



## FACT SHEET

# BIODIVERSITY OFFSET AGREEMENT FOR VELE COLLIERY

## BACKGROUND

On 1 September 2011, the Department of Environmental Affairs (DEA), South African National Parks (SANParks) and Coal of Africa Limited (CoAL) signed a Memorandum of Agreement (MoA) to protect and maintain the integrity of the Outstanding Universal Value (OUV\*) of the Mapungubwe Cultural Landscape (MCL) near CoAL's Vele Colliery in Limpopo.

The MoA 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 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).

The historic biodiversity offset agreement was signed between the three signatories to the MoA on 9 October 2014 with the intent of strengthening co-operation between the three parties toward the conservation and sustainable development of the Mapungubwe Cultural Landscape of the World Heritage Site. The agreement further seeks to maintain the integrity of the site, ensuring that any potential negative impacts of development are avoided, minimised or remedied in the pursuit of sustainable development.

## WHAT IS A BIODIVERSITY OFFSET?

Biodiversity offsets can be described as "the measurable conservation outcomes resulting from actions designed to compensate for the significant negative residual impacts on biodiversity arising from project development after appropriate prevention and mitigation measures have been taken."

The offset agreement is a partnership between CoAL, DEA and SANParks to achieve better conservation outcomes in the mining development at Vele Colliery.

## WHAT IS THE PURPOSE OF THE AGREEMENT?

Vele Colliery's environmental authorisation, issued in accordance with Section 24G of the National Environmental Management Act (NEMA), 1998 (Act No 107 of 1998), required the development and finalisation of an offset agreement.

In the absence of a legislative framework for biodiversity offsets in the South African mining industry, extensive research, based on

international best practice, was done by the three parties to this agreement to develop a biodiversity offset strategy which would seek to protect the OUV of the MCL.

It is important to note that the Heritage Impact Assessment (HIA) conducted by Siyathembana in 2012 concluded that "the mining activities of (Vele Colliery) will impact on the elements of the MCL and its OUVs. These impacts are indirect, ... minimal and can be mitigated". A Heritage Management Plan, developed in consultation with a broad set of stakeholders, communities in particular, is in place to direct management activities to conserve, protect and enhance the OUV of the MCL.

## HOW WAS THE OFFSET AGREEMENT DEVELOPED?

A wide set of stakeholders was involved in the development of the offset strategy, including representatives of regional and national government, tourism and Parks agencies.

*“The agreement acknowledges that biodiversity offsets and the management thereof is a living process.”*



## **BIODIVERSITY OFFSET AGREEMENT FOR VELE COLLIERY (CONTINUED)**

### **WHAT ARE AGREEMENT’S MAIN AIMS?**

The agreement recognises the need to balance the importance of the rich cultural history of the MCL, along with the potential of the mineral rich area to drive socio-economic change. The agreement acknowledges that biodiversity offsets and the management thereof is a living process. Focus is, therefore, on three thematic areas:

1. Biodiversity Conservation
2. Cultural Heritage Management
3. Tourism Development

### **WHAT IS THE ROLE OF THE HERITAGE MONITORING SUB COMMITTEE (HMSc) OF THE EMC?**

The management and implementation of the agreement will be carried out by the Project Steering Committee (PSC) who will present annual updates to the HMSc of the EMC.

### **WHO IS RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE AGREEMENT?**

SANParks is responsible for the financial management of the agreement, report into the PSC who has overall responsibility.

### **WHAT IS THE DURATION OF THE AGREEMENT?**

The agreement will terminate at the end of 2038 or extend for the duration of the life of mine of Vele Colliery.

### **WHO IS RESPONSIBLE FOR THE IMPLEMENTATION OF THE AGREEMENT?**

A Project Steering Committee (PSC) has been established in order to manage and implement the thematic areas of the agreement. Three representatives from each of the three parties to the agreement (CoAL, the DEA and SANParks) have been appointed to the PSC, with quarterly meetings held. Significant progress has been made on the agreement programmes.

### **HOW ARE EXTERNAL STAKEHOLDERS INVOLVED?**

A representative of the PSC provides annual reports to the Environmental Management Committee (EMC). The EMC is an oversight committee, established in accordance with the environmental authorisation in terms of section 24 G, to monitor compliance at Vele Colliery, and to promote improved environmental performance and adherence to the conditions of the Water Use Licence.

## **WHAT IS THE VALUE OF THE OFFSET COMMITMENT?**



COAL of AFRICA LIMITED

CoAL has  
committed  
an amount of

# **R55 million**

over the life of mine  
payable in five phases over  
a period of 25 years.

\* According to the United Nations Educational, Scientific and Cultural Organisation (UNESCO), “Outstanding Universal Value means cultural and/or natural significance which is so exceptional as to transcend national boundaries and to be of common importance for present and future generations of all humanity. As such, the permanent protection of this heritage is of the highest importance to the international community as a whole”.