

Mining and the Community - a Solomon Islands Experience

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Introduction

In 1997 Solomon Islands approved the Country's first ever gold mine and a mining lease was issued. The opening of Gold Ridge was an event that placed the nation on a path to economic recovery. Sadly this was not to be and the now wrecked mine stands as an evidence of a complicated chain of destructive events that brought the Solomon Islands economy to a near standstill.

While it is not difficult to see why the mine was ransacked, what is difficult to reason is why the community did not prevent and in some cases actually assisted in looting the mine themselves. After all this was something to be proud of, a world class mine, the first for the Solomon Islands.

More significantly a lot of the damage was caused for the sake of damaging rather than for money. What was the driving force behind this behaviour?

This paper follows through problematic experiences the Department of Mines and Energy have had with the landowners and surrounding communities of Gold Ridge after the commencement of mining, the forced closure of the mine. The paper ends on a high note as the Solomon Islands looks towards a better future.

1997 to June 2000 - Issues confronted

Almost straight after the mine opening there were issues raised. One that came out was from the Kolobisi Tribe who owned the area where the tailings dam was situated. They claimed that they were not party to the landowner's council who signed the agreements. Apparently they claim the landowner's council constitution only mentioned 16 tribes and Kolobisi was not one of these. Their issues were brought to the attention of the government.

The next issue to come up was that of the downstream landowners who were concerned that they were not party to any of the agreements and there was no guarantee to safeguard their interest in the event of environmental damage. Their issues were also brought to the attention of the Government.

New issues surfaced as more reserves were announced by the Company, issues included increase in royalties and other benefits were raised and made known to the Government.

Then the issue of compensation for damage to sacred sites and timber became an issue, the Kolobisi tribe for instance claimed that there was no valuation made for their forest prior to destruction.

Task Force

All these issues were brought to the attention of the Government. The Government took these claims seriously and a taskforce was created with a terms of reference that made sure that all areas of concern would be looked into.

The taskforce consisted of members from aggrieved parties, members of the department of mines and energy, Guadalcanal Province members and Members of Parliament for the respective areas.

The taskforce went through all the various agreements that allowed for the Gold Ridge Mine. The taskforce also reviewed all claims submitted.

The notable fact was that the aggrieved landowners were committed to working with the Government and Company to find solutions to their problems.

Results

The taskforce found three major areas of concern responsible for much of the problems.

- There appeared to be a general lack of understanding on the contents of agreements. There was also a general lack of understanding of the purposes for which the agreements were made.
- Communities outside of the mining lease were generally considered to be external to the mining project.
- Several payments made by the company to the landowners such as the provision of a relocation village could be seen as part of the compensation but this was not specified in the agreements.

The taskforce went on further to make recommendations that would facilitate in a fair manner the concerns of the landowners, Company and the Government. These recommendations were then brought forward to the Government.

During this time militants had initiated activities and the government institutions such as the Department of Mines and Energy were badly affected as staff started to fear for their safety.

Work on all matters relating to Gold Ridge slowly ground to a halt.

Events from 5th June 2000 to December 2000

On the 5th of June the famous attempted coup occurred in Honiara. Immediately after this on the 6th of June 2000, militants took over the Gold Ridge Mine, workers were evacuated and the mine ceased operation. A state of “*Force Majeure*” was declared soon after and the mine has remained closed to this day.

During the period of fighting access to the mine was impossible as it was a strong hold for Harold Keke. The infrastructure was reported to be largely intact during this time.

A ceasefire was negotiated and implemented in October 2000. The ceasefire provided a temporary freedom of movement to parts of Guadalcanal. This was also followed with a draft MOU by the landowners that provided for 'drastic' increases to all levels of compensation and royalties. This MOU was rejected by the company who insisted on carrying on with the agreements that were in place and changes should be negotiated along the lines of the agreements. The matter came to a stall.

Heavy looting of the mine soon followed the ceasefire and there was little anyone could have done as militants were still armed. Access to the mine was not advisable during this period.

Some landowners blamed the looting and destruction on militants who were from other parts of Island. However it was also true that some landowners were selling mine property. Informal discussions with some landowners apparently showed landowners had little regard for the mine. There clearly were those among the landowners that had no ownership feeling over the mine. The blame for the destruction was put on the Government and the Company.

2001 to Present

In early 2001 The Government then seeing the impasse appointed a taskforce to facilitate the re-opening of the mine, the taskforce membership was to be neutral of both landowners and the company and was intended to provide a means towards facilitating negotiations between the company and the landowners.

The committee was not able to function as required due to the financial hardships that had now confronted the country as compensation demands flooded the treasury.

Landowners too had denied access to Company personnel. Those who did get to go were often harassed.

Representatives of the Department were able to visit the mine site in January 2002, the mine infrastructure had been mostly damaged, anything that could be cut was cut and anything that could be broken was broken.

By this time the company had adopted a wait and see policy, it was clear that efforts to re-open the mine were in real doubt.

In late July 2003 the Australian led intervention suddenly turned that perception around. Law and order was quickly restored and return of stolen property has been picking up.

The future

Efforts to re-open the mine have once again become the priority concern for the Government. Gold Ridge has the potential to provide real economic gain to the landowners and the Solomon Islands in general. Environmental concerns also rank as an important reason to quickly re-open the mine.

The Government has already approved funds to get the landowners council up again. The ISC committee for Gold Ridge have met again and recommendations include providing independent advice to landowners so that agreements can be better negotiated and understood.

This time round the mistakes made previously would be scrutinized and better alternatives found. It is hoped that landowners and those in surrounding communities would be brought in to participate more in the process of determining the next owner of the mine.

Conclusion

The reasons surrounding the destruction of the Gold Ridge Mine are complicated but one thing that is clear is that there seems to have been very little regard for preserving the mine.

Activities aimed at trying to re-open could not have succeeded due to the security situation at that time.

The outlook for the future of the mine however is more positive today and efforts are now underway to get the ball rolling towards re-opening the mine.