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 has made only modest progress in using its minerals for poverty reduction and better living conditions for Papua New Guineans.

About the Project
The Second Mining Sector Institution Strengthening Technical Assistance Project builds on the results of the first technical assistance project, completed in 2006. The first project strengthened 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 will improve the benefits from the extractive industries — mining, oil, and gas — to the national budget and to mining-affected communities. The project will also reduce the mining sector’s health and safety risks for small-scale miners. After agriculture, small-scale mining is the largest source of rural incomes, supporting an estimated 500,000 people including the miners and their families.

The project will improve the effectiveness of key institutions; support communities so they are better able to monitor the delivery of programs and services; empower disadvantaged groups, including women and youth, in areas affected by extractive industries; and improve the accountability of the sector through better management and use of mining-related revenues.

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

The project consists of five components:
1. Strengthening the policy and regulatory frameworks for the mining sector;
2. Strengthening mining sector governance, regulation, and sustainable development outcomes;
3. Improving revenue collection and audits of the sector;
4. Strengthening the foundations for a conflict-free mining sector in Bougainville; and
5. Project management.

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