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# SUSTAINABLE MINING DEVELOPMENT POLICY DRAFT

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# WHAT IS A POLICY?

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- » A statement on an important issue
- » A framework for addressing the important issue

# THE ISSUE FOR MINING

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- » The uneven distribution of economic, social and environmental benefits and costs
- » The uneven distribution of economic, social and environmental impacts and risks
- » Their uneven distribution of all across space and across generations

# BASIS FOR THE FRAMEWORK

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- » The various United Nations initiatives on country sustainable development strategies
- » The Millennium Development Goals (MDG)
- » The Sustainable Development Goals (SDG)
- » PNG's Vision 2050
- » PNG's Development Strategic Plan 2010-2030 (PNGDSP)
- » DMPGM Strategic Plan 2009-2015
- » Sector Initiatives on Sustainable Development (MMSD, EIR, IGF)
- » Observations on PNG experience in the sector

# ELEMENTS OF THE FRAMEWORK

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- » No single template for sustainable development
- » Governance is the key driver in determining economic, social and environmental performance
- » Principles selected which promote the intent of sustainable development
- » Existing sector laws, fiscal regime, regulations and administrative structures implement the framework

# GOVERNANCE PRINCIPLE 1

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Early attention to the immediate, medium term and future economic, social and environmental performance of the mining project

- tenement applications/grant responsive to Vision 2050 and PNGDSP;
- Mineral Resources Authority (MRA) to add sustainable development expertise
- Development Forum sets immediate, medium and future economic, social and environmental performance expectation of a mining project

# GOVERNANCE PRINCIPLE 2

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Identify and strengthen linkages between economic, social and environmental performance of a mining project

- fiscal regime to evolve to align with the cost of sustainable development
- Tax Credit Scheme investments tied to PNGDSP

# GOVERNANCE PRINCIPLE 3

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## International good practice for social and environmental performance

- adherence to the International Finance Corporations Performance Standards/Equator Principles
- adherence to a mitigation hierarchy (first avoid impacts; then minimize; then compensate or offset for loss)



# GOVERNANCE PRINCIPLE 4

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Early establishment of the priority/strategic areas to focus efforts and investments over mining project life cycle

--convert natural capital to human capital

--Mine Development Contract to include social and environmental obligations

--MOA to include social and environmental investments

# GOVERNANCE PRINCIPLE 5

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## Clarity of stakeholder roles and responsibilities

- Development Forum to be used on all tenement grants to allocate roles and responsibilities
- Development Forum to include project affected people, women, youth, other potentially vulnerable groups and other legitimate stakeholders

# GOVERNANCE PRINCIPLE 6

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## Use existing support structures

--sequencing of mining approvals (tenement application followed by Development Forum, followed by appropriate line manager authorizations, followed by tenement grant/Mine Development Contract followed by MOAs and CAs)

# GOVERNANCE PRINCIPLE 7

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Establish metrics for priority/strategic areas

--use metrics in PNGSDP (key indicators, appropriate baseline, time bound targets) for priority/strategic areas identified in Governance Principle 4

# GOVERNANCE PRINCIPLE 8

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## Verification

--monitoring

--reporting

--disclosure of reports

# GOVERNANCE PRINCIPLE 9

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**Performance has both a compliance and aspirational component**

- compliance is conformity to a set of requirements (laws, regulations, permit/licence)
- aspirations are the range of values that one can control or influence.

# SUMMARY

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## Align Vision 2050 and PNGDSP with Sector Performance