

# Bougainville: a new dawn?

The small island's rich mining sector will open after 26 years, but people are nervous. Why?

**Julia Baxter**

Friday 21 August 2015 16.17 BST

Bougainville will soon decide if it wants independence from Papua New Guinea. This is a crucial time for the small island: it was once at the centre of the region's worst armed conflict. For nine years, war erupted, with many attributing the outbreak to local exclusion from the lucrative Panguna copper mine, which has remained closed since 1989.

The conflict ended in 1997, but Bougainville still struggles with economic instability. Many people live in rural areas with few or no facilities. Previously, copper mining in Bougainville contributed to over 44% of Papua New Guinea's national budget. Even today, the Australia National University estimates \$30m worth of gold comes from informal small-scale mining on the island each year.

To stimulate economic growth, the Bougainville Government will officially reopen its mining sector after 26 years. But people are apprehensive and the decision to restart mining continues to be fiercely debated. The Government is hoping that a new mining law will serve to prevent further conflict.

The old Mining Law of 1967 was imbalanced and divisive, without concern for the social and environmental impacts of mining. A new law - enacted in March 2015 - addresses drivers of previous conflict. The new law requires community licenses to be issued by the local level authorities and ensures that minerals in Bougainville belong to landholders, providing free equity ownership.

It addresses customary rights, community consultation, employment and training, and community development agreements. The people of Bougainville were involved in drafting the new law to ensure it has local support and reduces the chance of conflict caused by mining.

But what happens now? With the reopening of the Panguna Mine possible, the type of investment it attracts will determine the direction of the mining sector and its success. Similarly, the government needs to equip itself to effectively govern and administer exploration and mining; a good law without the capacity to implement is worthless. Local community buy-in is a priority; communicating the roles and responsibilities of different parties will ensure the law is adequately understood and followed.

When the mine opens, stability in the region is the first concern. Those who disagree with mining in Bougainville will likely not be persuaded; however, a consolidated and inclusive approach to sector growth is required. Mechanisms, structures and processes to support the population to live alongside mining, such as the multi-stakeholder Bougainville Mineral

Resources Forum, as outlined in the law, must be in place before any operation can begin, at the Panguna mine or any other. The role of the international community should be focused on supporting such structures and processes.

The law is not the first step in sector revitalisation, and by no means will it be the last. With full acknowledgement of the challenges ahead, however, the government believes it is time to open the door to mining again and attempt to build a long and mutually rewarding relationship with investors and traders, for the people of Bougainville.

*Adam Smith International supported the Department of Mineral and Energy Resources of the Autonomous Region of Bougainville, to draft a mining policy, mining law and mining regulations.*

**Content on this page is paid for and provided by Adam Smith International, a sponsor of the Guardian Global Development Professionals Network**

More advertisement features

## Topics

Adam Smith International partner zone