



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

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Having met at the Sir Manasupe Haus in Port Moresby on May 20<sup>th</sup> 2016, the Joint Supervisory Body hereby endorses the following as the true records and resolutions of the meeting;

- Welcome Remarks,

The Co-Chairmen welcomed Ministers, Departmental Heads, Technical Officials from both Governments and International Donor representatives to the meeting and acknowledged the continued collaborative spirit of both governments to upholding implementation of the BPA.

The JSB notes that the following are the true records and resolutions of the meeting;

## 1. REFERENDUM (JBRC)

The JSB endorsed,

- 1.1 The collaborative efforts of the joint committee in implementing the resolutions of the JBRC made on 5<sup>th</sup> December 2015 Kokopo and further developed at the 19<sup>th</sup> – 20<sup>th</sup> April 2016 Special Extra-Ordinary Referendum Committee meeting at Lamana which resulted in the establishment of a Joint Bougainville Referendum Work Plan.
- 1.2 The content of the Joint Briefing Pack which incorporates activities led by PNG Electoral Commission and the Office of Bougainville Electoral Commissioner together with other referendum activities led by National Coordination Office of Bougainville Affairs and the ABG Department of Referendum, Veterans' Affairs and Peace.
- 1.3 The recommendations contained in the Joint Briefing Pack and endorsed the proposed date of 15<sup>th</sup> June, 2019 to be the target date for the purposes of planning for the Referendum.

## 2. RESTORATION DEVELOPMENT GRANT (RDG)

The JSB accepted the resolutions of the JTT specifically for the *National Government to honour its commitment to pay as per the 2014 JSB Resolution Number 8;*

- (i) that the National Government will make payment of K30 million beginning in 2015 and that an amount of K96.6 million that was supposed to be paid over three years must now be adjusted to cater for any additional outstanding RDG payments up to 2016; and
- (ii) that whilst this payment is made, both the ABG and the National Government will seek an Independent interpretation of the RDG Formula and calculations going forward.
- (iii) The JSB further recommended that both the Chief Secretary to the National Government & the Chief Secretary to the Autonomous Bougainville Government to organise to have the resolutions of the JTT honoured. If the ABG or the National Government does not accept the independent interpretation they are free to seek interpretation from the Supreme Court to address the issue once and for all and the results of the Supreme Court interpretation will be accepted by both Parties.

### **3. SPECIAL INTERVENTION FUND (SIF)**

The Special Intervention Fund is a special conditional grant that was approved by the National Government to fund major development and infrastructure projects in the Autonomous Region of Bougainville. The SIF is governed by a specific finance instruction and specific management guidelines agreed by the two governments through the JSB that spells out how the ABG and the National Government should implement the projects.

*The JSB meeting endorses that a technical team of officers from relevant agencies shall review progress and recent developments in the SIF, and advise the JSB on:*

1. *What SIF projects are in place, and what funding or other support is needed to complete them;*
2. *Review the overall SIF program and identify what projects have been completed, the stage reach by each uncompleted project, and all related matters, recognising that all projects so far approved are directed to benefit the people of Bougainville;*
3. *That all current SIF projects approved by the JSB be completed before any future commitments is considered.*
4. *For the PNG government is to arrange financing and propose for development partners funding assistance for the outstanding SIF contracts of over Four Hundred Million Kina (K400m).*
5. *That funding for Agriculture programmes be included as part of SIF in future.*

#### **4. RECENT COST OF SERVICE DELIVERY**

The JSB took note of the two assessment reviews by NEFC and endorsed that the findings and assessments be applied to the ABG Recurrent unconditional grants: arrears and future payments, so as to correct the current under payments experienced by the ABG under this grant.

#### **5. ABG REVENUE GENERATION.**

The JSB notes that the internal revenue capacity of the ABG is very small and inadequate to support the ABG to deliver government services to its people and also, fund government institutions under its annual budget. Thus it is vital that the ABG through its relevant agencies initiate economic development initiatives to enable it to raise its internal revenue.

*The JSB endorsed that;*

- a) The national government provide the necessary support through its relevant agencies to the Autonomous Bougainville Government to implement its economic development initiatives;*
- b) That the National Government endorses the current ABG economic development initiatives and agrees to support their implementation and that of any future initiatives that the ABG identifies and agrees to engage in.*
- c) That National Government agencies including State Owned Enterprises (SOEs) are fully operational in Bougainville and are able to support the implementation of ABG's revenue generation initiatives.*

#### **6. OVERARCHING MOU ON THE DRAW DOWN OF POWERS & FUNCTIONS**

**The JSB notes that the** Bougainville Peace Agreement and Papua New Guinea's Constitutional laws commit the National Government and the ABG to working together to build special autonomy arrangements in Bougainville. The two principal aims of autonomy, as stated in Clause 1 of the Bougainville Peace Agreement, are to:

- (a) Empower Bougainvilleans to solve their own problems, manage their own affairs and work to realise their aspirations within the framework of the Papua New Guinea Constitution and**
- (b) Provide sufficient personnel and financial resources for the autonomous Bougainville Government to exercise its powers and functions effectively.**

The JSB further noted that in 2015, the JSB agreed for a new overarching mechanism to be developed and the Department of Personnel Management to take lead in consultation with ABG and the National Coordination Office of Bougainville Affairs to ensure that all powers and functions required for transfer by the ABG and the relevant National Agencies and Departments from which the transfers will be exercised are identified and directed to proactively participated in the transfer of those identified powers and function.

The JSB noted that an overarching MOU to this effect has been drafted jointly by relevant agencies and endorsed the leaders to sign it, subject only to later endorsement by NEC and BEC.

## 7. ANY OTHER BUSINESS (AOB)

### i) Second Autonomy Review

The JSB endorses the second autonomy review to be carried out and approved the development of the TOR, identifying the independent agency to facilitate the process.

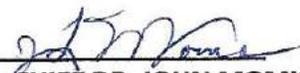
The JSB further endorses that a joint technical committee should develop Terms of Reference for the second autonomy review and the appropriate independent experts to undertake the review, and make recommendations to the two governments, as a matter of urgency.

#### The JSB;

- *reaffirms* commitment to the implementation of all aspects of the provisions of the National Constitution and the Bougainville Peace Agreement,
- *directed* for the Joint Technical Committee in particular the National Fisheries Authority and the counterparts Departments of Primary Industry, Finance and Treasury and Planning to address the issue of benefit sharing of the Fisheries financial benefits.
- *endorsed* the Joint Technical Committee in particular the counterpart Departments of Finance and Treasury to reconcile with both government's Finance Management Acts.
- *endorsed* for the permanent appointment of National Government representatives to the Bougainville Senior Appointments Committee.
- *endorsed* the strengthening of the Bougainville Police Service and
- *endorsed* the participation of the Autonomous Region of Bougainville in foreign related activities, and the President provided a booklet of papers setting out the ABG's concerns, which were referred to the JSB for consideration and reporting back to JSB.

Signed on this day, 20<sup>th</sup> May 2016 as the true records and resolutions of the Joint Supervisory Body.

  
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Hon. PETER O'NEILL, CMG, MP  
PRIME MINISTER  
Papua New Guinea

  
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HON. CHIEF DR. JOHN MOMIS, GCL, MHR  
PRESIDENT  
Autonomous Region of Bougainville