

PANGUNA MANAGEMENT CONSULTATIVE COMMITTEE MEETING WITH PRESIDENT MOMIS AND MINISTERS-10TH NOVEMBER 2011.

Date: Thursday 10th November 2011

Venue: Conference Room-ABG Administration

Present:

A. Autonomous Bougainville Government Members

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|------|--------------------------|-----------------------------------------|
| i) | Hon. Dr. John Momis MHR. | President |
| ii) | Hon. Michael Oni MHR. | Minister for Natural Resources (Mining) |
| iii) | Hon. Albert Punghau MHR. | Minister for Finance & Treasury |
| iv) | Hon. Joseph Nopei MHR. | Minister for LLG & Communication |
| v) | Hon. Wilfred Komba MHR. | Minister for Commerce & Industry |
| vi) | Hon. John Tabinaman MHR. | Minister for Education |
| vii) | Hon. William Lavabua | Member for Lato |

B. ABG Administration

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|------|---------------------|---------------------------------------|
| i) | Mr. Lawrence Dising | Chief Administrator\ |
| ii) | Mr. Peter Soia | Chief of Staff |
| iii) | Misach Rangai | acting CEO ABG Mining Division |
| iv) | Mr. Thomas Eluh | ACP-Bougainville Police |
| v) | Mr. Joseph Pangkau | ABG Mining Division |
| vi) | Mr. Joseph Torawa | Executive Officer-Chief Administrator |

C. Panguna Management Consultative Committee (PMCC)

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|-------|----------------------|-------------------|------------|
| i) | Mr. Blaise Iruinu | Chairman | (OM) |
| ii) | Mr. Michael Pariu | Deputy Chairman | (PLA) |
| iii) | Mr. Lawrence Daveona | Secretary | (PLA/RMTL) |
| iv) | Mr. Cyril Tavore | Executive | (RMTL-MD) |
| v) | Mr. Martin Miriori | Resource Person | (PLA) |
| vi) | Mr. Philip Miriori | President | (MGU) |
| vii) | Mr. William Munta'a | Executive | (OM) |
| viii) | Mr. Chris Bao | Executive | (OM) |
| ix) | Mr. Nick Noke | Technical advisor | (PLA) |
| x) | Mr. David Perakai | Youth | (PLA) |
| xi) | Mr. Steven Perakai | Landowner | (PLA) |
| xii) | Ms. Angela Kavarui | Women | (PLA) |
| i) | Mr. Edmund Bikina | Executive | (OM) |

D. Master of Ceremony:

Rev. Bishop Tim Arthur-United Church Bishop of Autonomous Region of Bougainville.

Bishop Arthur recited the Opening Prayers and after that opened this first ever meeting between the Panguna Landowners under the auspices of Panguna Management Consultative Committee (PMCC) and the ABG President and his Government Ministers since Dr. Momis was elected the President of the Autonomous Region of Bougainville in June 2010.

In his opening remarks he thanked the Chief Administrator, Mr. Lawrence Dising for the short notice invitation saying that he was honored to chair this very important meeting as he could make out from the agenda items that are to be deliberated on today.

The Bishop made it plainly clear that the two parties present at this meeting are the main players in shaping the future destiny and the well being of the people of the Autonomous Region of Bougainville.

He thanked the President and his ABG team and also the Panguna Landowner's team who are represented at this meeting by the Executive Committee Members of PMCC stating that the issues before the teams are very important especially when most of the agenda items relate to the importance of Panguna mine in the economic recovery of the Autonomous Region of Bougainville.

He concluded his opening remarks by wishing the participants of the two teams a fruitful discussions and in introducing the Chairman of PMCC, Mr. Blaise Iruinu and asked him to make his welcoming remarks.

E. Mr. Blaise Iruinu-Chairman, PMCC

Mr. Iruinu thanked the President, his Government Ministers present and the ABG Administration officials for making time available to meet with his team who are members of the major stakeholders of Panguna Mine Lease areas and introduced them individually.

He informed the President and his team that the major stakeholders of Panguna District have now embarked on Panguna Unification Process (PUP) under the Panguna Peace Building Strategy (PPBS) which has been initiated by the ABG Member for Ioro Constituency (covers Panguna mine leases) and Minister for Natural Resources (Mining), Hon. Michael Oni MHR in January of 2011.

He gave a brief historical background of the division that was apparent in late 1988 and lasted through the 1990s and into the early 21st Century which culminated in the signing of the Bougainville Peace Agreement (BPA) on 31st August of 2001 and as a result the establishment of the Autonomous Region of Bougainville. This division still existed despite the return to normalcy as a result of BPA until just recently when common sense got a better half of the different faction leaders who came together under PUP through PPBS which has resulted in the establishment of PMCC and this is why we are here today.

In concluding his welcoming remarks he noted that the establishment of PMCC is specifically to address the development needs of the Panguna Landowner communities who have missed out to date despite assurances from ABG and its online government agencies. He emphasized that the much talked about re-opening of Panguna must at the first instance address the developmental needs of the major stakeholders of Panguna mine lease areas. He wished the two parties enlightened and fruitful discussions on the issues at hand.

F. Hon. Michael Oni MHR- Welcome remarks.

The Master of ceremony introduced Minister Michael Oni to make his welcoming remarks. Before making his welcoming remarks, he introduced the ABG team members. Minister Oni made specific mention of President Momis' on-going desire to see the Autonomous Region move forward to develop economically to be able to meet one of the requirements of BPA, i.e. the region must be able to sustain itself economically in its move towards Referendum in year 2015. He emphasized that PMCC is made up of major stakeholders that have one way or the other important role to play when it comes to the re-opening of Panguna mine, which is very crucial for the future economic recovery of Bougainville.

He continued on to impose on the parties in attendance that the agenda items of this meeting are important issues of concern that have to be addressed with sincerity and outmost caution and understanding as these will make or break the future destiny of the region.

He concluded his opening remarks by commending the sincerity of PMCC leaders as he has monitored their commitment during the process of Panguna Unification to which he was happy to have been a major partner as their leader and a Minister of President Momis' Government.

G. President Momis' Welcoming Remarks.

The last VIP, President Momis was finally called upon by the Rev. Bishop to make his welcoming remarks. He expressed his gratitude in meeting with the representatives of the major stakeholders of Panguna mine lease areas commenting that this is an opportune time for such a meeting as can be seen from the agenda items as prepared for the meeting. He went onto congratulate the representatives who make up the PMCC for getting themselves organized into such a body in pursuing their respective faction's interest through a forum of unification in a more organized manner. He impressed upon the leaders of PMCC on the following:-

- i) That this meeting must accomplish a Positive outcome for all parties present.
- ii) That God created us as human beings to make decisions no matter how difficult the circumstances may be and stand by these decisions. He gave examples of some of the agenda items that are before the parties that decisions must be made at the meeting today.
- iii) He commented further that this meeting is for people with Vision and said that he saw that PMCC representatives have that vision and this vision must be realized.

- iv) People at home have high expectation of their leaders and this applies to you all as leaders of PMCC.
- v) It is for this very reason that as leaders we all must forge ahead together and deal with tough issues and in turn make tough decisions. Panguna mine he said must be opened and there is an important need for a Unified Stand by ABG and Panguna Landowners. ABG as the Government on the ground and you as the representatives of the various factions in Panguna mine lease areas have a responsibility to the people of Bougainville.
- vi) President concluded his remarks by saying that Bougainville Peace Agreement (BPA) is a clear example of consultation between the leaders of Bougainville, like late President Joseph Kabui, Theodore Miriung plus others and the National Government. We must approach issues with Positive attitude during the negotiations with BCL and the National Government. Bougainville must come up with a *“New Deal”*.

The Master of ceremony informed the parties that the meeting would be underway shortly and advised that there were slide changes in the order of how the agenda items were going to be dealt with and further that he would be calling on the respective party representative to introduce each of the items with some opening remarks.

Agenda Items:

1. National Executive Meeting in Arawa

- **“Duta Nee” –K6 Million**

The President advised that this meeting originally planned for Arawa has now been postponed to January 2012 and moved to Kavieng in the New Ireland Province.

There was some discussion on why the move was made as our people had already made preparations to welcome the Prime Minister and his NEC Ministers. The other matter of concern was that of the scheduled JSB Meeting, which was to be held during the NEC Meeting was also to be held in Kavieng.

There were some disappointments raised by PMCC members as there were preparations already underway in Arawa and Panguna for this event. To this the President advised that he would be traveling to Port Moresby over the weekend to meet the Prime Minister on the matters raised by the members of PMCC.

2. Mr. Paul Coleman’s visit to Arawa

This matter was a concern to both parties as the visit was being arranged outside of the normal standing protocol. The visit was discussed by all parties and it was not very clear as to why Mr. Coleman was being invited by Commander Chris Uma as it would have been better if ABG as the legitimate authority on the ground in consultation with the Interim Executive of PLOA would have made the invitation.

Mr. William Munta'a the Executive Committee Member of Original Meekamui (OM) clarified Commander Chris Uma's reasons as to why this invitation was being made to Mr. Coleman and this is to do with the exclusivity issue of Panguna Scrap Metal operations.

After further discussions on the matter it was resolved that ABG in consultations with PMCC will invite Mr. Paul Coleman and whenever this will happen will be after the Official visit to Panguna by our President, Hon. Dr. John Momis.

3. President Hon Dr. John Momis visit to Panguna

This is a long overdue matter that must take place as soon as practically possible. Since his abduction by Francis Ona's commandos from Tinputz in mid 1990s, taken to Guava, kept there in captivity and after some months was later released, Mr. Momis has never visited Panguna even when he was the Regional Member of National Parliament. At this meeting an official invitation was extended to President Momis and he accepted and preparations will now begin by PMCC stakeholders in consultations with ABG Administration officials to make this event a reality.

PMCC will meet in Panguna on Friday 18th November to set a date for this visit and also the one for Mr. Coleman.

4. Panguna Peace Building Strategy Policy Submission

Hon. Michael Oni MHR, Minister for Natural Resources (Mining) gave a brief rundown on the Panguna Unification Initiative and the progress that has been made to date in getting all the major stakeholders of Panguna District together since the beginning of 2011 and this has resulted in the formation of Panguna Management Consultative Committee – PMCC.

He explained that, in order for PMCC to be a recognized entity by ABG he has directed his officers to prepare a Panguna Peace Building Strategy (PPBS) Policy Submission that he will now submit to Bougainville Executive Council (BEC) and this policy paper will be dealt with by BEC on Thursday 17th November 2011. Once the PPBS is endorsed by BEC the PMCC will then be recognized as a legitimate entity in Panguna and should then be able to be funded by ABG through annual budgetary support in order to carry out its stakeholder's planned works programs.

Both ABG and the PMCC Members fully endorsed this move by the Minister for Natural Resources and.

5. Panguna Mine re-opening

Again, Minister Michael Oni explained that there was no two ways about Panguna mine being opened in the not too distant future. He went onto state further the on-going process that ABG administration through the Division of Mining is been doing and now that five of the six mine Lease Associations are in place and further that by the end of this year the Umbrella Body will be fully in place through the ABG's Electoral Commission conducted elections.

Discussions transpired and the general position on the re-opening was obvious and both ABG and the Executive Committee Members of PMCC fully supported and endorsed that Panguna

mine must be re-opened. All other outstanding issues will need to be attended to first and some of these are:

- BCL to pay all outstanding Compensations to the Panguna Landowners;
- Conciliatory Compensation (General) payment to ABG on behalf of all other Bougainvilleans;
- Environmental Studies be carried out before any talks on re-opening of Panguna mine;
- ABG and PMCC must take whatever firm stand (position) on the Class case now being progressed by certain individuals in the United States Courts,

6. K2 Million BCA Review/Panguna Re-opening Allocation

- **Landowner's Establishment**
- **Regional Awareness**
- **ABG/PLOA - BCA Secretariat**
- **PMCC Works Program (Budget)**

Mr. Daveona explained how the above amount was monitored by him when he was informed of the amount by Mr. Stephen Nukuitu from the Treasury office in Port Moresby and again that it was Mr. Nukuitu who advised that the amount was wired to Buka ABG Finance account on Wednesday 2nd November 2011. As soon as this information reached Lawrence, he ran President Momis and talked to him and insisted that the president should put a HOLD or STOP transaction on these funds.

Mr. Daveona again advised that he sent text messages to all Executive Committee Members of PLOA and also other prominent Panguna Landowner professionals living outside of Bougainville so as to alert them to this amount as ABG has not financially assisted the Panguna Landowner's Interim Executive in facilitating for the day to day administration as far as its responsibility towards the six mine lease associations is concern.

According to Mr. Daveona, this meeting was arranged so as to get the message across to the President that since March 2010, ABG has not given financial support to the Interim PLOA Executive to carry out its work on the ground in the lease areas. He explained that since the announcement by ABG to establish six mine lease area associations and leading on to the formation of the Umbrella Association, commitments have been made as follows:

i)	Hon. Fidelis Semoso MP. in November 2010 (Paid K60, 000.00 to date)	K300,000.00
ii)	Hon. Jimmy Miringoro MP. in February 2011	K400,000.00
iii)	Hon. Patrick Nisira MHR. In February 2011	K300,000.00

The Interim Executive has also approached other National MPs from Bougainville with similar amounts to keep them at par with Hon. Miringoro, but to date no positive response has been received. Lawrence also informed the meeting that in his efforts to secure funding in order to

assist the Interim Executive's day to day operations, he has also written to the present Prime Minister, Hon. Peter O'Neil MP. to assist (no specific amount was mentioned in the letter to him) an amount for SEED Capital under the National Government's "Business Development Grant".

Lawrence emphasized the fact that since March 2010 the Interim PLOA Executives have struggled due to lack of monetary funding support from ABG to begin with, the National Parliamentarians who have made commitments and of course BCL which promises to make payments on SIC Payments but has demanded certain conditions before it could release these funds. He further explained that despite all the talk about re-opening Panguna mine, no one in authority is prepared to "*put their money where their mouth is*" to assist the very people who matter most in the process to re-open Panguna mine.

After much discussions on this agenda consensus was reached that ABG through the President's direction would assist with an unspecified amount as soon the Secretariat of PMCC is able to submit a budget to him through the Minister for Natural Resources (Mining). This budget totaling K1 Million has since been officially handed over to Minister Michael Oni on Friday 11th November 2011 before the PMCC members left for Arawa.

7. Warner Shand Lawyer's letter to BCL

Mr. Daveona circulated a copy of Mr. Mike Wilson's letter addressed to Mr. Paul Coleman of BCL. This letter was written as a result of Ambassador Peter Donigi's recent visit to Arawa, Panguna and Wakunai out of which a "Bougainville Summit Outcome Document" was drafted and signed by individuals who are NOT members of Panguna Landowning communities.

PMCC & Interim PLOA Executives have voiced concern about this document and has directed Panguna landowner's Lawyers to respond immediately to this misguided letter which is based on a document that has again been signed by people who are in no way related to the people of Panguna mine lease areas.

The meeting resolved to attend to this matter directly as a matter of top priority.

8. BCL Request to National Government to extend/renew SML Lease License

This agenda item popped up somehow at this meeting as not many of the PMCC Executives knew that there was a letter to the Prime Minister of Papua New Guinea from BCL's Chairman, Mr. Peter Taylor existed titled, "***APPLICATION FOR EXTENSION OF SPECIAL MINE LEASE***".

There are a lot of legal issues that need to be looked at as the request by BCL through this letter of application is basically right by the Bougainville Copper Agreement of 1967 but for the purpose of this meeting this issue was discussed from the "*Layman's point of view*".

The President in introducing this agenda item explained that the ABG Cabinet has discussed this BCL's application for the extension to the SML lease and it has come to ABG's Position and that its lawyers will be looking at whatever the repercussions maybe and these would be looked at in more details by its lawyers. Without specifically stating the ABG's position he then left the floor

open for Panguna Landowner's representatives as stakeholders in PMCC to voice each faction's views on the issue of BCL's application for extension of SML lease.

The Master of Ceremony gave each stakeholder member of PMCC time to voice out his group's views on the matter beginning with the representative of Panguna Landowners Association's representative, Mr. Michael Pariu.

- **Mr. Michael Pariu's comments.**

Mr. Pariu, Deputy Chairman on behalf of the Interim PLOA Executive and the Six mine lease Association executives totally opposed the application by BCL and in doing so stated the following reasons for not supporting the extension of the SML lease:-

- i) BCL is using 1967 Bougainville Copper Agreement which was reviewed partially in 1974 and as such has no bearing at all in today's circumstances. He commented that the Bougainville Copper Agreement of 1967 has out-lived its "***Use -by-Date***" by 45 years.
- ii) He went on to emphasize what the President had earlier call for a "***New Deal***" for Panguna Landowners and the people of Bougainville saying that this is the message that Panguna landowners have been hearing from the majority of the people of Bougainville.
- iii) Panguna Landowner's position on SML is that the license **MUST** be held by the customary landowners of the Special Mine Lease area Clans of the villages. ABG as the Government of Bougainville must fully support SML landowner's customary claim to their land and assist in facilitating for this legally through a formal application for SML license.
- iv) Mr. Pariu commented further on certain provisions of this 1967 (Bougainville Copper Agreement) Act, especially the "***Ancillary powers of the Prime Minister***" saying that this is one particular provision that must not be allowed to be exercised by the Prime Minister under today's circumstances.
- v) He further commented on the present day circumstances reminding the President and his Ministers that Bougainville crises originated from Panguna Landowner's grievances and spread like wild fire throughout the island. As a result of this Bougainvilleans families lost their loved ones, family relationships dismantled, and properties destroyed. He concluded by saying that ABG must stand by its people right from the beginning and the beginning is **NOW! NO EXTENSION MUST BE GRANTED TO BCL FOR S.M.L.**

- **Meekamui Factions Comments.**

The two Meekamui factions message t the President and his Ministers were more direct and the three leaders (Blaise, Iruinu, William Munta'a and PhilipMiriori) just did not want BCL to own the SML license. They just want to see BCL come in as an operator under contract to an entity which is the license holder. These leaders support the license to be held by Panguna Landowner's incorporated Trustee Company or a Joint Venture Trustee Company of both the ABG and PLOA.

They maintain that BCL's BCA is an alien arrangement and does not have any relevance to the present day Bougainville and its people who have suffered under this arrangement with the National Government of Papua New Guinea. Bougainville people's culture and customs prevent further renewal of SML license and if BCL believes that it still has the right under the 1967 Agreement, it is welcome to come to sort out the outstanding issues first but to do anything else, it must come under Bougainvillean terms.

The leaders went on further to state that so much Bougainvillean's blood has been spilled and that the ancestral practices forbid further continuation of relationship with the perpetrators of the conflict unless a substantial sum is first paid up-front in compensation so as to enable the people of Bougainville to atone for the lives lost during the conflict and in this respect erect a Monument as a reminder to the future generations which should have inscriptions such as, ***"FOR YOUR FUTURE, WE DIE TODAY"***.

- **Comments from other PMCC Representatives.**

Similar comments were echoed by the representatives of Ex-combatants & Womens. Their view is that, these comments represent the perception of the wider Bougainvillean communities and that the President and the Ministers must not brush these concerns as those coming from the people of Panguna.

Mr. Daveona added some advisory comments so as to inform the leaders of PMCC that there may be other options that we the leaders can look at as lot of us do not know what arrangements there are in the Bougainville Copper Agreement with the National Government or the Australian Administration at that time and he suggested the following:

- i) Give the blessing to the National Government to approve BCL's application for the Extension of SML lease for further 21 years. In giving this blessing we should lay down some conditions that BCL and the National Government must abide by before this extension is gazette.
- ii) That BCL must pay up-front say between K1 to K2 Billion as a conciliatory compensation payment. This amount is insignificant as the SML license will now be for 21 years and BCL will be able to recoup its monies within 3 to 5 years after commencement of operations.

- iii) There are other more painful options that Lawrence would not elaborate at that time but would in the long run be more beneficial to ABG, BCL, National Government and also the Panguna Landowners.

After all the PMCC Stakeholders have voice their concern on this matter, President Momis informed the representatives that ABG at its meeting yesterday arrived at the same position not to approve BCL 's application for the extension of SML License. This will be our position but our lawyers may advise us otherwise. He supported Panguna Stakeholders position on the irrelevancy of the 1967 Bougainville Copper Agreement in the present day context, but this is for the National Government to sort out.

At the end of PMCC member's presentations the meeting resolved that President take these strong views **NOT** to entertain BCL Chairman's application to the National Government to extend the SML license for further 21 years as provided for under the 1967 Bougainville Copper Agreement which has no relevance to the people of Bougainville today 45 years on.

9. Outstanding Lease Compensation

Mr. Michael Pariu representing the Panguna Landowners voiced this concern about the outstanding Compensation Payments from BCL saying that this matter has been brought to the attention of ABG on numerous occasions and to date no one has taken it on board to give support to the Panguna Landowner's desire to fast track the payment of these monies.

He informed the President and his Ministers that ABG must assist the landowners by talking directly to BCL on attending to this outstanding matter if ABG is really genuine about helping our people in a more proactive way.

He went further to add that other PMCC stakeholders have come on board in support of the Panguna Landowner's request and copies of these letters of support have been circulated to the authorities concern, ABG President and BCL's Mr. Paul Coleman.

Lawrence explained that another related matter with respect to this is the payment of Social Inconvenience Compensations (SIC) that BCL Board had already approved to be paid as per the 1986 Supplementary Agreement to the Panguna Landowner's Business Arm, RMTL. Panguna Landowner's Interim Executive had already complied with the conditions laid down by Mr. Coleman as per the direction of its Board, but to date ABG lawyers have been sitting on progressing arrangements with BCL.

10. A.O.B.

Bougainville Police Commander-Mr. Thomas Eluh

The Assistant Commissioner of Police (ACP), Mr. Thomas Eluh congratulated ABG President and his Government Ministers along with the PMCC stakeholders for the maturity of the discussions on the important issues that were covered in today's meeting.

He sees this consultation process as very necessary in progressing the re-opening of Panguna mine but while this is going on he would also like to see other arrangements especially one of which is the **ROAD BLOCK** at Morgan Junction. He wants to see the leaders and now with the

establishment of PMCC, the various stakeholder leaders should work closely with him and Bougainville Police to coordinate the activities at the Morgan junction security check point.

He fully supports the existence of the Check Point but he would like to see it manned in a manner that is acceptable to the community. In this respect he as the Chief Security Officer on Bougainville is willing to assist by way of training the Meekamui personnel and incorporated into Bougainville Police and properly accommodating them there at the check point with accommodation and toilet facilities. The most important thing under his arrangement is that guns must be removed. He concluded his comments saying that he wants to progress his suggestion with further talks with PMCC leaders in Panguna.

Meekamui Government of Unity President, Mr. Philip Miriori fully endorsed the Commander's initiative saying that talks have already begun with Panguna District Administration to build a Police Station in Panguna where ex-MDF personnel too can be trained and co opted into Bougainville Police Force.

ABG President and his Ministers together with PMCC leaders fully endorsed this suggestion by ACP.

There being no other business the MC closed the meeting at 5.35 pm.

ENDS

Lawrence Daveona
Secretary-Interim Panguna Landowners Executive