

PROTECTING BOUGAINVILLE FROM EXPLOITATION

A paid advertisement in the National on 17th April, 2013, under the names of Mathias Salas and Joe Watawi, repeats completely wrong claims previously made by them, and by other spokesmen for a Canadian Company. The Company is seeking control of mining exploration and development in large parts of Bougainville. Similar efforts were made when promoting Invincible Resources Inc.

I will comment briefly on the main wrong claims the Bougainville Constitution and the ABG's draft Mining Act, which are that:

- Then draft doesn't recognize customary mineral ownership rights.
- Section 23 of the Bougainville Constitution means that only customary landowners have any mineral rights.
- As a result, only landowners can decide who does mining exploration and development on their land.
- The draft law takes away any landowner rights to object to mining.

These claims reject role for the ABG to look after the interests of all Bougainvilleans.

The advertisement also wrongly claims that the draft Mining Act is being imposed on the ABG by just two people – me (as President), and an ABG constitutional adviser.

Ownership of Minerals, and the Bougainville Constitution

The draft ABG law DOES recognize customary ownership of minerals by landowners. As far as we know, this is the first mining law in the world to give such strong recognition to customary ownership of virtually all minerals. The only exception in Bougainville will be minerals in freehold or state land, where the ABG will own the minerals.

The ABG will jointly own minerals with the landowners. The reason for this has been clearly stated by Panguna mine lease landowners in many public meetings: yumi wasim long blut. In other words, our customer recognizes that all Bougainvilleans have rights over all minerals.

Section 23 of the Constitution is a guiding principle, not enforceable in a court. But the ABG is following that guidance and will recognize customary ownership of minerals.

Landowners and the ABG Decide Together

If only landowners can decide on mining exploration and development, there will be many bad and divisive outcomes for Bougainville.

First, only owners of land will get rich from mineral development. People in the large areas without minerals will receive nothing. Inequality amongst Bougainvilleans was a big part of the problems caused by BCL. Those problems will be for worse if the company gets what it wants. Much increased inequality would create a major risk of renewed internal conflict.

Second, one foreign company and its supporters could control mineral development and get very rich. This is because Sempile and Morumbi have signed MOUs with small and unrepresentative groups covering large parts of Bougainville, give exclusive exploration and development rights to Morumbi subsidiary companies. They claim these unrepresentative groups can give away the rights of the people. But Bougainville cannot allow this.

Third, if landowners are free to allow exploration and development without ABG control, there would be no limit on the number of mines in Bougainville. That would mean to control over environmental and impacts. All of our resources could be used up in one of two generations, leaving nothing for future generations. With large numbers of mines, there would be no way we could ensure that the mine workers would be mainly Bougainvilleans. We would again have many thousands of outsiders in Bougainville.

What the ABG proposes is that the people's government – the ABG – manage decisions on mining in ways that balance and protect the interests of all Bougainvilleans, including present and future generations.

Landowner Rights Over Mining

The draft ABG law gives customary landowners many important rights far more than under any mining law that we know of anywhere in the world. They will include rights to:

- Veto any exploration licence.
- Deep involvement in negotiations about any development project.
- Object to grant of mining leases of development, in which case there must be serious re-consideration by ABG and the proposed developer, and mediation, before the ABG has final power to decide whether to grant a lease;
- Shares in development revenues, and employment and economic opportunities.
- Land rents and compensation.

No Role for the Bougainville People's Government

The Morumbi advertisement rejects any role for the ABG in managing Bougainville's resources. But the ABG is the true Government of the people of Bougainville. It is a vital part of what we Bougainvilleans together fought for and won in the Bougainville Peace Agreement. It is our government, intended to try to understand and meet our special needs, and to fight for our rights.

Morumbi is doing illegal exploration. Its subsidiaries sign MOUs without authority from the ABG. There is no accountability for what it does. It shows no respect for the authority of the people's government.

We cannot allow this foreign company to take over our resources, and push our Government to one side.

The ABG and Accountability

Morumbi and its supports want the ABG to have no role in looking after the interests of all Bougainvilleans. Yet we have already seen what happens if foreign companies are not kept accountable. Small minorities get the benefits, and are not accountable.

In 2006, Invincible paid K20 million to the first ABG, for a Capacity Building Trust Account under an agreement saying repayment with interests would occur when large-scale mining occurs. Of the amount K5 million was allocated to the benefit of ex-combatants at a time when Sam Kauona was CEO of the Veterans Division. I believe that the K20 million was gone before I took over as President in 2010. I want accountability for that money.

Under the BRDC arrangements approved under the first ABG, shareholding in BRDC was announced to be:

- Invincible Resources Corporation, 70 per cent.
- The ABG, through a company called AROBE Equities Ltd, 15 per cent,
- Bogenvil Veterans Holdings Ltd (a company described as involving pioneer politicians and private sector), 6 per cent.

No-one ever told us who the shareholders were of Veterans Holdings or Bogenvil Pioneers Corporation. I call for public disclosure.

Morumbi subsidiaries have signed MOUs with several 'landowner companies' including:

- Isapa Resources Ltd, covering 33 420 hectares.
- Avasipa Resources Ltd, covering 22 000 hectares.
- Baupana Resources Ltd, covering 18,000 hectares
- A Pakasipan Landowner Company, covering 15,000 hectares.
- Eruupia Resources Holdings Ltd, covering 8,000 hectares
- Karato Resources Holdings Ltd, covering 14,000 hectares

Who are the shareholders of these companies? Who amongst the thousands of landowners of the areas in question approved these MOUs giving Morumbi subsidiaries exclusive rights in these areas? How can such MOUs be signed without approval of the ABG, as the people's government.

I call for accountability to the people's government by Salas, Watawi, Kauona, Morumbi Invincible, and BRDC, and all the other companies mentioned.

I also ask Mr Watawi and Mr Salas to be accountable for their attacks on the a ABG – the Bougainville people's Government – by disclosing exactly who has paid the K5000 for each full page advertisement attacking the ABG mining policy. Has the money come from Morumbi?

Imposing the Law on Us

The draft law has NOT been imposed on the ABG or on Bougainville.

Many in the ABG have worked hard over the past nine months developing the draft Mining Act. This has included:

- Many discussions in Cabinet, and support for the draft Act by the Ministers
- Extensive work by many officers in the Bougainville Administration.
- Involvement of several advisers.

We have also consulted senior Bougainvilleans with wide expertise in the mining industry, as well several international experts. We briefed the Bougainville House of Representatives on the draft law in March, and called for public debate on the draft law.

All of this is very different from what happened when Salas and Watawi were Ministers and the first ABG adopted the BRDC Agreement and the BRDC (Kabul Model) Authorization Act 2008. These legal documents gave Canadian company Invincible Resource Inc. a monopoly over mining exploration and development for most of Bougainville. The Documents were developed by Canadian lawyers, not the Bougainville Administration. The Administration was not even consulted before the documents were adopted.

Under my leadership, the ABG is committed to inclusive and consultative processes in developing its policies and laws.

Respecting Bougainville Culture

Whoever wrote the Morumbi advertisement had no respect of Bougainville culture. The advertisement discussed the name and the grave of the late Bougainville President that was offensive to his clan members and relatives, and to all Bougainvilleans.

I can on Mr Salas, Mr Watawi, Mr Sempile and Morumbi to apologise to the late President's family and clan.

I assure all Bougainvilleans that I stand by the people's wishes. The blood spilt by our people over Bougainville's future and its resources will not have been spilt in vain.

Call for Public Debate

The future of mining in Bougainville is an issue of the greatest importance to all Bougainvilleans. Let's stop the debate through paid advertisements. Instead, I call for a public debate. I challenge Watawi, or Salas, or Kauona, or Sempile – any or all of the supporters of Morumbi to take part in a publicly broadcast debate with me on the future of mining. Morumbi's proposals, and the draft ABG Mining Act.

Chief Dr John L. Momis
President, Autonomous Region of Bougainville
18 April, 2013