



THE INDEPENDENT STATE OF PAPUA NEW GUINEA

SPC-EU EDF10 DEEP SEA MINERALS (DSM) PROJECT

**Pacific ACP States Regional Workshop on Social Impacts of Deep Sea Mineral Activities
and Stakeholder Participation**

(10th – 14th June 2013, Port Vila, Vanuatu)



DEPARTMENT OF MINERAL POLICY & GEOHAZARDS MANAGEMENT

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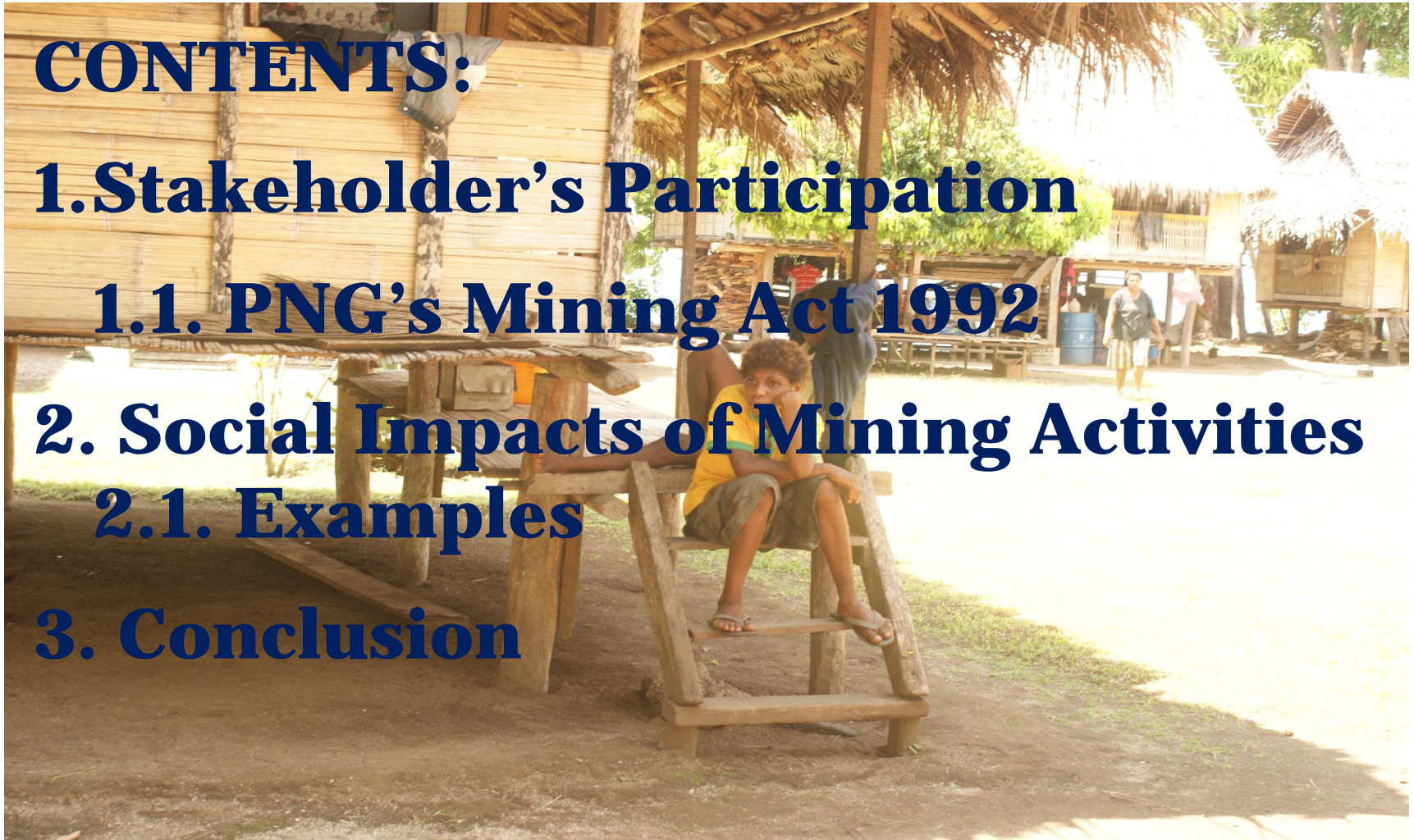
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PAPUA NEW GUINEA's MINING LAW




-  **The Mining Act 1992 regulates the law relating to minerals and mining activities within the jurisdiction of the Independent State of Papua New Guinea.**
-  **The Act defines the project and the type of tenement applicable.**
-  **The Act provides for stakeholders' participation before the mining license is granted to the developer.**



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STAKEHOLDERS's PARTICIPATION

-  **Sections 16A, 17, 18 and 19 of the Mining Act 1992 provides for the Acquisition of State's interests in a mining project and the power to enter into Agreements with developers.**
-  **Depending on the type of mining license applied for by the developer and before a mining license is granted to the Developer, there is the mandatory requirement to conduct Consultations.**
-  **Consultation are conducted either through;**
 - (a) Development Forum; or**
 - (b) Wardens Hearing.**



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STAKEHOLDERS's PARTICIPATION (*cont...*)

(1) Development Forum:

- ☐ **Especially in application for Special Mining Lease (SML).**
- ☐ **Section 18 of the Mining Act 1992 provides for the circumstances under which the Minister may require Mining Development Contract.**
- ☐ **Where the Minister responsible for mining considers on reasonable grounds that;**
 - (a) size or distribution of mineral deposit;**
 - (b) method of mining or its treatment; and**
 - (c) infrastructure required or financial or economic considerations.**



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STAKEHOLDERS's PARTICIPATION (cont...)

- ☐ **Section 3 of the Mining Act 1992 calls for consultation to be convened before the grant of the SML to consider the views of those persons who are likely to be impacted by the mining project through a forum that affords a fair hearing to all participants.**
- ☐ **The Minister shall invite to the development forum;**
 - (a) applicant for the SML;**
 - (b) the landholders of the land the subject of the application for the SML or supporting tenements such as Lease for Mining Purpose (LMP), Mining Easement (ME) for building of township, wharf, water supply, limestone quarry, etc.**
 - (c) the National Government; and**
 - (d) the host Provincial Government in whose province the land is the subject of the application for the SML.**



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STAKEHOLDERS's PARTICIPATION (*cont...*)

- ☐ **The Solwara 1 Project despite been granted a Mining Lease (ML), the developer requested for a Development Forum which was conducted due to its uncertainty, technologies, etc., which are different from the onshore mining practice.**

(2) Mining Warden's Hearing:

- ☐ **Especially at the application for Exploration License (EL).**
- ☐ **Pursuant to Sections 104, 105, 106, 107, 108 and 109, the time for the hearings are published in the newspapers and notice of applications given to host province, conduct of warden's hearing shall take place at the host province and at the location of the land the subject of the application for a mining tenement .**



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STAKEHOLDERS's PARTICIPATION (*cont...*)

- ☐ **The dates for the hearing are fixed by the Registrar of Tenements and are conducted in the manner that will afford fair hearing to all stakeholders concern.**
- ☐ **The Mining Warden must;**
 - (a) be satisfied that the persons identified at the hearing are those affected by the applicant's programme or proposals;**
 - (b) allow the applicant to explain his programme for exploration or his proposals for conducting operations ancillary to mining or mining on the land the subject of the application;**
 - (c) record and assess the views of such other persons whom the Warden considers to be affected by the applicant's programme or proposals.**



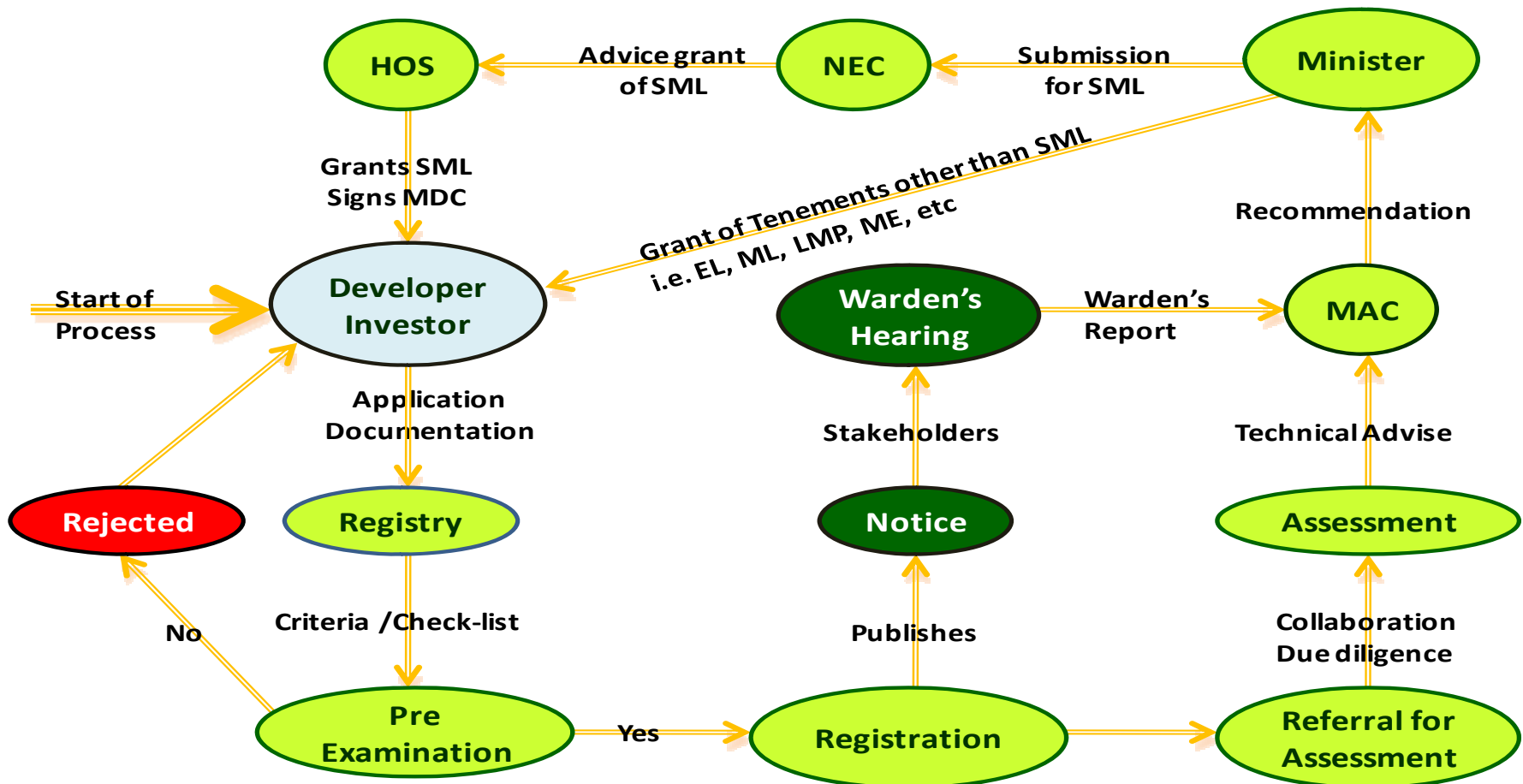
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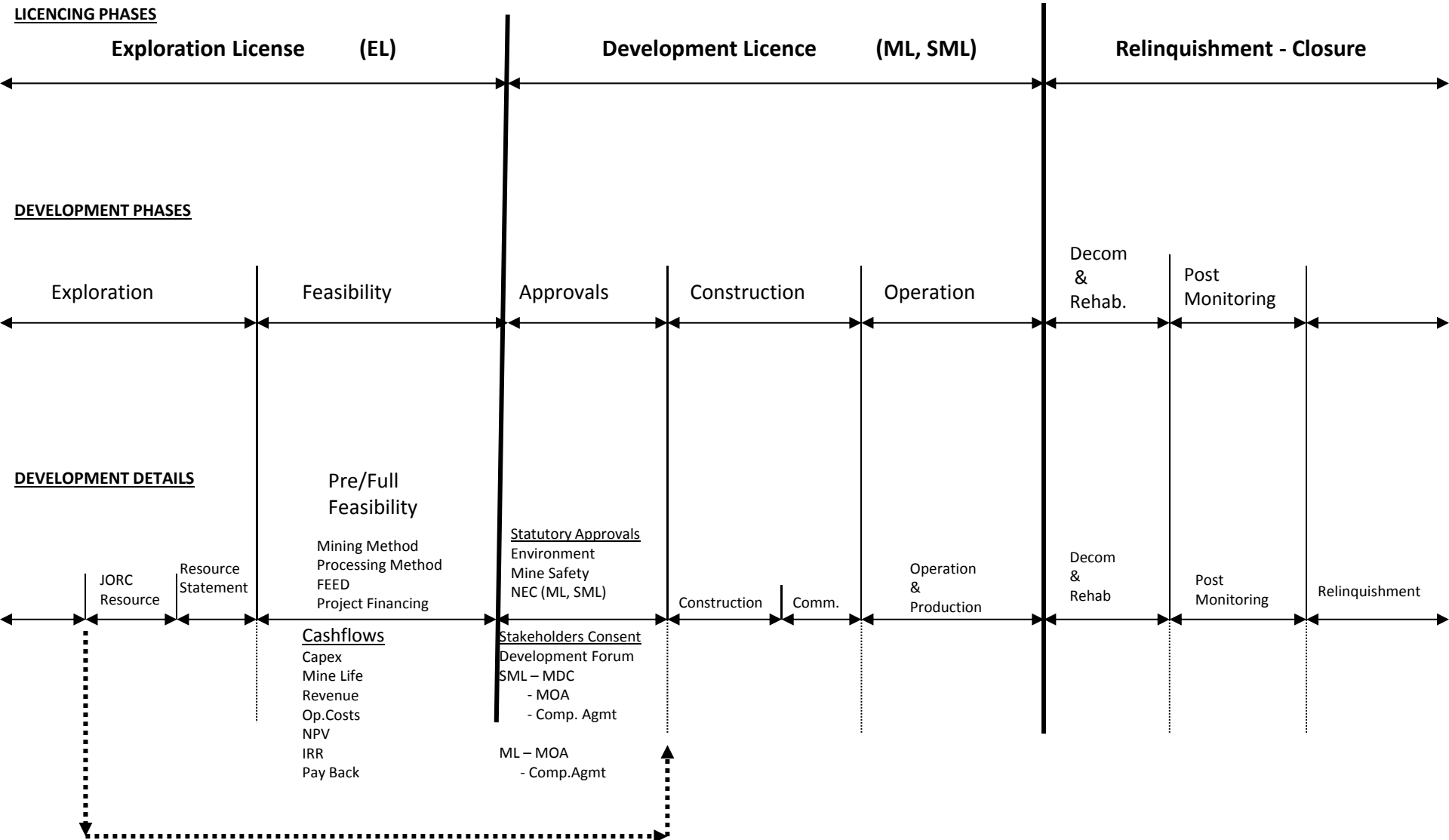
STAKEHOLDERS's PARTICIPATION (*cont...*)

- ☐ Reports of the findings and objections are given to the Mining Advisory Council (MAC) to deliberate on with the geotechnical findings and make recommendations to the Mining Minister on whether to grant or refuse to grant the license.
- ☐ MAC is made up of all responsible and/or relevant Government Departments (re: Department of Environment and Conservation, Department of Provincial & Local-Level Government Affairs, Department of Treasury, DMPGM, MRA) and is chaired by the Managing Director for MRA with the Registrar of Tenements as the MAC's Secretary.
- ☐ The Minister for Mining has the final say to the recommendations made by the MAC.

TENEMENT APPLICATION AND RENEWAL PROCESS UNDER THE MINING ACT 1992



Mineral Project cycle Covered under current legal framework.



Note: some aspects between exploration and construction are yet to be addressed.



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SOCIAL IMPACTS OF MINING ACTIVITIES

Like all other extractive industries activities, there are impacts associated with developments but as a responsible Government we must have mechanisms and remedies in place and/or available to address such issues within our existing regulatory and legislative frameworks to an extent or level that is manageable.

- (a) Resettlement;**
- (b) Compensation;**
- (c) Mining fiscal regime not conducive;**
- (d) Mine waste disposal;**
- (e) Landowner identification; and**
- (f) Ownership of resources.**





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SOCIAL IMPACTS OF MINING ACTIVITIES (cont...)

1. RESETTLEMENT

Resettling of impacted landowners directly within the mining project area to make way for the project development has being a concern that needs to be carefully addressed.

HOW IS IT MANAGED?

- ☐ Collaborated effort by all relevant stakeholders to enter into constant dialogue with the impacted communities to identify and address their needs.
- ☐ Development of the Involuntary Resettlement Policy by the Department.



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SOCIAL IMPACTS OF MINING ACTIVITIES (cont...)

2. MINING FISCAL REGIME

The rates prescribed by the Valuer General is not conducive and reflective of the current economic status and value of the trees, land, rivers, etc., that is in the natural environment and used by the people from time immemorial.

HOW IS IT MANAGED?

- ☐ Collaborated effort by all relevant stakeholders to enter into constant dialogue with the impacted communities to identify and address this concern.
- ☐ Conduct review into the mining fiscal regime by the Commonwealth Secretariat as directed by the Department. Also the Department of Treasury had engaged the assistance of International Monetary Fund (IMF) to review the PNG's fiscal regime inclusive of the mining fiscal regime.



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SOCIAL IMPACTS OF MINING ACTIVITIES *(cont...)*

3. COMPENSATION

Compensation demand is a major issue faced by most developers and Papua New Guinea is no exception to this. Although the **Mining Act 1992** provides for compensation, it is a one of payment.

HOW IS IT MANAGED?

- ☐ Collaborated effort by all relevant stakeholders to enter into constant dialogue with the impacted communities to identify and address their needs.
- ☐ Quarterly Reviews held between the State, the developer and the landowners is important in addressing their needs and wants.



SOCIAL IMPACTS OF MINING ACTIVITIES *(cont...)*

4. LANDOWNER IDENTIFICATION

Landowner identification is a must for resource development as the Government and the developer must know the real landowners from settlers. There is no easy way of dealing with this and the **Mining Act 1992** assists in sorting this matter.

HOW IS IT MANAGED?

- ❑ The revised Mining Act and the revised Mining Policy provides for the developer to conduct an Indefinite Study and/or social mapping into the area of concern at the end of the exploration phase and at the time before it lodges an application for development to identify the legitimate landowners. This will form part of the application requirement when lodging it.
- ❑ Collaborated effort by all relevant stakeholders to enter into constant dialogue with the impacted communities to identify and address their needs.



SOCIAL IMPACTS OF MINING ACTIVITIES *(cont...)*

5. OWNERSHIP OF RESOURCES

Landowners have been vocal for the change of ownership of resources from the State as mandated by Section 5 of the **Mining Act 1992** to the customary landowners. In the current reviews of the mining laws and policies shows otherwise that it is not about ownership but benefits.

HOW IS IT MANAGED?

- ☐ Collaborated effort by all relevant stakeholders to enter into constant dialogue with the impacted communities to identify and address their needs.
- ☐ Quarterly Reviews and MoA Reviews held between the State, the developer and the landowners is important in addressing their needs and wants.
- ☐ Revised Mining Act and revised Mining Policy had addressed this issue that ownership rests with the State but benefits to be increased.
- ☐ The reviews of the PNG's mining fiscal regime carried out by the Commonwealth Secretariat and the IMF is the way forward.



SOCIAL IMPACTS OF MINING ACTIVITIES *(cont...)*

6. MINE CLOSURE AND MINE WASTE MANAGEMENT

Mine closure and mine waste management is a great concern for all stakeholders when it comes to resource extraction and development. The mines have to have their wastes properly disposed off and the mine had to be properly closed.

HOW IS IT MANAGED?





- ☐ **Development of the Mine Waste Management Policy.**
- ☐ **Mine closure and management are mandatory requirements for lodging of a mining development license and captured in the revised Mining Act and Mining Policy.**
- ☐ **Development of specific guidelines for deep sea mining wastes placement as directed by the Court in the Ramu/Nickel Cobalt Project DSTP case.**



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CONCLUSION:

-  **Stakeholder participation is vital to the development of resources.**
-  **There are mistakes done in the past in not properly addressing the social issues associated with mining activities in Papua New Guinea and as a responsible Government, it has taken the initiative to review the existing mining laws and policies and improve on them in addressing the predominant issues faced in resource development. Example the review of the Mining Act 1992 is a positive step taken by the National Government.**
-  **The social issues are manageable and it therefore needs a collaborative effort by all stakeholders to make it happen.**
-  **We believe with a competitive mineral policy and mining laws, Papua New Guinea can progress well in maximising the benefits derived for the communal benefit as required by the Constitution of the Independent State of Papua New Guinea.**



THE INDEPENDENT STATE OF PAPUA NEW GUINEA



THANK YOU

GOD BLESS PAPUA NEW GUINEA