

# SMI/TNC Strategy workshop report Addressing Mining in Solomon Islands

Report compiled by Robyn James, The Nature Conservancy



## Purpose and Agenda

**Date:** 20 August 2019

**Venue:** Sustainable Minerals Institute Board Room, Level 4 Sir James Foots Building, University of Queensland

**Purpose:** The main purpose of the workshop was to:

- Reflect on current challenging context of the mining sector in Solomon Islands;
- Understand how the Solomon Islands context fits into the broader context of the Pacific and the extractives sector in the region;
- Identify the 'lessons learned' and next steps from TNC, UQ and others working in this field.

## Draft Workshop Outline:

- The workshop began with
  - Introductions and expectations
  - Setting context of mining in Solomon Islands and role of the partners
- We then used the experience in the group to discuss:
  - Big challenges for the sector (frontier mentality)
  - What to do in this context where environmental and social disasters around mining are unfolding
  - Brainstorming in groups and plenary ideas to address
  - Next steps

**Key outcomes/recommendations from the plenary and group sessions:**

- **Networks:** Develop a network starting with the group present at the meeting. Circulate meeting notes and when group agrees on notes and recommendations circulate more widely through networks
- **Collaboration:** Use this network to more deliberately work together as partners in Solomon Islands (Government departments Ministry of Mines (MMERE) and environment (MECDM)etc, World Bank, UQ, TNC, Environmental Defenders Office EDO, Solomon Islands Environmental Law Association SIELA etc)

**Develop some research/concept/ideas around:**

- **Legislative reform:** use this network to make a collective review of the following:
  - Minerals Bill
  - Solomon Islands Minerals Advisory Committee proposal
  - Connection with Environment Act
  - National Minerals Policy: Mine closure is a big omission
  - Environment Act
- **Information/data management:**
  - Making the data more accessible around mineral/geological mapping, social and environmental information for greater transparency of the sector.
- **Planning/Strategic (bigger ideas)**
  - Options for a more strategic/transparent approach to geographic planning/zoning of the mineral sector. This would include areas that have alternative future income options that may make sense to set aside. Look at whole of country development planning
  - Consider alternative pathways to development and the cost benefit analysis of sacrificing those development pathways such as tourism, carbon trading for mining.
  - Financial viability of sector: particularly Direct Shipped Ore. Is this method of mining feasible: environmentally and/or financially in Solomon Islands?
  - Options for a moratorium on both mining (especially DSO and deep-sea mining) until country is ready to manage it well.
  - Sustainable fund options to fund mine closure including both the social and environmental aspects.
  - Ridges to Reef (e.g. whole province planning for Guadalcanal) that brings all of the stakeholders and issues together to map a plan for development.
- **Learning/capacity building**
  - University to University partnerships and/or Pacific network of technical experts to review mining EISA submissions together.
  - Peer to peer learning exchange such as PNG to Solomons (these have been successful previously through TNC, UQ and IM4DC).

- Engage women and being more inclusive around decision making and continue refining and undertaking community awareness – link TNC to others (i.e. EDO, SIELMA, LALSU and WB).
  - Understanding what Free Prior and informed Consent means and how to ensure it is followed.
  - Capacity building for government regulators to evaluate mining companies.
  - Support government regulators to work under an environment of limited resources and high pressure.
  - Investigate opportunities with DFAT to develop capacity building for the sector.
  - Continuing to build capacity of communities (led by women) to understand and engage with the sector at all levels. Evaluate/research to apply/adjust the best approaches to achieve this.
- **National Mining Forum 2:** Build on community awareness, momentum around legislative reform to consider a second national mining forum in Solomon Islands
  - **International:** Solomon Islands to join intergovernmental forum on Mining and Sustainable Development Goals
- Papua New Guinea:** Through this network make more deliberate links with the sector in Papua New Guinea and elsewhere in Melanesia and the Pacific.

## Appendix 1: SMI/TNC Strategy Workshop Participant List

Name	Position	Organisation
<b>Robyn James</b>	Conservation Director Melanesia	The Nature Conservancy
<b>Willie Atu</b>	Country Director, Solomon Islands	The Nature Conservancy
<b>Richard Hamilton</b>	Director Melanesia	The Nature Conservancy
<b>Madlyn Ero</b>	Mining and Gender Lead, Solomon Islands	The Nature Conservancy
<b>Krista Jacob</b>	Mining Officer, Ministry of Mines (MMERE)	Solomon Islands Government
<b>Simon Albert</b>	Senior Research Fellow, School of Civil Engineering	University of Qld
<b>Jennifer Corrin</b>	Professor and Director, Comparative Law, TC Beirne School of Law	University of Qld
<b>Kristen Lyons</b>	Professor, School of Social Sciences	University of Qld
<b>Daniel Franks</b>	Professor, Program Leader, Governance and Leadership in Mining	University of Qld
<b>Glen Corder</b>	A/Director Environment Centres, SMI	University of Qld
<b>Peter Erskine</b>	A/Prof, Centre for Mined Land Rehabilitation, SMI	University of Qld
<b>Nick Bainton</b>	A/Prof, Centre for Social Responsibility in Mining, SMI	University of Qld
<b>Sue Vink</b>	A/Prof, Centre for Water in the Minerals Industry, SMI	University of Qld
<b>Sarah MacKenzie</b>	Research Manager, Centre for Social Responsibility in Mining, SMI	University of Qld
<b>Robin Evans</b>	Program Leader, Transformational Learning, SMI	University of Qld
<b>BJ Kim</b>	International Program Manager	EDO NSW
<b>Wilfred Lus</b>	Senior Mining Specialist	World Bank

## Appendix 2: Notes from the meeting

### Introductions

After introductions everyone in the group outlined their expectations for the meeting:

### Meeting Expectations

- Bring experience from other areas (e.g. PNG ) to Solomon Islands
- Open and honest conversation about mining in Solomon Islands
- Model of co-ownership between indigenous landowners and a company
- How TNC can assist Government and value-add to this sector in Solomon Islands
- How SMI-Water centre can contribute in Solomons e.g. water quality issues
- General interest in environmental issues
- Better understanding of mining issues in Solomon Islands
- How to apply lessons learned from forestry to mining sector
- How to communicate the risks and benefits of mining
- Building knowledge base for local communities and include women in decision making
- Contribute to change in legislation
- Bring best practices to the mining sector around community engagement

### Background Context

**UQ SMI:** Glen Corder welcomed the participants and gave a brief overview of the role of UQ-SMI in mining:

#### ***World leading research institute committed:***

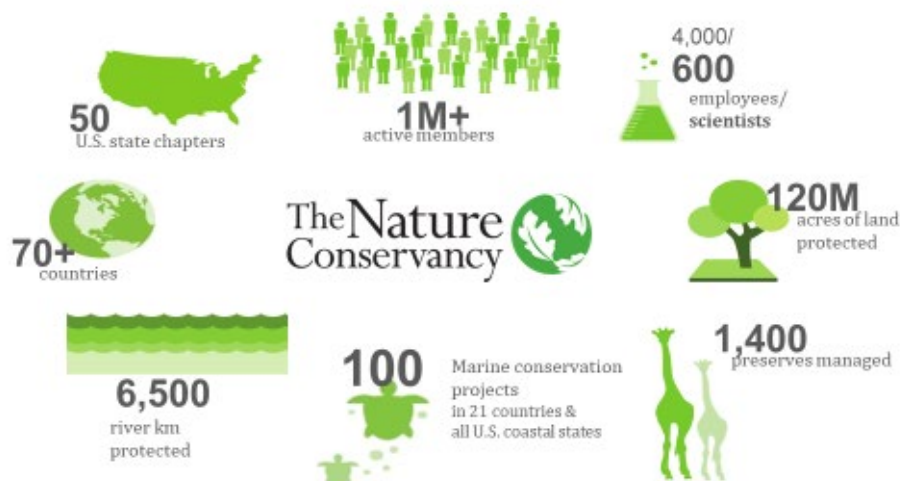
- ***to developing knowledge-based solutions to the sustainability challenges facing the global mining and resource industry***
- ***to training the next generation of industry and community leaders.***

SMI is made up of six inter-disciplinary research centres and an international centre of excellence in Chile. In addition, SMI hosts five 'cross cutting themes' which are transdisciplinary – integrating depth of knowledge across different discipline areas to develop solutions on some of the biggest issues facing the minerals sector - unlocking complex orebodies, transforming the mine lifecycle, digital mining, governance and leadership, and transformational learning.

[www.smi.uq.edu.au](http://www.smi.uq.edu.au)



**The Nature Conservancy:** Robyn James gave an overview of The Nature Conservancy [www.nature.org](http://www.nature.org) and why and how we work on mining issues in Solomon Islands with Willie Atu and Madlyn Ero



Our role as an organisation in mining particularly Solomon Islands and the Pacific:

- Large organisation with 20+ year history in Solomon Islands
- Community based mapping revealed that mining and most important natural resources and biodiversity areas were in direct alignment with mining tenements
- Most people are unaware of what mining will mean for them: developed national awareness forums and community awareness reaching thousands of people
- Only international NGO engaging in mining in Solomon Islands

We developed a position:

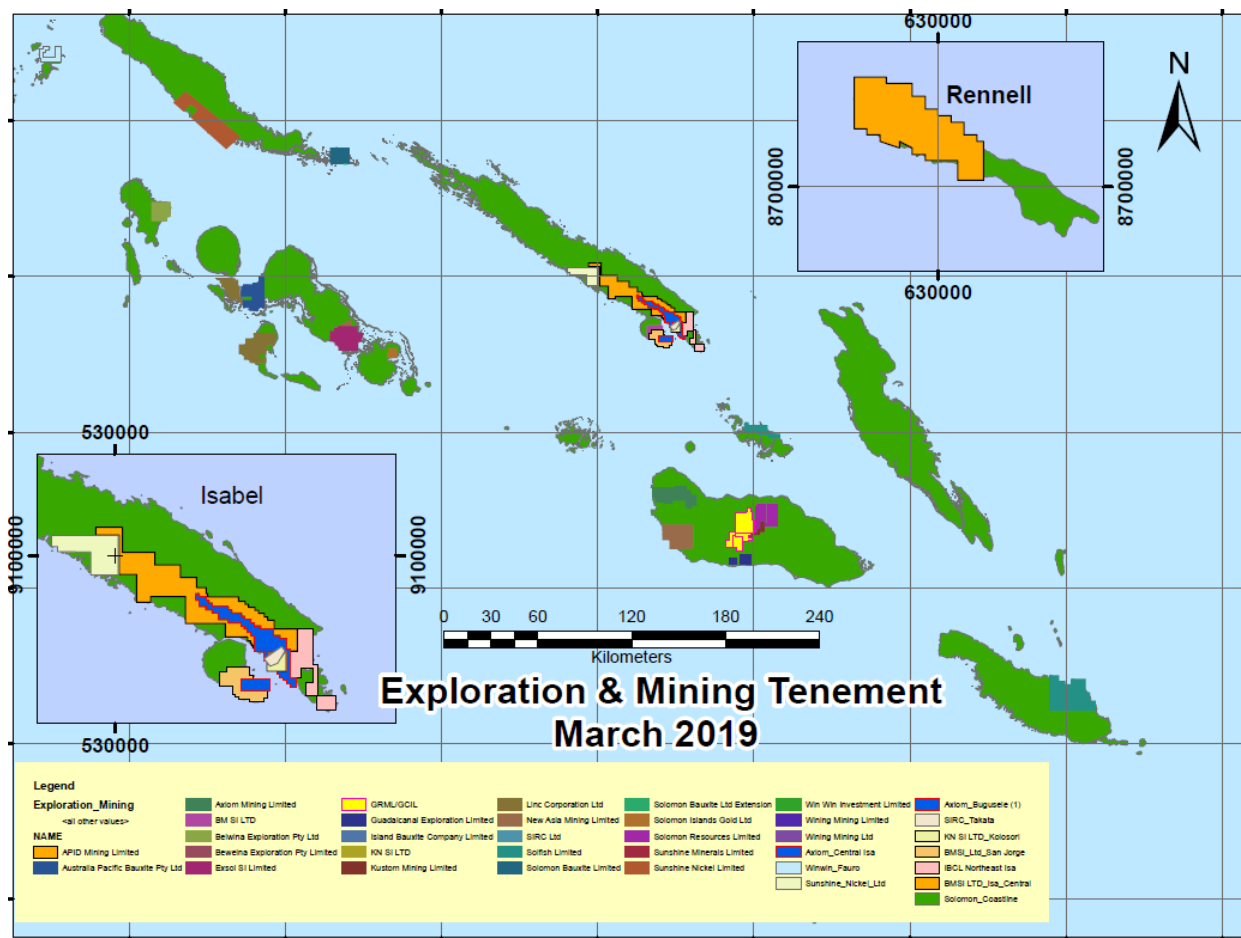
- NOT anti-mining
- *Solomon Islanders have the capacity and support to make informed and inclusive development decisions*

Actions:

- Raising awareness/local capacity about what mining is and the potential impacts: community awareness and national forum
- Working with government and industry partners for sound policy and standards: national minerals policy; providing input into EISA process

- However, several recent environmental disasters around mining and the failure to prevent or mitigate them shows some major gaps in the industry. Hence the call to discuss
- Where to now?

**Solomon Islands Government:** Krista Jacob (MMERE) gave an overview of the context from a Solomons National Government (mining) perspective



**Current status:**

- 5 Mining Leases
- 26 Prospecting Licenses
- 7 Building Materials Permits

**Acts and regulations:**

- Mines and Minerals Act 1990 (commenced 1 March 1996)
- Mines and Minerals Regulations 1996
- Outdated Act and Regulations



- Rennell, Isabel and Guadalcanal experience => New Act

**Much reform is consultant led:**

- Mining Cadastre
- Inspectorate Section
- Human Resource Capacity
- National Minerals Policy 2017-2021
- Mining Bill – final draft reviewed by AG Chambers
- Consultation carried out in Honiara, Rennell, Isabel and Choiseul (2018 – 2019)

**There are several significant challenges:**

- Current challenge – Landowner identification is led by companies, no standardization of payments thus company decides
- Current challenge – Provincial Governments not involved
- Mining Projects: Government has difficulty conducting Due Diligence on companies – stock markets not fully understood
- Government has limited powers to carry out duties under current Act and Regs
- Lack of proper coordination/Collaboration with other Govt ministries and agencies/consultants
- Due diligence checks – currently only 2 requirements
- Young mining nation – 10-20 years compared to Australia (>200 years) – advise us how to get from where we are to where you are

**Solomon Islands Minerals Advisory Committee (SIMAC)** (Tim Grice and Robin Evans to send an update)

- Support land owners and communities impacted by mining projects
- Legal advice, awareness, training
- Coordination through SIMAC is seen as way forward – possibility of capacity for conducting Independent Reviews – someone in SIMAC – report from reviewer up to standard.

**World Bank:** Wilfred Lus gave an update about the World Bank's role in the sector (Notes breakout group 3)

<http://projects.worldbank.org/P162737?lang=en>

**Environment Defenders Office:** BJ Kim gave an outline of the process of Wagina: Community versus Company. Over a 10-year period, the International Program of EDO NSW has partnered with the Landowners Advocacy and Legal Support Unit (LALSU) within the Solomon Islands Public Solicitor's Office (PSO) as part of our capacity building program. The International Program supported LALSU's historic case before the EAC, representing Mr Tebukewa Mereki on behalf of the people of Wagina

[https://www.edonsw.org.au/wagina\\_appeal\\_win](https://www.edonsw.org.au/wagina_appeal_win)

**Solomon Islands Government/UQ: Environment update.** Simon Albert outlined some of the huge environmental challenges of the sector



**Key points:**

- Gold Ridge near Honiara. Very much in public eye and still ended in an environmental disaster
- Rennell Oil Spill is inevitable outcome of limited regulation. Huge environmental and financial cost
- 0% export tax for bauxite
- It is critical to recognise that although the word “mining” conjures up images of nation building copper/gold projects-the vast majority of projects in the pipeline in Solomons are essentially large scale earth-moving through Direct Shipped Ore.
- There are significant questions around the financial feasibility of these DSO operations if the full cost of rehabilitation and other events (spills) is considered. A financial analysis of DSO operations would be useful to guide MMERE.
- In these DSO operations progressive rehabilitation during the operation is critical-if left to end of project it almost never happens. Some simple approaches to regulation such

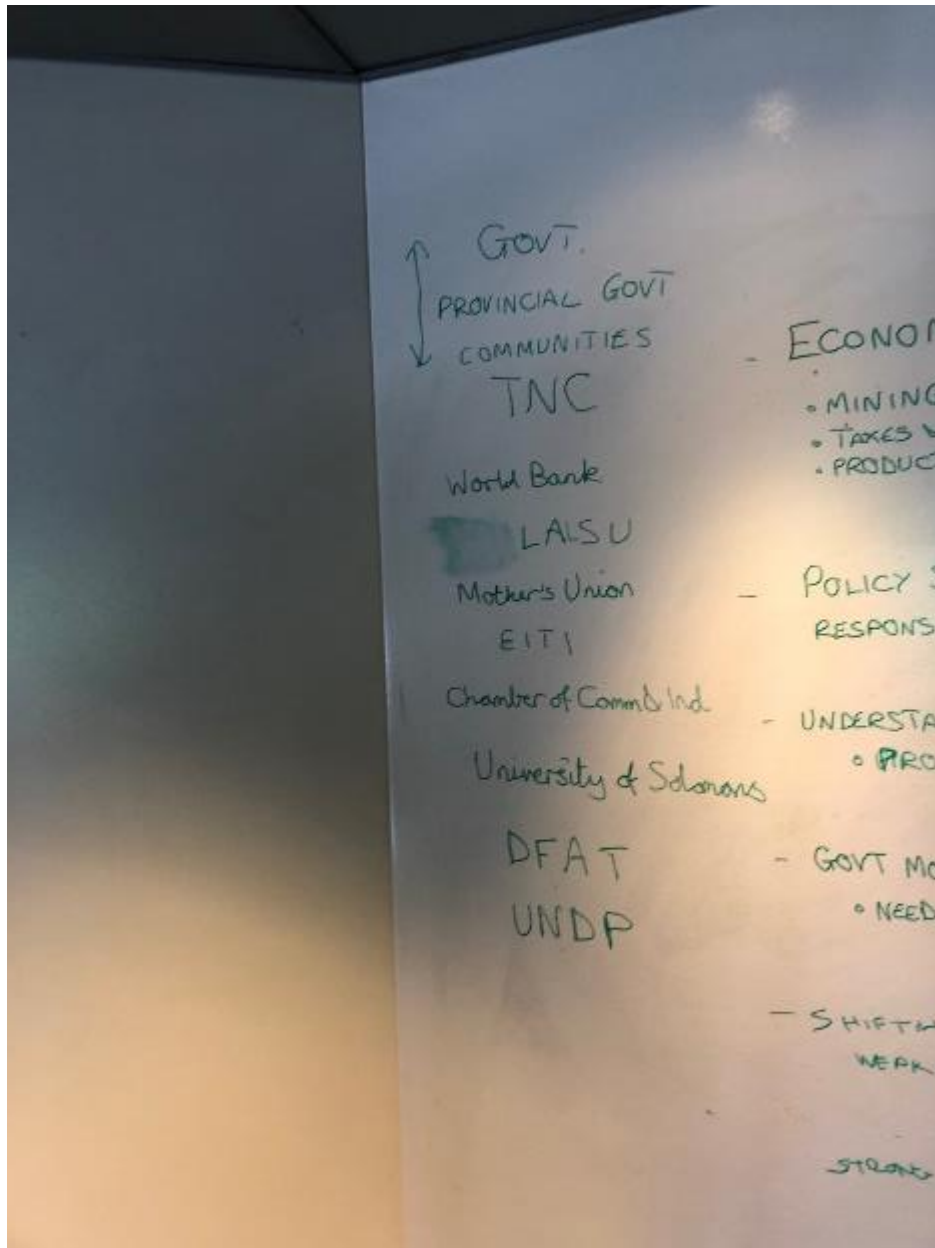
as % or area of land that is “open” (beyond which bonds/\$\$ are payable) at any given time can be useful to encourage progressive rehab.

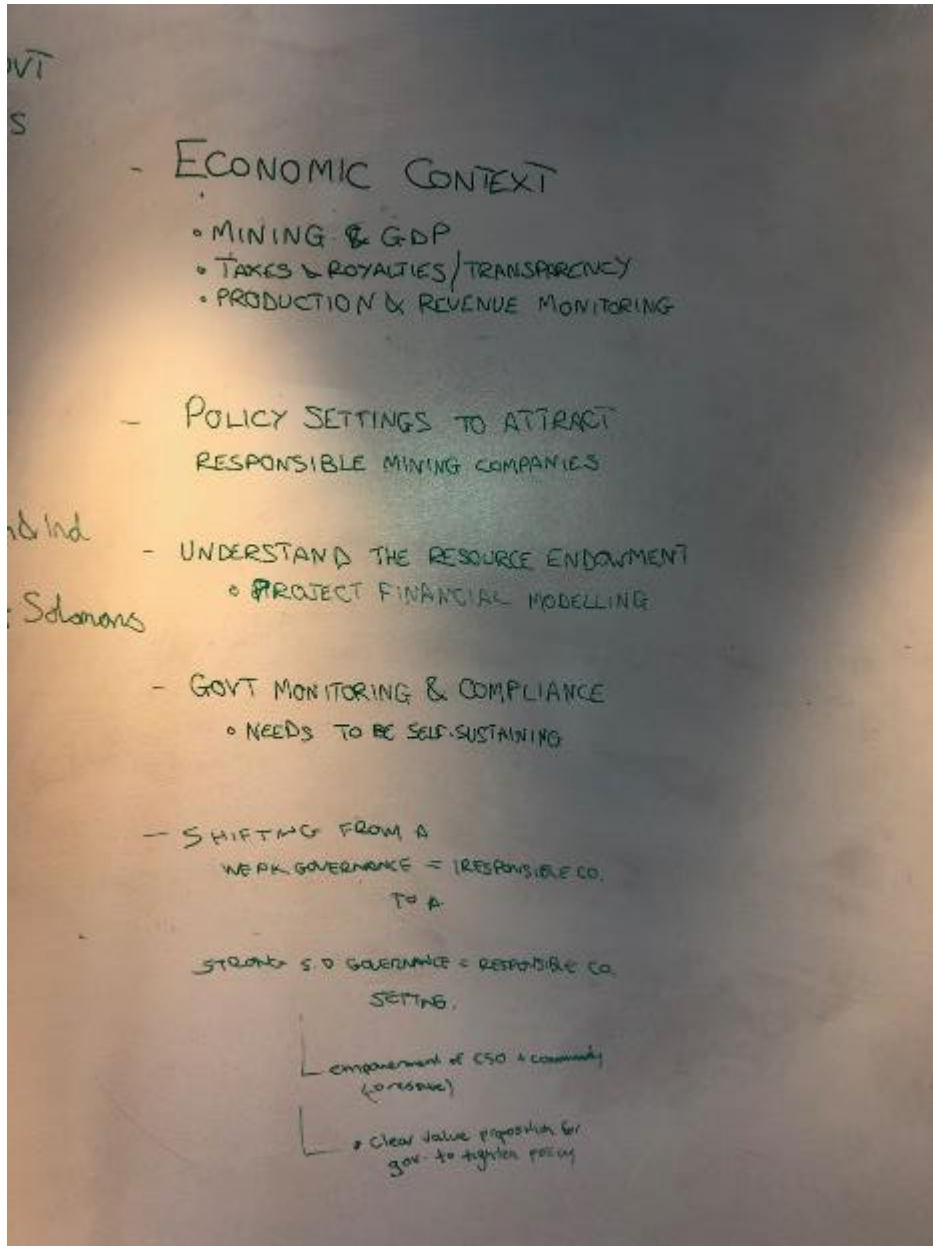
- Recognition of the fact that despite SIG’s challenges there are some incredible staff in MECDM and MMERE that are operating under high levels of pressure from companies and political factors.
- Links between MMERE and MECDM need to be strengthened both for regulation/monitoring but also at the legislative level between Environment Act and Mines Act
- The DSO operations have a very different interaction with land/“landowners” than a copper gold project. Small scale copper/gold projects make sense for registration/leasehold land. DSO operations will often operate on customary land. As such the processes used to identify “landowners” is critical-there is still a lack of clarity around this. The existing Customary Land Recording Act may have a role to play here.
- The idea of a more strategic approach to geographic planning/zoning of the mineral sector may be useful. Are there areas that have alternative future income options that may make sense to set aside.
- Recognition of the important role the World bank has played in recent years-however concerns of the stop/start nature of it and often rushed “consulting” style of the implementation. The idea of backstopping this short-sharp consultant input with a more stable long-term advisory/support/mentoring role that UQ may be able to provide.
- Recognition of small-scale artisanal mining that often delivers high % of benefits to women.
- Rennell Island is under developed - but community has free energy and other benefits from mining and because of this there is a lot of support for mining despite the disaster

### Notes from discussions including break out groups and plenary:

- Include bonds in contractual agreement
- If huge opposition from land owners, difficult to progress agreements, initiatives etc
- If new Mining Bill becomes law then it needs to dovetail with other acts such as Foreign Investment Act; currently Bill from 1996
- Fisheries and logging industries have more 'checks and balances' than mining – e.g. As a Least Developed Country the Solomon Islands has duty free access for all products (except arms) to the EU market. Solomon Islands has benefited from this with its tuna exports. Solomon Islands was yellow-carded by the European Commission in 2014 for failing to discharge its obligations to combat IUU fishing. MFMR consequently revised the outdated Fisheries Act and implemented stricter monitoring controls on its long line tuna vessels, resulting in the yellow card being lifted in February 2017.
  
- Any UQ initiative should not undermine existing Solomon's resources and activities (include Uni of South Pacific and other universities)
- UQ Solomon Island partnership group – need to connect with John Owen
- MoU between UQ and Solomon Islands National University
- No mechanism to recognize customary land owners
- Customary law versus other law: has the ability for change
- Absence of Legislative presence at present - but legislative presence allows "other levers" to be pulled.
- In PNG, provinces don't play a strong hand in mining but are seeking the benefits from mining
- UQ - law, engineering, SMI, environment can help with capacity building
- Lack of continuity between World Bank and DFAT initiatives – usually done by different consultants
- Need to note the point of disconnect between different legislation
- External parties could assist with agreement making with mining companies
- No links between legislation for identifying land owners – different approaches for each legislation-possibility to link to existing Customary Land Recording Act

Group 3 breakout Group notes as an example:





## SUGGESTIONS

- UNIVERSITY TO UNIVERSITY PARTNERSHIP TO MAKE MINING EIS SUBMISSIONS TOGETHER.
- SOLOMON IS. TO JOIN INTERGOVERNMENTAL FORUM ON MINING, MINERALS, METALS AND S.D.
- PNG TO SOLOMONS PEER TO PEER KNOWLEDGE EXCHANGE.