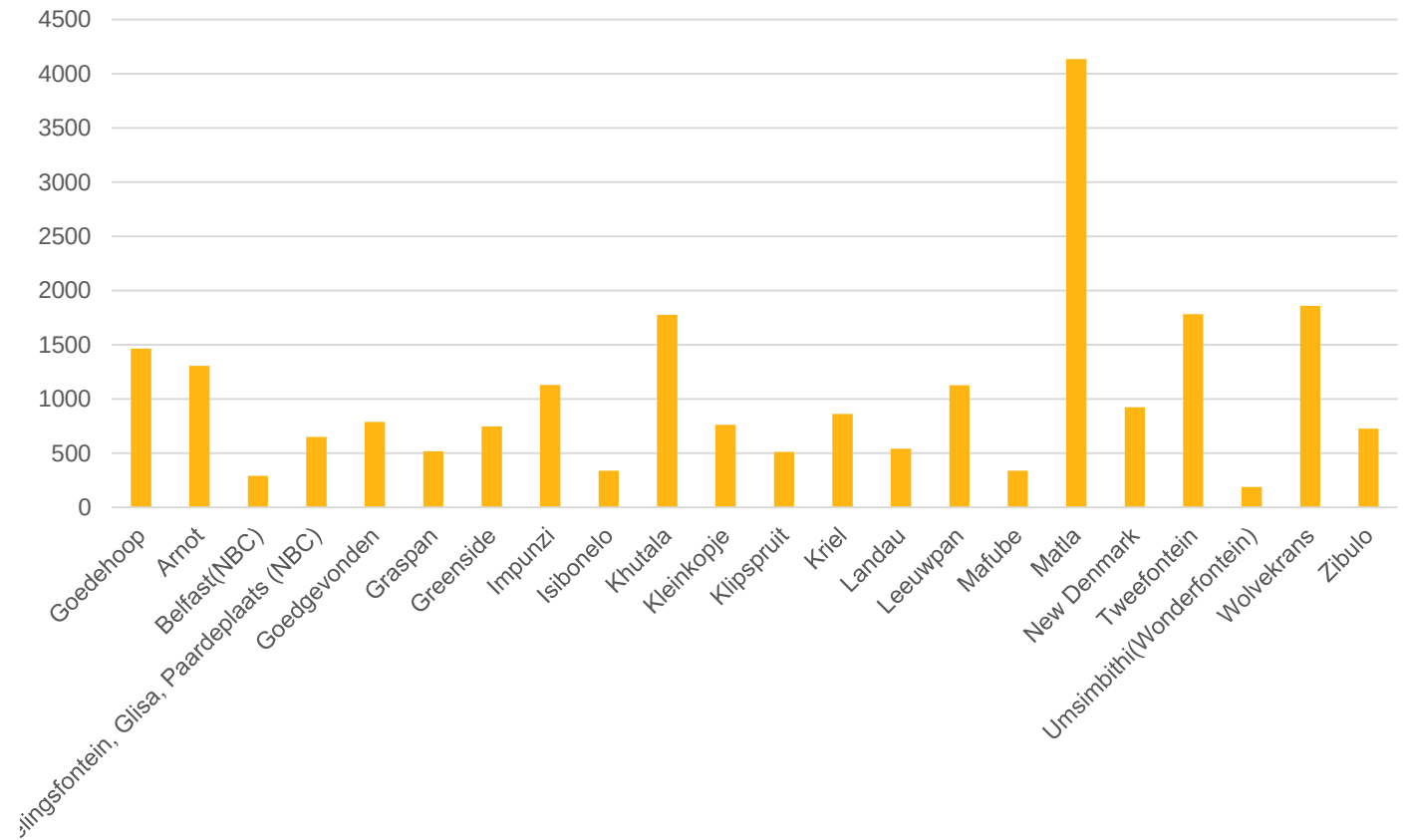
LED expenditures

Potential decline of coal operations in Mpumalanga

Life of mine for Anglo-Coal, Exxaro, Glencore, Seriti and South32 mines in Mpumalanga

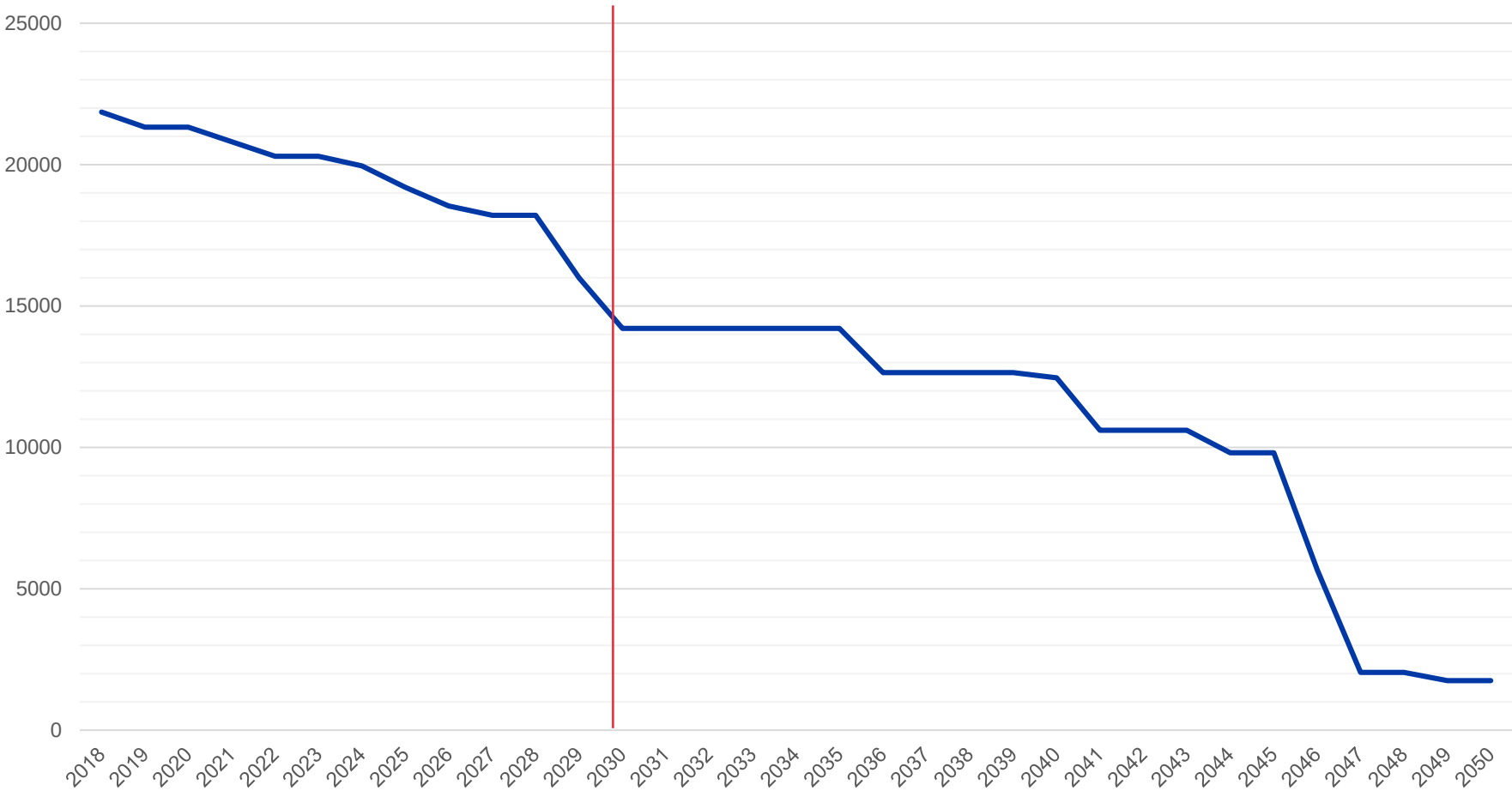


Total employees at each mine



**Information extracted from SLPs for 25 mining operations in Mpumalanga.*

Potential job losses with decline of coal operations in Mpumalanga?



Rate of decline of employment:

35% in 12 years (2018 - 2030)

92% in 32 years (2018 – 2050)

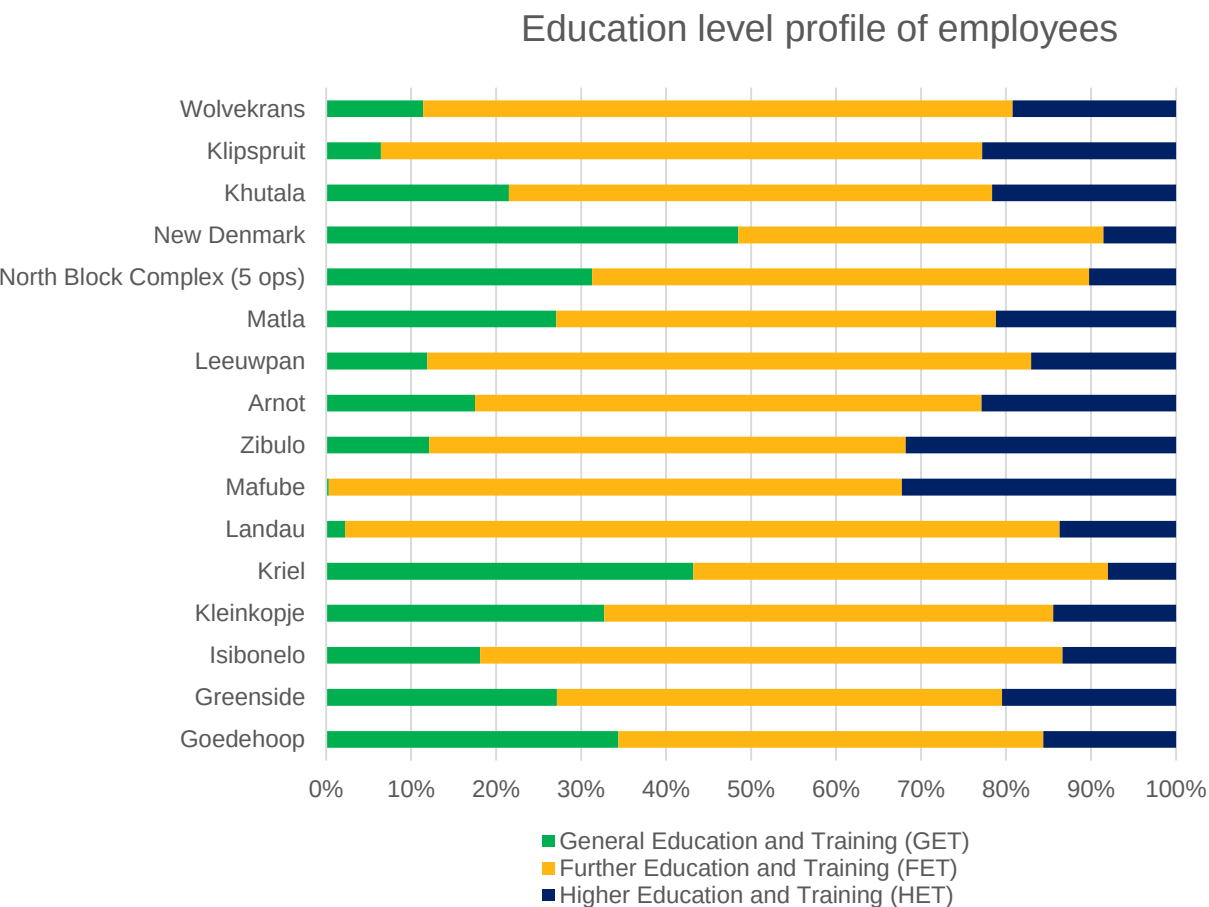
2018-2030:

Average of **638** workers exiting employment per year

NB: Job losses projections extrapolated from amount of employees per mine at time of SLP publication and estimated year of closure per mine. Factors such as retrenchment and redeployment plans, new mines opening, job creation programmes, enterprise development interventions, among others will affect these figures.



Education levels and opportunities for job migration



GET
No Schooling /
Unknown - Grade 9
/ Std 7 / ABET 4

Those with GET level will have to first enrol in an ABET programme, **more likely to do well in technical rather than academic programmes** such as carpentry and bricklaying or enterprise development.

FET
Grade 10 / Std 8 /
N1 - Grade 12 / Std
10 / N3

Majority of workers have FET level, which encompasses grade 10 to Matric. Most learnership/ apprenticeship programmes require N2/Matric minimum for entry therefore **most are eligible for re-skilling to become artisans and technicians.**

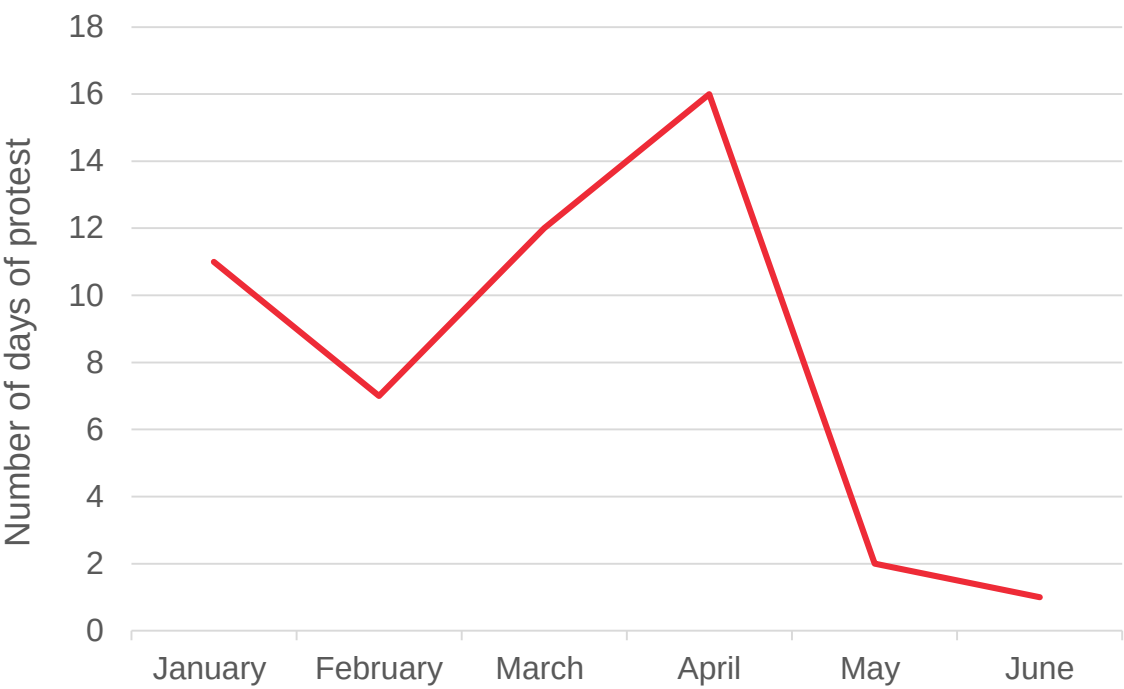
HET
Diplomas /
Certificates /
Doctorates

Those with HET level, which includes diploma to doctorate qualifications, can partake in career development programmes, more likely to find jobs elsewhere after mine closes. **Roles such as engineers and managers are easier to redeploy.**

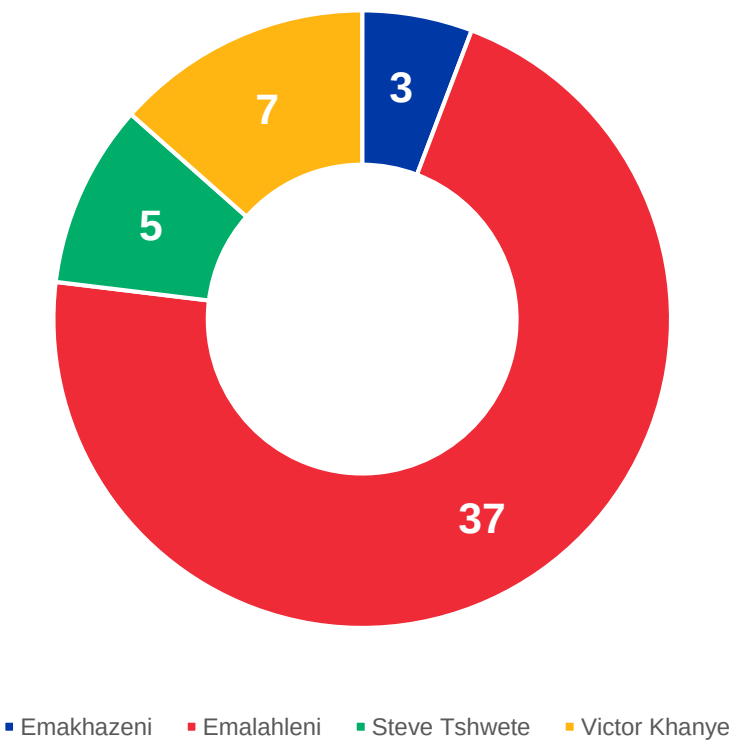
LED projects: answering community needs?

Protests in 2018

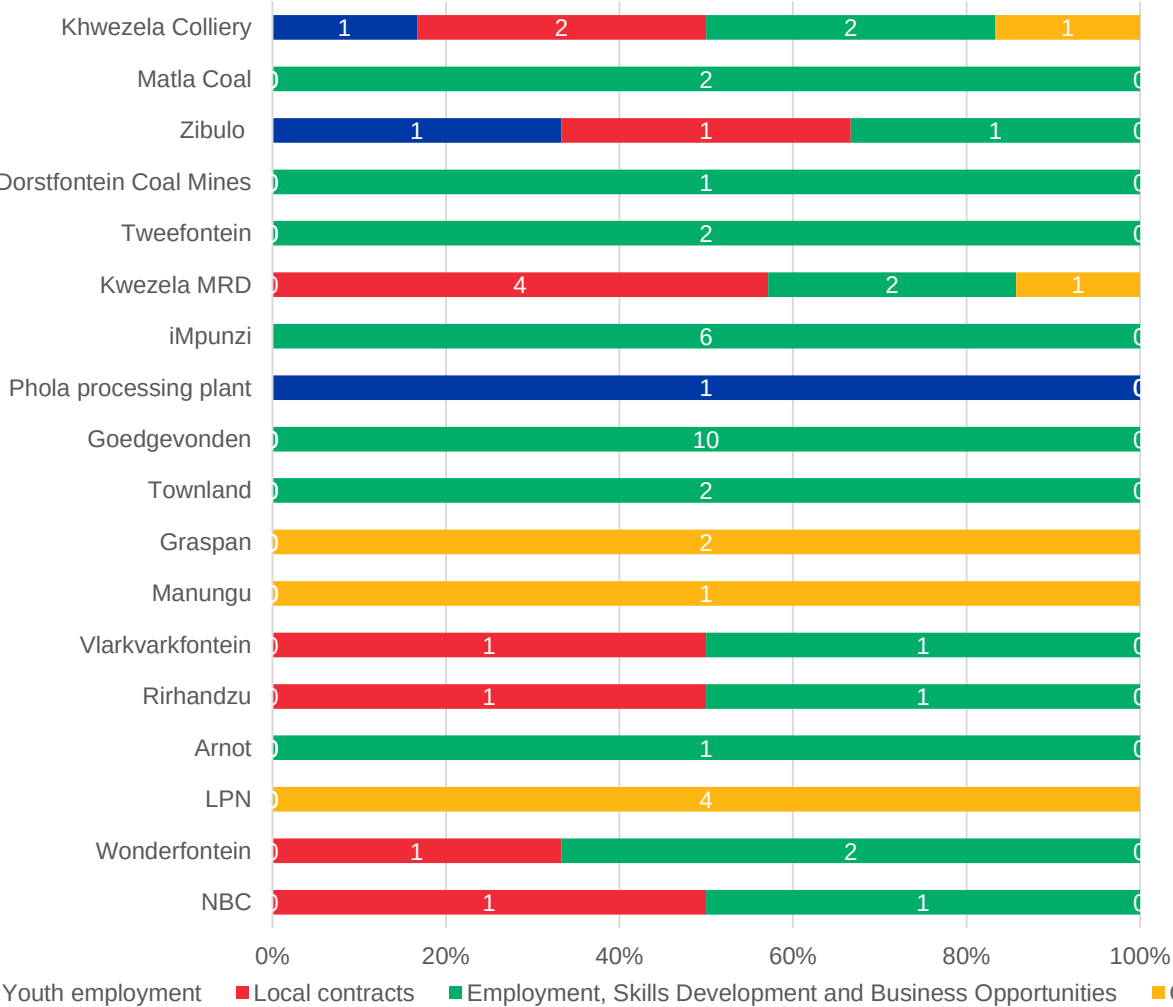
Number of protests per month
As of 18 June 2018



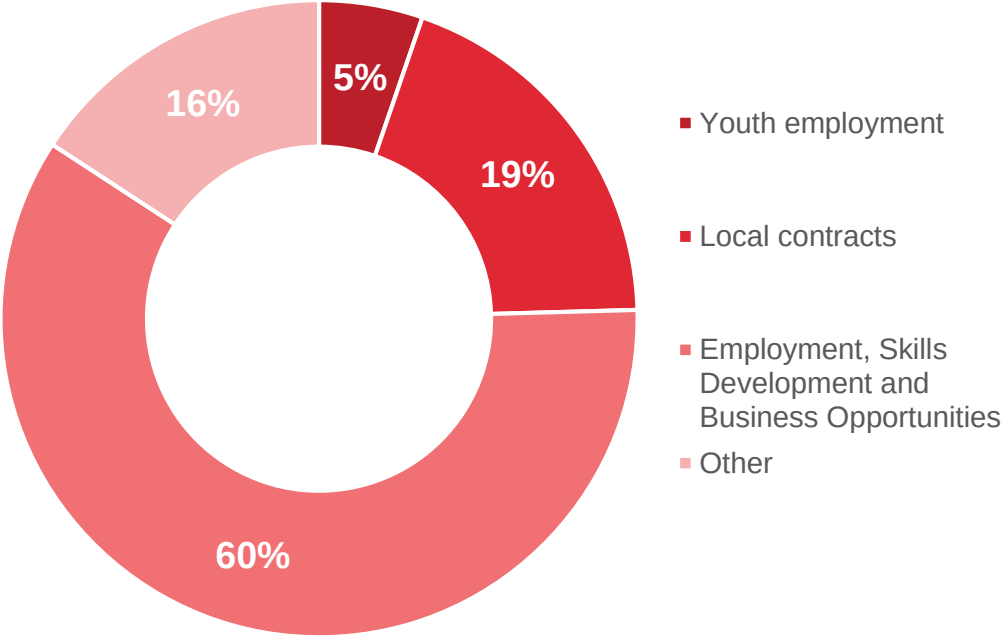
Locality of protests



Reasons for protests



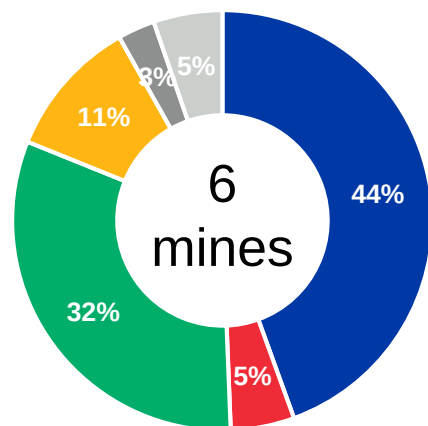
Reasons for protests



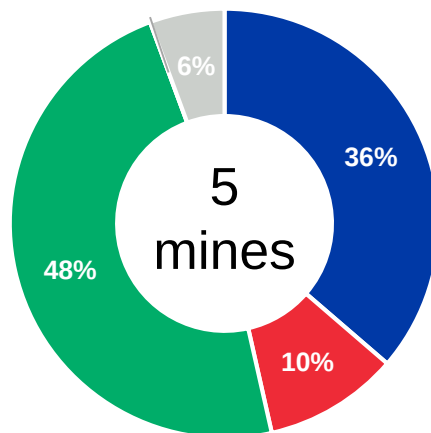
LED projects per mining company

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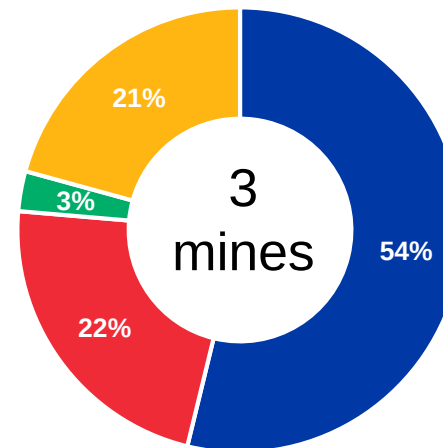
Anglo-Coal
R 122,5 million (2016-2019)



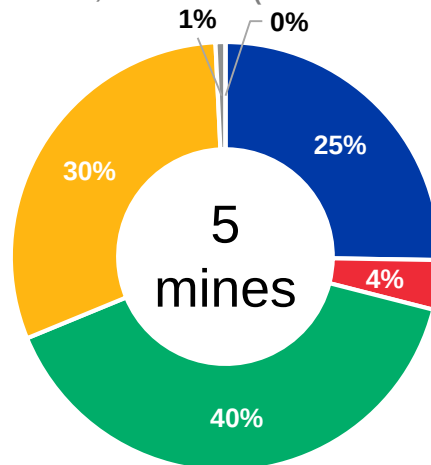
Glencore
R 90,3 million (2013-2017)



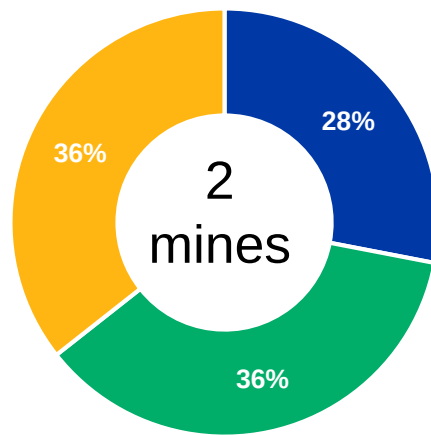
South32
R 127,3 million (2017-2022)



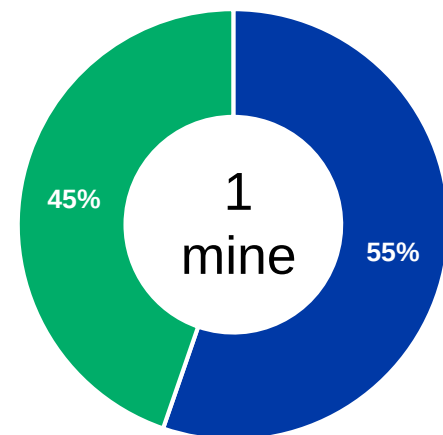
Exxaro
R 82,6 million (2014-2018)



Seriti
R 42,2 million (2014-2018)



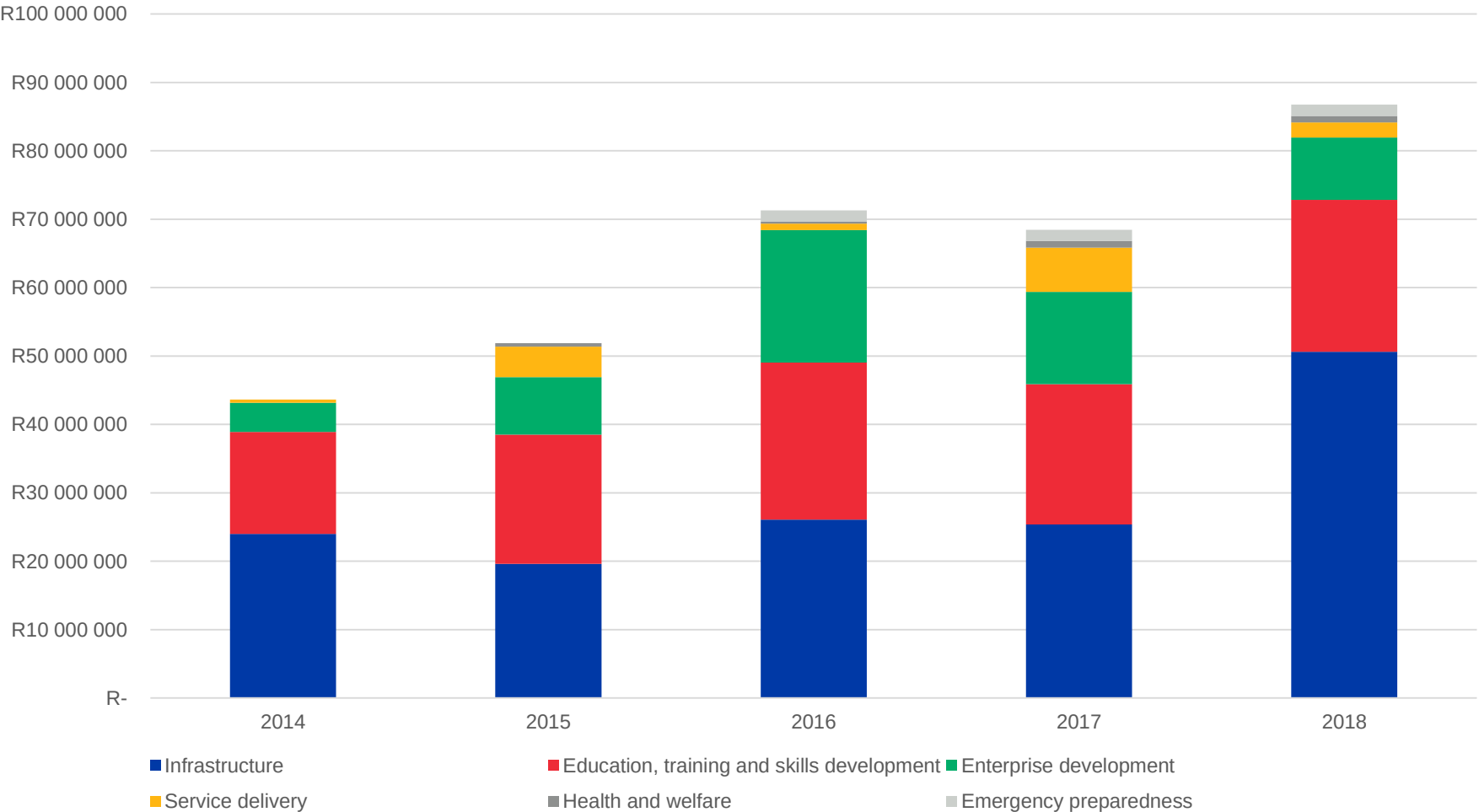
Exxaro & Anglo-Coal
R 12,3 million (2015-2019)



- Infrastructure development
- Service delivery
- Education, training and skills development
- Enterprise development
- Health and welfare
- Safety and emergency preparedness / other

Mining companies LED expenditure priorities

LED expenditure per category, per year 2014-2018



Total LED expenditure for the available SLPs:

2014 - 2018:

R 328,5 million

2014 - 2022:

R 447 million

Only 2014 to 2018 included as most statistically significant data

Background on Coal Sector Collaboration

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- In 2012, then Mpumalanga Premiere initiated the establishment of the Mpumalanga Provincial Mining Forum:
 - Objective of encouraging mining companies to collaborate on projects with regional impact
 - In part, as an attempt to respond to the socio-economic challenges confronting the mine host communities especially in the Nkangala District and
 - Promoting mine and government collaboration
- Progress To-Date
 - A number of held with selected Captains of the Industry
 - Notable progress on the aim of the initiative
 - Loss of momentum, due changes in leadership positions (Ministerial and Official/ Beuaracratc Levels across levels of government
 - Lack of Alignment between All levels of Government and the Industry (Legislation and scope of work)

CLF Initiative on Coal Sector Collaboration

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- In February 2017, The CEO's of the Coal Producing Mining Companies in Mpumalanga Province Commissioned the then Chamber of Mines To:
 - Firstly, establish a Regional Office in the Mpumalanga Province
 - Establish a Provincial Collaboration Platform
 - Help Improve Mine Government Relations and Mine Community Relations
 - Seek and Explore Collaboration Opportunities on SLP's and other Strategic Area
- Progress To-Date
 - In Progress, Institutional Alignment (Municipal, Provincial, National and Industry Alignment On:
 - Roles and Responsibilities
 - Legislative and Policy Changes (MC3)
 - Challenges Confronting Industry, Government and Communities and
 - **Consolidating, Establishing and Strengthening of the Collaboration Platform Between ALL parties not rendering it to being a funding basket**
 - Notable progress on the aim of the initiative
 - Loss of momentum, due changes in leadership positions (Ministerial and Official/Bureaucratic Levels across levels of government
 - Lack of Alignment between All levels of Government and the Industry (Legislation and scope of work)

Key Considerations on Collaboration Platform

- Discussions Underway Between The Minerals Council South Africa, DMR National and Provincial and the Local Municipalities On:
 - Ensuring Complete Understanding and Study of the Opportunities are Understood by ALL informed by clarity on the Roles and Responsibilities
 - To Ensure that the Collaboration Platform is Sufficiently Resourced to maximize the Socio Economic benefits envisaged, planned and agreed to instead of being imposed or outsourced to one party/ sector of the economy
- Latest Progress Update
 - CEO's Collaboration Meeting Scheduled for July 2018
 - Engagements with DMR both National and Regional and The Province on Way-forward
 - Development of Draft Stakeholder Engagement Framework for the Mpumalanga Province
 - Promotion of Access to Procurement Opportunities, Employment and Skills Development Opportunities
 - Including Collaboration on the Presidential YES Programmes (e.g)

Challenges Confronting Mining Companies

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- Increasing Rate of Social Protest
- Social protest has become violent
- Lack of alignment between spheres of government
- Demands on mining companies are increasing
- Unstable Socio-Political Environment
- Funded Instability-Rent a crowd
- Protection fees demanded from mining houses

Challenges Confronting Mining Companies

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Challenges Confronting Mining Companies

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Two week violent mine strikes in Burgersfort – July 2015

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Death of 6 Miners in Bus Blaze April 2018

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Clarity on Situational Assessment and Consensus Building

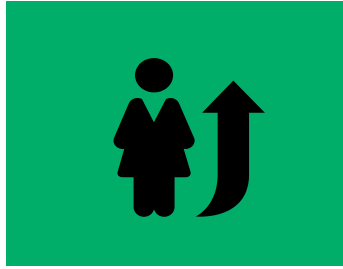
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That unemployment, poverty and Inequality are deep systemic issues



That these issues are beyond the mining industry and are national issues



That transformation is a value and an absolute necessity across ALL sectors of the economy



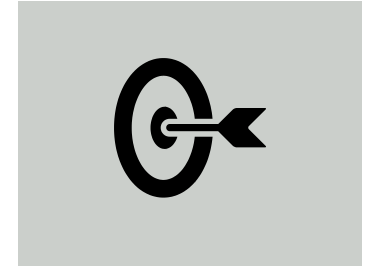
Key recommendation, structured and orderly engagement between mining companies, government and communities



The costs of the instability is yet to be determined (commission a study)

The value cost is equal to an opportunity lost (empowerment)

Who benefits from these protests?



Promote Tourism, Arts and Sport

Exploring Possible Solutions

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Foster partnerships with other government departments and agencies:

- DTI, DSBD and National and Provincial Economic Development
- IDC, SEFA and NYDA
- Host and run enterprise development summits (clear objectives and plans)



Explore funding businesses that are ready to trade (mining and other sectors such as agriculture, tourism and manufacturing)



Promote Entrepreneurship as opposed to employment

- Encourage youth to take interest in agriculture
- Promote tourism and arts
- Explore opportunities in manufacturing



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Untapped Economies and Lessons to consider

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The Green Economy

- Can we start now to prepare young people for this economy?
- What is our position statement on these opportunities?
- United States of America: Mining employs less people than this sector of the economy-Lessons?

The Digital Economy

- Gauteng, Western Cape, Zimbabwe, Kenya, Nigeria and Rwanda are leading
- Where is Mpumalanga Province?

The Fourth Industrial Revolution

- What is it this?
- It is not coming but is already here
- Waste Management: REDISA, Ocean Clean Up -2020 (Iran and the rest of the world)

Food Production

- 16 Year Old started a Hydroponics/ Aquaponics Project (vegetables and fish)
- Egg Production and Chicken Farming
- Informal Food Sector Estimated at R10 Billion for 2017



**“When spiders
unite, they can
tie down a lion.”**

Ethiopian proverb



**MINERALS COUNCIL
SOUTH AFRICA**

Herbert Modupi

Mpumalanga Regional Manager

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T +27 11 498 7100 E info@cmsa.org.za W www.mineralscouncil.org.za

5 Hollard Street, Johannesburg, 2001, PO Box 61809, Marshalltown 2107

