

# Social impacts of mining in Papua New Guinea: *The Case of Ok Tedi Mine and the CMCA Communities*

Deep Sea Mining Workshop: 10<sup>th</sup> –  
14<sup>th</sup> June, 2013  
Port Vila, Vanuatu

# Objectives of Presentation

- (i) To share with you lessons on the social impacts of the major mining project activities in PNG with a special focus on the Ok Tedi Mine and the Community Mine Continuation Agreement (CMCA) communities of Western Province; and
- (ii) To add value the on-going dialogue aimed at developing a process that ensures meaningful stakeholder participation in decision making relating to deep sea mineral activities.

# Presentation Outline

## **Part 1: Papua New Guinea**

- Overview of social impacts/issues identification process in PNG.

## **Part 2: Western Province – The Ok Tedi and the CMCA Communities.**

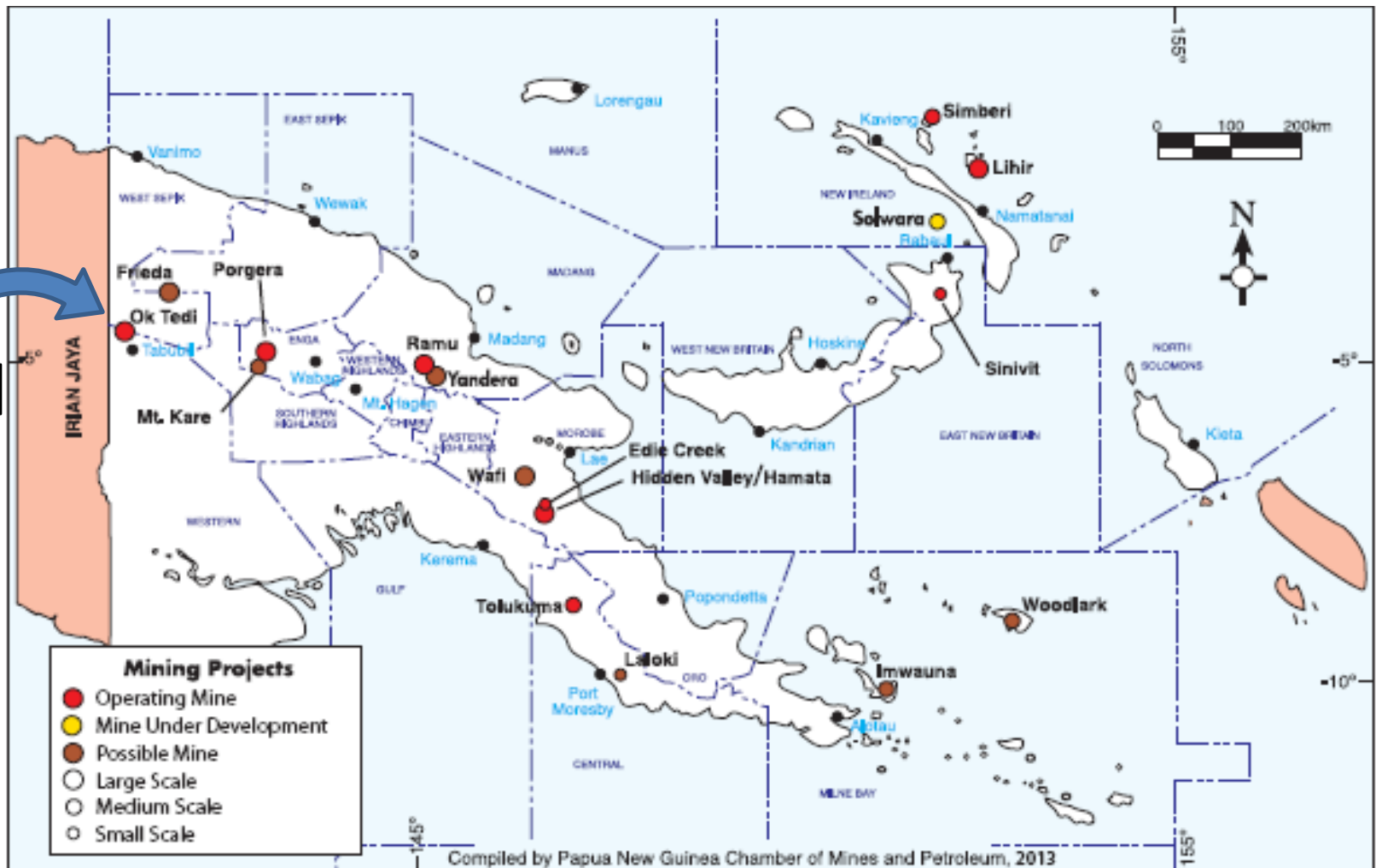
- Focusing on the Communities Mine Continuation Agreement (CMCA) communities and how a broad consultative process through bottom up planning ensured social mining impacts/issues were documented with some progress made in terms of implementation.

# Part 1

## Overview:

- The evolution of social impacts of mining in PNG;
- How social impacts were perceived and experienced by communities where mining projects are located; and
- Window's of opportunities which enabled the impacted communities to bring their issues to a centre stage.

# Major Mining Project Sites in PNG



Source: PNG Chamber of Mines and Petroleum, February 2013

Broad range of issues that impacted negatively upon communities by most major mining operations in PNG were identified by rural women participants at the WIM Conference, 2003.

- Violence
- Alcohol abuse
- Sexual abuse
- Prostitution
- Social and family disruption
- Culture and tradition eroding
- Environmental degradation
- Poor distribution of mining benefits
- Deterioration of general health
- Lack of women's representation in decision making

## ***Negative and Positive Impacts of Mining on Communities in PNG, 2003***

Common Areas	Negative Impacts	Positive Impacts
<b>Health &amp; Education</b>	<ul style="list-style-type: none"> <li>• Male mine workers infect wives with HIV/AIDS</li> <li>• Increased workload for women</li> <li>• Increase in lifestyle diseases</li> <li>• Women travel greater distance for gardening and fetching clean water</li> </ul>	<ul style="list-style-type: none"> <li>• Improvements in health and education services</li> <li>• Decline in infant and maternal mortality</li> <li>• HIV/AIDS Awareness</li> <li>• Adult Literacy &amp; vocational training centers</li> <li>• Agriculture &amp; Clean water programs for women</li> </ul>
<b>Economic Empowerment</b>	<ul style="list-style-type: none"> <li>• Majority of cash benefits paid directly to men</li> <li>• Local inflation &amp; economic dependency on the mine</li> <li>• Imbalance in employment of male and female workers</li> </ul>	<ul style="list-style-type: none"> <li>• Two Companies pay royalties directly to women</li> <li>• Women's Associations establish micro-credit and/or grant schemes to enable women to run small businesses</li> <li>• Women overcoming social and cultural pressures to obtain employment at the project sites.</li> </ul>
<b>Social Empowerment</b>	<ul style="list-style-type: none"> <li>• Women not adequately represented in negotiations at all stages of the mine life</li> </ul>	<ul style="list-style-type: none"> <li>• Some project sites have established gender desks to represent and support the needs of women</li> <li>• Women's Association reps. in discussions which concern community</li> </ul>
<b>Safety &amp; Security</b>	<ul style="list-style-type: none"> <li>• Influx of outsiders into local mining communities leading to increased prostitution, harassment and violence against women and general lawlessness.</li> <li>• Large inflow of cash leading to increased alcohol &amp; drug use, gambling and polygamy.</li> </ul>	<ul style="list-style-type: none"> <li>• Medical assistance and counseling to victims of violence</li> </ul>

## Immerging Issues identified by Communities impacted by mining operations at 2005 WIM Conference

- Low level of general education and literacy
- Poor state of educational and health facilities
- Poor state and lack of market facilities
- Lack of knowledge and awareness on HIV/AIDS
- Lack of microfinance, management and business skills
- Lack of knowledge and awareness on gender issues
- Lack of knowledge and awareness on the environmental impacts of mining activities
- Increasing reliance on mining benefits
- Increasing law and order problems
- Non-existence of a common Resource Centre



# Refinement of the Four Common Areas of Mine Impact in PNG

## 2003: Impacts/Issues Identified

- Goals = 4
- Objectives = 7
- Strategies = 31
- Targets = 0
- Actions = 0
- Indicators = 0
- Implementers = 0

## 2005: Impacts/plus Emerging Issues were refined

- Goals = 8
- Objectives = 13
- Strategies = 33
- Targets = 44
- Actions = 111
- Measurable Indicators = 126
- Implementers = Numerous

**THE BIRTH OF WOMEN IN MINING  
NATIONAL ACTION PLAN 2007 - 2012**



**WOMEN IN MINING  
NATIONAL ACTION PLAN  
2007-2012**



DEPARTMENT OF MINING

A national strategy  
to enhance  
sustainable mining  
practices, bridging  
both mining and  
community  
development.

2003 Swell breaking into a superb surf





Superb Surf crashing on to the beach



# Part 2

## The Ok Tedi Mine and the CMCA Communities

Focus on:

The broad consultative process through bottom up planning ensured that the Ok Tedi Mine social impacts/issues as experienced by the CMCA communities were thoroughly documented.

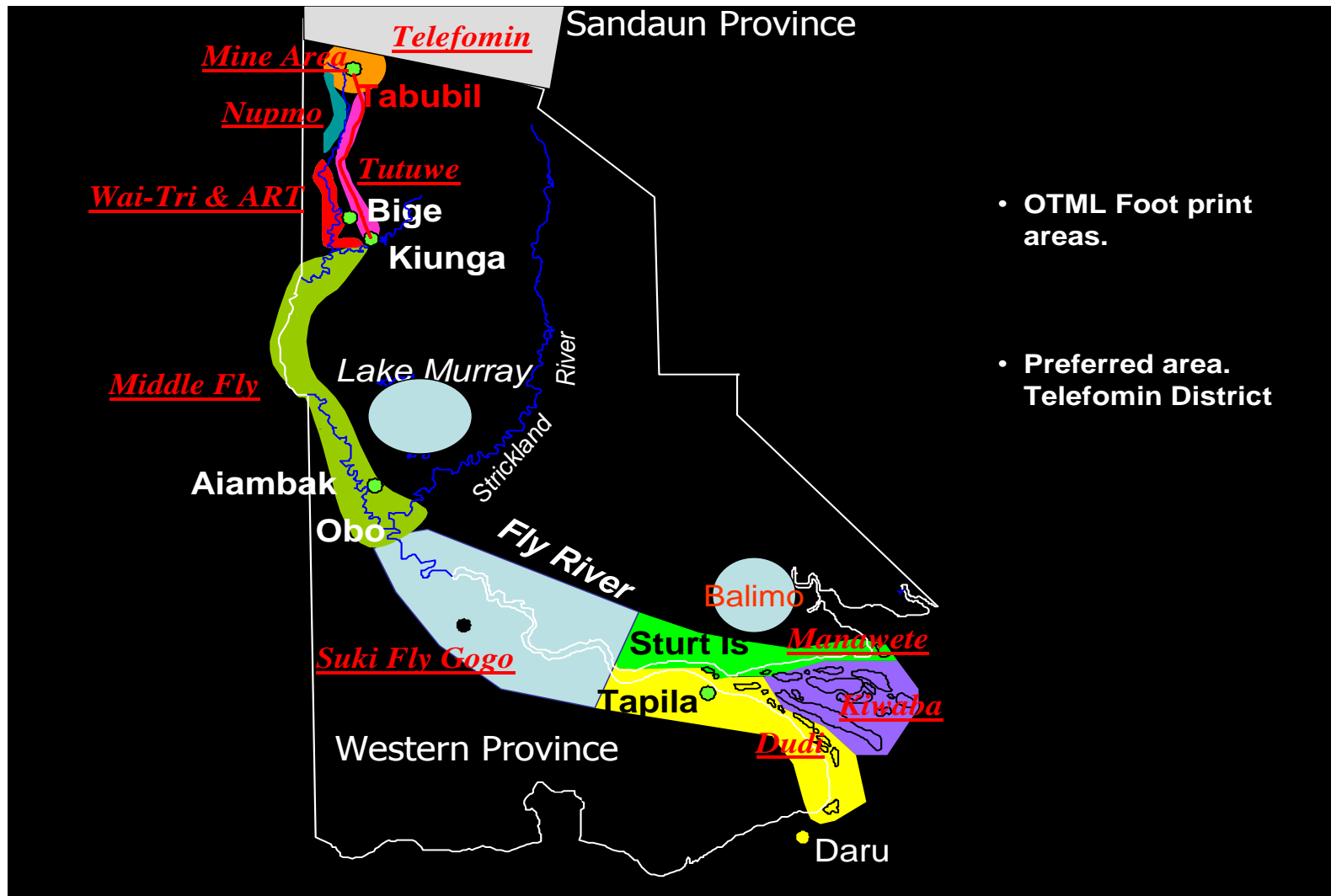


# Background: *The Ok Tedi Mine Pit*



*Photo: Courtesy of the OTML, February 2013.*

# The Ok Tedi Mine's Footprint - Nine CMCA Regions, Western Province, PNG



# Overview of the Community Mine Continuation Agreement (CMCA)

1. The *Mining (Ok Tedi (Ninth Supplemental) Agreement) Act* 2001
2. The 2006/2007 CMCA Review - a home grown unique process involving multi-stake holder and took 18 months to complete.
3. The 2006/2007 CMCA Review culminated in Major Outcomes captured in Memorandum of Agreement (MoA)
4. Major milestones achieved in 2007 through the CMCA Review
5. Basis for developing the CMCA Women and Children's Action Plan 2009 - 2019



# 2008 - Ok Tedi CMCA Women Identified 12 Major Mining Impacts/Issues

- Low level of general education and literacy
- Poor state of educational and health facilities
- Poor state and lack of market facilities
- Poor state or non-existence of roads and bridges
- Lack of knowledge and awareness on HIV/AIDS
- Lack of microfinance, management and business skills
- Lack of knowledge and awareness on gender issues
- Lack of safe drinking water
- Food insecurity
- Increasing reliance on mining benefits
- Increasing law and order problems
- Non-existence of common a Resource Centre



What the CMCA women achieved : *Empowering women as development partners*

Photo: Courtesy of Pat Kila: PNGSDP 2008

# The Nine CMCA Women and Children's Action Plan's 2009 - 2019

1. Individual CMCA Regional Plan Goals ranges from 7 – 11
2. Competing priorities and finite resources hence, the need to prioritize within priorities based on sequencing
3. High Impact Priority Expenditure Areas
4. Plan implementation



# Examples of CMCA Plan Implementation

## INFRASTRUCTURE DEVELOPMENT



MV Fly Hope on the Fly River: Purchased and delivered in 2012  
Photo: Courtesy of OTFRDP December 2012



A new Jetty on the Fly River 2012  
Photo: Courtesy of OTFRDP December 2012



# FOOD SECURITY

Aqua-ponics and Aqua-culture trials a success



All above Pictures: Courtesy of OTFRDP December 2012

# SUMMARY OF THE CMCA & OK TEDI EXPERIENCE



SOCIAL IMPACTS OF MINING IDENTIFIED & DOCUMENTED

IDENTIFICATION OF HIGH IMPACT PRIORITY  
EXPENDITURE AREAS

PROJECT DESIGN  
DOCUMENT

PROJECT FUNDING  
AGREEMENT



# FINAL REMARKS



Photo: Courtesy of Zechariah Popoitai , 2009