Record of Meeting

Meeting of the Joint Supervisory Body

Port Moresby

1st March 2019

A meeting of the Joint Supervisory Body took place at the International Convention Centre, Port Moresby on 1 March 2019.

In attendance were the Prime Minister of Papua New Guinea, the Hon. Peter O'Neill and the President of the Autonomous Region of Bougainville, the Hon. John Momis together with Ministers and officials of both Governments. Also in attendance was the Chairman of the Bougainville Referendum Commission, the Hon. Bertie Ahern.

The meeting was broad ranging and productive with both Leaders affirming their commitment to the Peace Process.

Introductory Remarks

In his opening remarks the Prime Minister affirmed the commitment of his Government to do everything possible to ensure enduring peace in Bougainville. He indicated that now was the time for partnership, and for the two governments to come together to ensure that the Bougainville Peace Agreement is delivered in its entirety. The Prime Minister re-affirmed his commitment that the referendum take place this year, and assured the meeting that all possible resources would be made available to ensure a successful outcome.

In responding, President Momis thanked the Prime Minister for his comments. He reinforced the importance of the Joint Supervisory Body as a mechanism for resolving difference and reaching agreement. He indicated that the journey to peace in Bougainville had been a long one, and that now was the time for all leaders to join together to ensure a successful referendum. The President noted the very clear provisions contained in the constitution with regard to the referendum. He affirmed the commitment of the Autonomous Bougainville Government to hold the referendum and undertook to work closely with the Prime Minister to ensure that the referendum takes place, noting the continued challenges ahead. The President took the opportunity to raise concerns regarding funding arrangements, particularly in relation to the Restoration and Development Grant, expressing hope that a resolution could be reached. The President also expressed concern regarding any moves to seek a Supreme Court reference on the constitutionality of independence.
BRC Chair Bertie Ahern thanked both leaders for their comments and warm welcome. He noted some good progress, but also spoke to the many challenges that continue to face the Commission, including funding constraints. He noted that these challenges will impact on the timing of the referendum. He indicated that the target date of 15 June 2019 could not be met, and that it was the recommendation of the Commission that the referendum take place in October 2019. He strongly encouraged both Governments to make funding available to ensure that operational aspects to support the referendum can proceed at pace. He noted the importance of ensuring that the options to be put at the referendum be clearly defined, so that awareness raising could take place. In Concluding, he reinforced the need for careful post referendum planning, to ensure that the process to be followed is clearly understood by all Papua New Guineans.

1. Referendum Update

The meeting was updated on referendum preparations.

It was noted that work to prepare for the referendum has continued, but that continued capacity constraints and funding issues were impacting on the ability of the BRC to progress critical issues. While work to compile the referendum roll has progressed, a range of issues and factors remain outstanding and dependent on the gazetted of Constitutional Regulations and the publication of agreed voter criteria.

The meeting was briefed that once these issues have been progressed, that work on phase 2 of the roll update could commence, which will involve the capture of voter information and verification of the roll.

The meeting was updated on activities to operationalise the BRC, which has included the finalisation of an organisational structure, establishment of the BRC Trust Account, the development of BRC Special General Orders for the secondment of staff and identification of premises for the Commission to operate from.

The meeting was briefed on issues related to the Organic Law and provisions on the eligibility of Bougainvilleans living outside of PNG to vote in the referendum. The meeting noted the need to consider practical measures that would allow all Bougainvilleans to be able to register to vote, recognising limitations with respect to polling locations.

It was agreed that there would first be a need to quantify how many Bougainvilleans are living overseas, and for the BRC to then look to placing public notices in national media and via the internet which outline the enrolment process and criteria. The meeting agreed that once this has occurred, options to accommodate overseas voters could be considered.

The implications of funding issues was acknowledged, and it was noted that K10 million has now been made available to the BRC Head Trust Account for immediate use, and a further K10 million is expected to be released next week. The Prime Minister indicated that the National Government would endeavour to identify a further K10 million to be made available later this year.
It was agreed that the BRC progress awareness raising with respect to the question to be put, the voter registration process, including for Bougainvilleans living outside of PNG, drawing on support from the UN Bougainville Referendum Support Project.

On the matter of the date, it was agreed that the writs for the referendum would be issued in August of this year, with polling to commence in October 2019.

Resolution: Leaders note the information provided, and direct that officials, in close consultation with the Bougainville Referendum Commission progress work to operationalise the referendum. It was agreed that the Commission will work to resolve the issue of voting options for Bougainvilleans living outside of PNG and that the date for the referendum will be formally set for 12 October of this year, with writs to be issued on 16 August 2019.

2. Referendum Security

The meeting was briefed on recent discussions with the Government of New Zealand on a proposed regional security support mission to assist Government of PNG law enforcement officials in maintaining law and order during the referendum.

It was agreed that the mission must be supportive of RPNGC and BPS efforts to maintain peace during the referendum period. Both the Prime Minister and President agreed that the process need not be over complicated, and that the aim should be to provide advice and guidance, rather than front line policing support.

The Terms of Reference prepared by the Working Group considering this matter was tabled and adopted

Resolution: Leaders endorse the Terms of Reference and direct officials to work with the Government of New Zealand to operationalise the security support mission.

3. Post Referendum Transition

The meeting was briefed on the work of the Post Referendum Transition Ministerial Taskforce, chaired by the National Government Minister Assisting the Prime Minister on Bougainville Affairs and the ABG Minister for Peace Agreement Implementation. It was noted that the Taskforce convened for the first time in January 2019, and that matters for consideration included scenario planning and scoping of options for managing the post referendum period so that the people of Papua New Guinea and Bougainville clearly understand the process to take place.

It was noted that the United Nations will continue to assist with this work, with a request to be made for a technical expert to assist with post referendum planning work.

A concept paper and draft workplan prepared by the Taskforce was tabled at the meeting. Leaders noted this work, adopted the Workplan and directed that officials progress work.
Resolution: Leaders endorse the Post Referendum Transition Workplan and direct that the Minister Assisting the Prime Minister and his counterpart the ABG Minister for Peace Agreement Implementation continue to lead work of the Post Referendum Ministerial Taskforce to put in place strategies for managing the complexities of the post referendum transition period and report back when JSB next meets.

4. Definition of Greater Autonomy

The meeting discussed the definition of "Greater Autonomy" and acknowledged the need for further work to take place regarding how greater autonomy should be defined.

It was agreed that the Post Referendum Ministerial Taskforce take the lead in this work with a view to undertaking a stocktake with respect to the nature and scope of current autonomy arrangements, with a further meeting to take place next week. This will enable a clear definition of greater autonomy to be formed.

Resolution: Leaders direct the Taskforce to undertake a stocktake of current autonomy arrangements and prepare a concept paper for review by the two Governments, by the end of March for consideration by Leaders.

5. Second Joint Review of Autonomy Arrangements

The meeting was briefed on the Second Joint Review of Autonomy Arrangements, noting that it is a specific requirement of the Bougainville Peace Agreement.

It was noted that the experts report contains some 37 recommendations for enhancing existing autonomy and improving good governance.

Leaders agreed that the report was comprehensive and noted work, supported by the United Nations in January, to bring together officials to review the recommendations in more detail.

It was agreed that further work is now required by officials to review the recommendations made and determine an implementation schedule, taking account of the view of each Government and capacity and resource constraints.

The meeting further agreed that the list of 37 Recommendations be presented to Leaders for their information, noting that further work will take place to formally address and implement those recommendations that are deemed to be appropriate and practical.

Resolution: Leaders note the recommendation of the Review and direct that officials progress the development of a detailed implementation plan to guide work related to each recommendation. Leaders particularly acknowledged the support of the United Nations in undertaking review.
6. Peace and Reconciliation

The meeting was updated on continued work to advance peace and reconciliation, both within the Autonomous Region and within Papua New Guinea and beyond. Leaders acknowledged this work, recognising continued support from the United Nations and other partners.

Leaders agreed that the issue of national reconciliation remained an important one and that this would involve a range of stakeholders. It was agreed that work proceed with a view to holding a national reconciliation ceremony ahead of the referendum taking place.

Resolution: Leaders note the report provided and, recognising the continued importance of peace and reconciliation, direct that officials continue with peace and reconciliation efforts, with a particular focus on advancing national reconciliation ahead of the referendum.

7. Weapons Disposal

Leaders noted the update report provided and the continued work that has been taking place to progress weapons disposal initiatives.

The work of the Joint Weapons Disposal Secretariat, which comprises officials of both Governments, was acknowledged.

Leaders recognised and acknowledged the inclusion, for the first time, of the Meekamui faction in the peace process.

It was noted that funding of K1.5 million will be made available to assist continued work.

Resolution: Leaders note the report and acknowledge the inclusion of the Meekamui faction in continued work. Leaders direct that officials continue with work to progress weapons disposal ahead of the referendum, with a particular focus on the rapid verification and validation of work undertaken to date.

8. Internal Revenue Arrangements

The meeting was briefed on current revenue sharing arrangements.

Leaders noted that the ABG continues to receive 100% of Bougainville income tax receipts and 30% of GST receipts, consistent with the clear provisions of the Constitution and the Organic Law. These funds are remitted to the ABG on a monthly basis. The remaining 70% of GST receipts is held in trust (around K18 million in 2018) and will be transferred to the ABG when the Region attains fiscal self-reliance.
Leaders noted that in accordance with Constitutional and legal arrangements, the 70% of GST and associated revenues (customs duty, companies tax) should be allocated against the recurrent grant provided to the ABG, until such time as those remittances consistently and sustainably exceed the cost of the recurrent grant.

Nevertheless, Leaders noted the fact that funds held in Trust could provide an opportunity to offset existing ABG funding constraints, subject to Constitutional issues being addressed, with the general view that these funds would be better utilised to enhance service delivery and economic development in the Region. It was agreed that in broader terms, both Governments should continue to examine ways to enhance revenue collection.

Resolution: Leaders note the update provided and direct that officials prepare options to enable the ABG to legally utilise funds held in trust, to advance the economic development of Bougainville.

9. Fisheries

National Government Minister for Fisheries briefed the meeting on work taking place to build fisheries capacity within the ABG, and to address the revenue sharing provisions of the Bougainville Peace Agreement. The Minister noted that K15 million was provided to the ABG in 2018 when an MoU to enhance fisheries work was signed.

ABG Minister for Treasury and Finance noted that fisheries revenue sharing arrangements are clearly stated in the Bougainville Peace Agreement, the Constitution and the Organic Law and that it was important that both Governments recognise this. He noted that the K15 million provided in 2018 represented funding that should have been provided between 2014 and 2016, meaning that K10 million remains outstanding for the years 2018 and 2019. The Minister acknowledged the continued work of the NFA and committed to continued cooperation. With regards to the broader formula, the Minister asked that it reflect both fishing days and the catch within Bougainville waters.

Leaders noted current delimitation work of maritime boundaries that is taking place at a national level, noting that this work could guide consideration of possible revenue sharing arrangements for the ABG in the longer term.

Resolution: Leaders note the report and update provided, commend the work of the NFA and the ABG, direct that work continue to map maritime boundaries at the national level, and agree that outstanding funds of K15 million be paid, subject to a review of costs incurred to date.

10. Drawdown of Powers

The meeting was updated on work to progress the drawdown of powers to the ABG. It was noted that there has been limited progress in the past 12 months and that there was a need to take stock of drawdown work undertaken to date with a view to determining the priority and timetable for future drawdown work. The proposed audit
of work is expected to be concluded in 2019, with further work to progress drawdown to take place in 2020.

Leaders noted the update provided and agreed that continued work to progress the drawdown of powers proceed.

Resolution: Leaders note the update provided, acknowledge the lack of work to progress further drawdown of powers and direct that an audit of current powers that have been drawn down be undertaken with a view to developing a comprehensive workplan for 2020 and beyond.

11. Restoration and Development Grant

Leaders noted the compromise RDG agreement, agreed to at the December 2017 meeting of the JSB. In that resolution, a compromise agreement was reached whereby RDG arrears would be funded by:

- The National Government would allocate K302 million to high impact projects;
- The National Government would allocate K100 million for the Buka Ring Road; and
- That a sum of K35 million would be provided to settle legacy projects contracted under the Special Intervention Fund (SIF).

ABG Minister for Treasury and Finance noted that for 2018, only K7 million of the K15 million RDG appropriation was paid.

The meeting was briefed on current National Government Projects in Bougainville valued at K376 million (Keita to Toimanapu and Toimanapu to Kangu Wharf roads). It was agreed that this work should continue.

It was agreed that officials would continue to engage on arrangements for the Buka Ring Road, consistent with the 2017 agreement.

On the matter of the RDG formula to apply in future years, it was noted that work to resolve this matter has not progressed. Leaders agreed that it would therefore be appropriate to appoint an independent expert, funded by the UNDP, to provide a view on the formula that should apply.

On the matter of the 2019 appropriation, it was agreed that as soon as the formula has been agreed, that the National Government would make available funds.

Resolution: Leaders:

- Note National Government projects currently in train;
- Agree that the value of these projects offsets the K302 million arrears agreed to when leaders met in December 2017;
- Agree that further discussions take place on the funding of the Buka Ring Road;
- Agree to seek the support of the United Nations to engage an Independent Expert to provide definitive advice on the formula that should apply; and
• Agree that officials continue to engage on the RDG 2019 appropriation, subject to the independent advice on the formula.

12. Setting the Referendum Date

Leaders noted the advice of the BRC with respect to issues and challenges associated with operationalising the referendum.

Resolution: Leaders confirmed the date of 12 October 2019 for the conduct of the referendum.

13. Development Partner Support

Leaders noted the report provided, acknowledging the more than K570 million provided to Bougainville by Partners over the past three years. It was agreed that work be undertaken to (a) enhance visibility of donor support in Bougainville, and (b) ensure that funding support aligns to the mutual objectives and development aspirations of the two Governments.

Leaders also noted that an additional amount of around K160 million in DSIP and PSIP has been paid to Bougainville in the past three years.

It was agreed that both Governments need to have full visibility of all funding sources so that development support can be clearly aligned and coordinated in the future.

Resolution: Leaders note the update provided and direct that work be undertaken to (a) enhance visibility of donor support in Bougainville, and (b) ensure that all funding support aligns to the mutual objectives and development aspirations of the two Governments.

14. Constitutionality of Independence and Greater Autonomy

The Prime Minister acknowledged the President’s opening remarks. He assured the President that the National Government will honour all aspects of the Peace Agreement.

Leaders agreed that the focus must now be on the successful completion of the referendum, after which, the two Governments can discuss future arrangements.

President Momis thanked the Prime Minister for his assurances. He indicated that both governments must allow the referendum to take its full course, so that the best interests of Bougainville can prevail.

It was agreed that with respect to the constitutionality of independence, that this is a matter that should be considered in the post-referendum context.

Resolution: Leaders agree to work together on the conduct of the referendum, recognising that after the referendum concludes, that further discussions will take place regarding Bougainville’s long term political future.
Concluding Remarks

In closing, Leaders acknowledged the work undertaken to date.

They agreed that work must continue at pace, and that all available resources must be applied to ensure the full implementation of the Bougainville Peace Agreement.

It was agreed that Leaders would meet again on 6 August 2019, ahead of the writs for the Referendum being issued.

Hon. Peter O’Neill, CMG MP
Prime Minister of
Papua New Guinea

Hon. Grand Chief John Momis, CGL MHR
President of the
Autonomous Region of Bougainville