Papua New Guinea
Second Mining Sector
Institutional Strengthening
Technical Assistance Project

Improving the benefits from the mining industry to the national budget and mining-affected communities.

Background
Papua New Guinea is a relatively young country, having gained independence in 1975. Since then minerals—particularly gold and copper—have been the backbone of the economy. However, the country remains in a weak state, having made only modest progress in transforming its mineral wealth into poverty reduction and better living conditions for its people.

About the Project
The Second Mining Sector Institution Strengthening Technical Assistance Project will build on the results of the first technical assistance project in this area (closed in 2006) which worked to strengthen institutional capacity within the Mining Department and the Internal Revenue Commission, and contributed to improving the framework for socially and environmentally sustainable private mineral investment.

This second project aims to improve the benefits from the extractive industries—mining, oil and gas—to the national budget and to mining-affected communities. The project will also work to mitigate the mining sector’s health and safety risks for small-scale miners. After agriculture, small-scale mining is the largest generator of rural incomes, supporting an estimated 500,000 people, including the miners and their family members.

These objectives will be achieved through improving effectiveness of key institutions, supporting communities to be better able to monitor the delivery of community programs and services, empowering disadvantaged groups—including women and youth—in areas affected by extractive industries, and improving accountability of the sector through better management and use of mining-related revenues.

The primary target groups are the institutions involved in the mining sector, the communities in the vicinity of both large-scale and small-scale mining operations, and the recipients and managers of mining benefits streams.

The Project consists of five components:

- Strengthening the policy and regulatory frameworks for the mining sector;
- Strengthening mining sector governance, regulation, and sustainable development outcomes;
- Improving revenue collection and audits of the sector;
- Strengthening the foundations for a conflict-free mining sector in Bougainville; and
- Project management.

Support mining communities to better monitor the delivery of community programs and services.

Empower women and youth living in mining areas.

Improve the effectiveness of key institutions in the mining, oil and gas industries.

Location: The project will work in areas affected by extractive industries across Papua New Guinea.

Approval Date: 26 June 2008
Closing Date: 31 December 2013
Total Project Cost: US$18.7 million

Donors: World Bank (International Development Association)—US$17 million
Papua New Guinea Government—US$1.7 million

Implementing Agency: Mineral Resources Authority

Contact: World Bank Task Team Leader
Graeme Hancock
Senior Energy Specialist, Mining
ghancock1@worldbank.org

www.worldbank.org/pg