



Official Joint Statement on the Conclusions and Records of the Joint Supervisory Body by Co-Chairs
Grand Chief Hon. Leo Dion GCL, CMG, QPM, MP Deputy Prime Minister of Papua New Guinea and
Hon. Chief Dr John Momis, GCL, MHR, President of the Autonomous Region of Bougainville

In their opening remarks, the Deputy Prime Minister of Papua New Guinea and President of the Autonomous Region of Bougainville acknowledged the presence of key ministers from both government which demonstrates the continuing commitment of political leaders.

Both the Deputy Prime Minister and President expressed their desires to continue the partnership in a spirit of good will, friendship and cooperation between the Government of Papua New Guinea and the Autonomous Bougainville Government to continue the progress of the Bougainville Peace Agreement.

Both leaders expressed sentiments to continue the progress of development to improve the lives of the people of Bougainville. All outstanding issues are to be addressed and both parties to work in partnership to maintain and strengthen peace to ensure continuity of progress.

In particular, the JSB noted and endorsed the following:

1. Transfer of Powers

1.1 ABG Public Service (Management & Administration) Act 2014

JSB noted the passing of the Act and progress on the establishment of Public Service

1.2 Bougainville Mining (Transitional Arrangement) Bill 2014

JSB:

- i. Noted the progress of the Bill and the details covered under the draft revised laws and policies, processes and transfer of functions and powers.
- ii. Noted the support from National Government to assist in the process.
- iii. Noted that World Bank consultants are working in close collaboration with the Autonomous Bougainville Government.

2. Update of PSIP, DSIP, LLGSIP

JSB:

- i. Noted the update given on the PSIP and DSIP funds of which 50% has already been released to ABG and another 10% to be released shortly;
- ii. Noted the ABG unique arrangements with Council of Elders and the working progress in place to make available the LLGSIP funds to ABG.

JSB agreed that the Secretary for Finance will issue finance instructions to enable payment of LLGSIP to COEs in Bougainville at a rate not necessarily equivalent to that paid to other provinces in PNG.

3. SIF Project update and 2012 Acquittal

3.1 Project Status

The JSB noted the status update of the projects of the 27 projects which includes the re-appropriated projects.

3.2 2012 Acquittal

The JSB noted that the acquittal report has been submitted to Department of Finance and National Planning.

The JSB noted the Minister for National Planning and Monitoring's commitment to the release of the 2014 K100million SIF funding in the month of July 2014.

The JSB:

- i. noted the Summaries and Resolutions on the SIF Project Update and 2012 Acquittals from the JPSC Meeting;
- ii. agreed that the Acting Chief Secretary and the Chief Secretary be authorized to consult the Departments of Finance, Treasury and DNPM with the views to identify K7.7million from other funding sources to complete the Buka Town Road sealing;
- iii. noted that the Bougainville Government Budget was passed prior to the JPSC Meeting in February 2014;
- iv. noted that the Program Management Unit will present to the next JSB details of the Implementation and Monitoring Framework for the High Impact Projects;
- v. formally endorsed the BEC Re-appropriation of SIF 2013 – 2014.

4. 2015 Bougainville Government Budget

JSB:

- i. noted the brief update on the status of funding to enable the Public, Parliamentary Services and Community Auxiliary Police Services to start implementation and to be funded as follows:
 - a. Public Service K35 million
 - b. Parliamentary Services K6 million
 - c. Community Auxiliary Police K1.5 million
- ii. endorsed the recommendation by the Minister for Public Service to have Department of Treasury fund K35 million for the cost of personnel emoluments under the current Bougainville Public Service transformed structure.

5. Update on status of Transfer of Powers & MOUs with SOEs

JSB:

- i. noted the brief update of the signed Memorandum of Understanding with State Owned Enterprises as well as National Government Agencies in terms of transfer of powers and functions;
- ii. agreed to adequately resource these processes for the expeditious transfer of powers;
- iii. agreed that officials of both Governments will take steps to execute those MOUs that are yet to be finalized by December 2014.

6. Update on Referendum Committee Work

The JSB recognised that the two governments need to agree on the date for the Referendum, and that the governments have to agree on a number of outstanding matters, and agreed that the two governments will start regular dialogue on the three main work streams being:

- a. An assessment of the progress on weapons disposal;
- b. The assessment of good governance; and
- c. The administrative and governance arrangements for conducting the Referendum.

The JSB:

- i. endorsed the establishment of a Technical Working Group comprising members from ABG and National Government to produce the structured work program, with a detailed report to be presented to the JSB at the end of 2014;

- ii. endorsed that both Governments will provide adequate resources to fund the Technical Working Groups;
- iii. endorsed the composition of the Technical Working Group, as follows:

Autonomous Bougainville Government representation

- Electoral Commissioner
- Adviser on Autonomy and Referendum
- Legal Adviser

National Government

- Senior representative of Department of Prime Minister and NEC
- PNG Electoral Commissioner
- Senior representative of Department of Justice and Attorney-General

- iv. agreed that a preliminary report be presented in the next Referendum Committee Meeting;
- v. agreed to seek donor assistance in terms of preparation for the referendum

7. Prime Minister's Additional Commitments

- i. K7.7 million outstanding for Buka Town Road Ceiling
- ii. K1.5 million for ARoB Reconciliation
- iii. K100,000 for Rabaulu Primary School
- iv. Compensation for Women's role during crisis
- v. NAC's submission of an additional K35 million to NEC

The JSB noted the brief updates of the Prime Ministers recent visit to the Autonomous Region of Bougainville and the additional commitments.

8. RDG Formula and Arrears

The JSB:

- i. noted that the National Government will make a payment of K30 million beginning in 2015. An amount of K96.6 million will be paid over three years but may be adjusted based on the outcome of mediation and arbitration;
- ii. agreed that each government will seek three legal opinions on the interpretation of the RDG formula as per BPA paragraph 160 and Section 49 of the Organic Law on Peacebuilding on Bougainville to be coordinated by a high-level Officials Committee, consisting of Acting Chief Secretaries, National Secretary for Justice, Bougainville Government Legal Adviser, and officials from both Governments' Departments of Treasury, Finance and Planning;

- iii. agreed that the Committee will finalise arrangements for referral of matters surrounding the RDG, to mediation and arbitration, the Executive Councils to give final approval prior to referral;
- iv. noted that the National Minister for Planning and Monitoring's acceptance that the concept of proportionality be retained and that an independent assessment will be conducted.

9. Fisheries

JSB:

- i. noted the recommendation of Technical Officials that the Fisheries MOU be signed;
- ii. agreed that:
 - a. the National Government (through the National Fisheries Authority) will honour the terms of Paragraph 85(a) of the Bougainville Peace Agreement and ensure that the Bougainville Government is represented on all national delegations to international meetings and negotiations relevant to fisheries in Bougainville waters and waters associated with Bougainville, the Economic Exclusive Zone (EEZ), and continental shelf associated with Bougainville territories;
 - b. the NFA will, by 1 August 2014, pay K5 million into the Bougainville Consolidated Revenue Fund as an interim payment annually for straddling fish stocks until such time as a formula is agreed , as agreed under the MOU and;
 - c. the NFA will, no later than 1 December 2014, provide the Bougainville Government all relevant data (including financial and catch data) for comprehensive analysis, so that an assessment can be made as to the fishing Revenues derived from Bougainville waters and waters associated with Bougainville, to inform future negotiations as to the development of the formula for delivering revenue to the Bougainville Government envisaged by Paragraph 86 of the BPA;
 - d. the Bougainville Government will maintain the strictest confidentiality with respect to all data provided under the preceding paragraph;
 - e. a professional expert will be engaged to provide assistance to Bougainville on the Bougainville Marine Resources Authority;
 - f. a committee comprising Bougainville Government Officials, Department of Justice and Attorney General and National Fisheries Authority will be established by 1 December 2014 to identify a way forward.

- iii. acknowledged that this is a complex issue requiring agreement about:
 - a. delimiting the waters of Bougainville under Paragraph 85(a);
 - b. work on a formula for calculation of revenue sharing; and
 - c. the Bougainville Government's claim for retrospective payments.

10. Appointment of Bougainville Government Electoral Commissioner

The JSB noted the brief report on the appointment of two nominees of the Electoral Commission Appointments Committee to the Bougainville Senior Appointments Committee for the appointment of the Bougainville Electoral Commissioner, as follows:

- National Electoral Commissioner, Mr Andrew Trawen; and
- Secretary for the Department of Personnel Management, Mr John Kali OBE.

CONCLUSION:

The Co-Chairs reaffirmed their commitment to the development of the Autonomous Region of Bougainville and emphasised the need for consistency in consultations at all levels of political and administrative levels. Both the Deputy Prime Minister and President were mutually satisfied on the outcome of the meeting and thanked all parties involved in the process.

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Grand Chief Hon. Leo Dion GCL, CMG, QPM, MP
Deputy Prime Minister
Papua New Guinea

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Hon. Chief Dr John Momis, GCL, MHR
President
Autonomous Region of Bougainville