

# LARGE MINES AND SUSTAINABLE DEVELOPMENT:

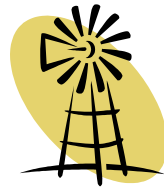
## Partnerships with government institutions

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# The core dilemma

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- Mining is intrinsically unsustainable, because it is a finite resource:

“Mining on trial”!

So how do we build sustainable mining communities? Transfer of mineral assets to other assets?

How do we avoid the “Dutch Disease” or the “resource curse problem”?

# Mining Charter

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“Has the company co-operated in the formulation of **IDPs** and is the company **co-operating with government** in the implementation of these plans for communities where mining takes place and for major labour sending areas?

Has there been effort on the side of the company to **engage** the local mine community and major sending area communities?

Companies will be required to cite a **pattern** of consultation, indicate money expenditures, and show a plan.”

# “Sustainable development”: A slippery term

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- ❑ Sustainability of individual livelihoods or enterprises
- ❑ Sustainability of collective enterprises (Inputs, outputs, impacts)
- ❑ Sustainability of entire communities and local economies (how defined?)
- ❑ Sustainability of the environment, for future generations.

Huge scope for (1) reporting (quantitative and qualitative), (2) disagreements and (3) tradeoffs!

# Need inter-institutional alignment

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- ❑ Different development agencies focus on different kinds of asset development
- ❑ Different jurisdictions, powers and functions
- ❑ Need co-operation and alignment
- ❑ Need partnerships – potential and hazards!
- ❑ Identify core interests, shared benefits, common decision-making processes.

IDPs as a possible mechanism to secure alignment.

# Difficulties of alignment

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- ❑ Scope for conflict of interests
- ❑ Who is the “community”?
- ❑ Who are stakeholders, gate-keepers and authority figures?
- ❑ Institutions not always coherent
- ❑ Institutions have capacity limitations
- ❑ Political-party competition
- ❑ Different definitions of “development”

Provincial and municipal plans are possible mechanisms for resolving these debates.

# Provincial government

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- Major spending agencies
- Provincial plans
- Spatial allocation of resources
- Local government capacity-building

## **BUT:**

- Very little attention to mining
- Centralisation of DME decision-making
- No Schedule 4 or 5 provincial powers in mining sector.

# “Developmental municipal government”

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- ❑ Wall to wall jurisdictions
- ❑ “Sphere of government” - Increasing powers and functions
- ❑ Democratic representation
- ❑ Multi-sectoral
- ❑ Can pass by-laws and regulations
- ❑ Undertake spatial and economic planning – **IDPs.**

BUT:

- ❑ Capacity problems: Need sustained partnership relationships - Need analysis of LG capacity
- ❑ Plans do not implement themselves

# Status of IDPs

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- ❑ Local and district IDPs, metro IDPs
- ❑ Districts and metro's increasingly seen as key partner with provincial and national government
- ❑ Intergovernmental alignment: A process entailing **structured and systematic dialogue** within government with a view to bringing about **coordinated and integrated action** among the spheres of government and between the spheres and other organs of the state to achieve **common objectives and maximise development impact.**
- ❑ IDPs are "municipal expressions of the National Spatial Development Plan".

# Aligning NSDP, PGDS and IDPs

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- ❑ NSDP = National Spatial Development Plan
- ❑ NSDP suggests areas with high/medium/low potential
- ❑ PGDS and IDPs will need to provide more rigorous assessments of potential by combining the NSDP's initial interpretation with local knowledge and research. Through a process of interaction and dialogue, they will then define each locality's development potential.

# Research process

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- ❑ Company activities – private sector (4 company reports)
- ❑ Government programmes – national and provincial departments (15 departments and 4 provincial plans)
- ❑ Municipal planning & Integrated Development Plans (27 out of 41 IDPs)

# IDP Issue (1):

## Housing, spatial planning, infrastructure

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### **Examples:**

- ❑ Bojanala Platinum DM
- ❑ Thabazimbi LM
- ❑ Madibeng LM (Brits)
- ❑ Merafong LM (Carletonville)
- ❑ Rustenburg LM
- ❑ Mogalakwena LM (Potgietersrus)
- ❑ Randfontein LM
- ❑ West Rand DM

# IDP Issue (2):

Health, education, social welfare, recreation

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## **Examples:**

- ❑ Bojanala Platinum DM
- ❑ Thabazimbi LM
- ❑ Greater Tubatse LM (Burgersfort)

# IDP Issue (3):

Training, entrepreneurship, income-generation

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Examples:

- Greater Tubatse LM
- Madibeng LM (Brits)
- Westonaria LM
- Nkomazi LM (Komatipoort)
- Thabazimbi LM

# IDP Issue (3): Small-scale mining

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## **Examples:**

- Greater Tubatse LM
- Sekhukhuneland DM
- Central DM (Mafikeng)
- Lejweleputswa DM (Welkom)
- Masilonyana LM (Winburg)
- Mogalakwena LM (Potgietersrus)
- Vhembe LM (northern Limpopo)
- Ekurhuleni Metro
- Nama Khoi LM (Springbok)
- Ehlanzeni LM (Lydenburg)
- Mogale City LM (Magaliesburg)

# IDP Issue (4): Economic diversification

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## **Examples:**

- ❑ Randfontein LM
- ❑ Sol Plaatje LM  
(Kimberley)
- ❑ West Rand DM
- ❑ Greater Tubatse LM  
(Burgersfort)
- ❑ Mogale City LM  
(Magaliesburg)
- ❑ Sekhukhuneland DM
- ❑ Bojinala Platinum DM
- ❑ Madibeng LM (Brits)
- ❑ Central DM (Mafikeng)
- ❑ Ekurhuleni Metro
- ❑ Merafong LM  
Carletonville
- ❑ Umjindi LM  
(Barberton)

# IDP Issue (5):

## Environmental management & rehabilitation

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### **Examples:**

- ❑ Randfontein LM
- ❑ Ekurhuleni LM
- ❑ Frances Baard DM (Kimberley)
- ❑ Kgalagadi DM (Kuruman)
- ❑ Lesedi LM (Heidelberg)
- ❑ Merafong LM (Carletonville)
- ❑ Mogale City LM (Magaliesburg)
- ❑ Thabazimbi LM
- ❑ Nama Khoi LM (Springbok)
- ❑ Ditsobela LM (Mafikeng)
- ❑ Ekurhuleni Metro
- ❑ Lejweleputswa DM (Welkom)
- ❑ Masilonyana LM (Winburg)
- ❑ Randfontein LM
- ❑ Thabazimbi LM
- ❑ Bojanala Platinum DM
- ❑ Madibeng LM (Brits)
- ❑ Westonaria LM
- ❑ Mogale City LM
- ❑ Kgalagadi DM (Kuruman)

# Watch this space!

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1. Provincial and district corridor planning options
2. Relationships with municipalities and traditional leaders; Land use in traditional areas – IPILRA and CLaRA.
2. Extension of municipal rates to mines – this includes land value, but excludes underground infrastructure.

# Municipal Property Rates Act (2004) and DPLG Guidelines

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- ❑ Includes all private land
- ❑ Used for general municipal services
- ❑ Need municipal rates policy and by-laws
- ❑ Government constraints on rates policies
- ❑ Gradual introduction of rates
- ❑ All property will be valued
- ❑ Public consultation process
- ❑ Excludes “immovable structures under the surface of the property”
- ❑ Excludes mineral rights
- ❑ Possible rebates if no municipal services, or if owner provides services (up to 70%).

# So what should mines do?:

## 7 suggestions

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1. Get to know your District and Local Municipality – participate in municipal planning
2. Engage with provincial governments to integrate mining, spatial planning and economic development
3. Make mine-related facilities and resources available (buildings, skills etc)
4. Create partnerships (find facilitators?) for non-mining developmental programmes

## What should mines do? (2)

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5. Discuss reasonable rates system, e.g. negotiate a dedicated municipal rates fund
  - Plan ahead for closure – involve central, provincial and local govt
  - Evaluate progress and share lessons amongst mining fraternity about experiences with municipal government.