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Editorial

THINGS LOOKING GOOD FOR LIQUEFIED NATURAL GAS PROJECT

PNG Post-Courier

PORT MORESBY, Papua New Guinea (June 23, 2009) – It looks like full steam ahead for the multi-billion-kina Liquefied Natural Gas project for Papua New Guinea!

True, the developers and major shareholders, Exxon-Mobil, are reserving the right to make a final commitment by the end of this year.

But the signals emerging from the camp yesterday were strongly positive.

The project, which promises to vault our nation’s economy to a new level, has been waiting for commitments from major buyers.

The announcements yesterday from ExxonMobil and the major PNG interest, Oil Search Ltd, were relatively glowing in their words of reaching "alignment on commercial terms’’ with three major LNG customers.

Coupled with that was the statement that a fourth potential customer was waiting for its government’s approval of key commercial terms for a long-term purchase of LNG. This would cover the remaining production capacity for the project.

Any more commitments would launch the project into an extra "train’’ of production and more billions for the shareholders.

Now, the hard slog begins anew for the project managers as they turn the "reaching alignment’’ into binding sales deals.

Of course there can be many a slip between the two stages and hard-nosed buyers will know that they have some bargaining power with other LNG producers coming on line soon, including big operators in Australia. Having said that, it looks as if the venture partners are doing their work solidly. All in all, the signs are excellent. As with all PNG resource projects, however, there can be no bubbling over of confidence at this stage. Between the savvy purchasers and our turbulent landowner dealings, there can be ups and downs.

The Kokopo talks, ending in some form of agreement, will need to be followed up with more substantive talks to lock in all local participants if the nation is to derive the full benefits possible.

Landowners must be both encouraged and cautioned.

Many are the stories of the millions wasted by landowners of previous oil projects and, with some of those wells running low, there is not much to show for some of the ventures.

Have we learned the vital lessons, we ask?

Papua New Guinea Post-Courier: www.postcourier.com.pg/

PNG GAS DEVELOPER HAS SUFFICIENT CUSTOMERS
ExxonMobil to sell 4.3 million tones per year

MELBOURNE, Australia (Radio Australia, June 22, 2009) – Operators of the huge Exxon Mobil-Oil Search Liquid Natural Gas Project in Papua New Guinea say they've secured customers for all the output of the planned processing plant near Port Moresby.

The project has agreed on commercial terms with three major new Asian buyers who will take 4.3 million tonnes of gas a year.

Oil Search Managing Director, Peter Botton, says with an earlier commitment from another Asian company to take 2 million tonnes, the project now has agreements covering all its output.

"Securing the customer base is a massive step forward for the project and frankly I think this project has a very, very high probability of getting across the line now," he said.

If the project goes ahead it will triple PNG's Gross Domestic Product.

Mr. Botton says the final investment decision will be made late this year - first exports are expected late 2013 or early 2014.

Radio Australia: www.abc.net.au/ra

PNG'S CENTRAL PROVINCE LOSES BID TO STOP MINE
National government extends lease without provincial consent

PORT MORESBY, Papua New Guinea (The National, June 21, 2009) – The Supreme Court has dismissed an attempt by the Central provincial government to stop operations at Tolukuma mine.

The company operating the mine had asked for, and had been granted, a mining lease extension by then mining minister Sam Akoitai.

The Central provincial government did not agree with the Akoitai decision.

Claiming it should have been consulted before the extension was granted, the Central provincial government filed a court action to nullify the lease extension.

Tolukuma Gold Mine Ltd, in turn, filed proceedings to dismiss the provincial government's action.

A judge in the National Court refused.

Tolukuma Gold Mine then appealed this decision to the Supreme Court.

After hearing arguments from both sides, the Supreme Court dismissed the proceedings filed by the Central provincial government for abuse of court process.

A three-man bench, comprising Justices Bernard Sakora, George Manuhu and Derek Hartshorn, ruled last Monday that the Minister for Mining was not required to consult the provincial government over the extension of the lease.

The court upheld the extension.

Section 46 of the Mining Act gives the Mining Minister the right to extend a mining lease for up to 10 years after an existing lease expires.

The court ruled that because it was an extension of an existing lease, the minister did not have to consult the host provincial government, in this case, Central.

The Central provincial government, under Governor Alphonse Moroi, has waged a war with the operators of the mine.

The government has accused the operators of dumping toxic wastes into the river system, killing marine life and affecting the lives of people who depend on the river system for their livelihood.

The previous operator recently sold the mine to Petromin Ltd, a State-owned company that is planning to expand exploration programmes in the area.

The Central provincial government has been ordered to pay costs of the Supreme Court.

The National: www.thenational.com.pg/

FIJI GOLD MINE HAS NEW MAJORITY SHAREHOLDER
Canadian Zinc to revitalize Vatukoula Gold Mines

WELLINGTON, New Zealand (Radio New Zealand International, June 17, 2009) – The Vatukoula Gold Mines in Fiji has announced Canadian Zinc as its new major shareholder as it looks at restoring the mine to historic production levels.

Vatukoula Gold Mines chief executive, Dave Paxton, told the Fiji Times that are were looking forward to a productive period ahead.

He said they are considering the possibility of a dual listing in North America which they believe would add value to the company.

Paxton, who recently visited Fiji, said Fiji's interim Government had continued to be supportive of the company and its efforts.

He said members of the interim Government visited the mine to discuss the mines progress to date.

He said onsite operation was progressing as expected.

Paxton said the mine had increased its pumping capacity, the generating had been increased which had provided standby capacity, albeit at current production levels.

He said the company has also ordered for eight refurbished underground units including four trucks and four loaders.

Radio New Zealand International: www.rnzi.com

TONGA'S SEABED A WEALTH OF VALUABLE MINERALS
Nautilus Minerals hopes to develop undersea resources

MELBOURNE, Australia (Radio Australia, June 16, 2009) – High concentrations of gold, silver, copper and zinc have been found in seafloor mineral deposits in Tonga.

The results were announced on Toronto Stock Exchange by Nautilus Minerals.

Nautilus minerals has exploration licences in a number of Pacific countries and hopes to become the first company in the world to commercially mine seafloor minerals.

The results from the first phase of Nautilus's 2009 exploration program in Tonga show 34 grams per tonne of gold and 185 grams per tonne of silver.

Nautilus CEO Steve Rogers say the results are consistent with those from its exploration areas in Papua New Guinea.

Late last year Nautilus was forced to delay its plans for mining in PNG.

Mr. Rogers says after a period of consolidation the company now looking for a mining vessel and plans to begin production in PNG by the end of 2011.

Radio Australia: www.abc.net.au/ra

PNG FOREIGN MINISTER INVITES DIPLOMATS TO VISIT MINE
Says police have nothing to hide around Porgera

PORT MORESBY, Papua New Guinea (The National, June 11, 2009) – Australia's High Commissioner to Papua New Guinea and other diplomats were welcome to visit the mine site that is subject to accusations of murder, destruction of locals' homes and other violence, Foreign Minister Sam Abal said yesterday.

Speaking in Brisbane, Abal said there were law and order problems at Barrick Gold's Porgera Valley mine and the Papua New Guinean Government had nothing to hide.

"I come from that area so I know the facts of the situation," Abal said.

Activists said local villagers had a list of dozens of people killed or assaulted by police and security forces during a law and order crackdown.

Abal said people should not be living on the Special Mining Lease granted in 1989.

While hundreds of locals lived within the lease area 20 years ago, many more had subsequently come to live there, including criminal elements.

"It is not so convenient when a large world-class mining company wants to dig gold out and there are people everywhere," Abal pointed out.

He said some people even risked their lives to search for gold.

"The landowners, the actual landowners of the place, together with the local administration, and with the local MP of that area, requested the National Government to do something about the situation.

"Therefore, Cabinet decided, after assessing the situation, that because there was some arms build-up around the area, police action had to be taken immediately before anything seriously dangerous came up," he said.

Abal said people within the lease area were given "about a month to move out".

He also clarified that sheds were destroyed and not houses as alleged by the group MiningWatch Canada.

Barrick Gold is a Canadian company with its regional headquarters in Perth.

Questioned about human rights abuse, Abal said: "They should visit the Porgera mine for themselves".

"I have also asked the mine to invite all the ambassadors, including the Australian High Commissioner, to come and see for themselves what has happened," he added.

Australian foreign minister Stephen Smith said the allegations concerning the mine were a matter for Papua New Guinea.

He said the High Commissioner could visit the mine if he chose to do so.

"It would not surprise me if (the invitation) was taken up by our high commissioner.

"That is a good thing too," Mr. Smith said.

The National: www.thenational.com.pg/

PNG GOVERNMENT DEFENDS PORGERA MINE CRACKDOWN
Police stopping thefts, not razing homes

MELBOURNE, Australia (Radio Australia, June 10, 2009) – The government of Papua New Guinea has defended a police crackdown in a village at the site of a foreign-owned mine.

Human rights groups have raised concerns that villagers in the Porgera valley were killed and their homes razed by police or security officers earlier this year.

But the government says police were brought in to stop thefts from the mine.

It says there has been a history of trouble in the area.

PNG Foreign Minister Sam Abal says no homes were razed and police only dealt with issues of theft.

Month's warning

"A month of warning was given and police were in presence within the mine area for about a month or so," the minister said.

"And then later on they took action to get rid of the people who, according to police intelligence, were involved in the stealing (from) the gold mine there," he said.

Mr. Abal says the government has nothing to hide.

"This is something we've done in order to sort a law and order situation out by the request of the local government and the police," he said.

"I think the high commissioners, ambassadors, representatives from other countries, including human rights and other people, they can go and see for themselves what has happened.

"I don't think our government wants to hide anything. We're trying to solve a law and order problem."

Radio Australia: www.abc.net.au/ra

PNG MINE LANDOWNERS GO INTERNATIONAL WITH COMPLAINTS
Porgera mine owners address UN, Barrick Gold shareholders

PORT MORESBY, Papua New Guinea (The National, June 9, 2009) – Landowners from the Porgera gold mine area in Enga province are pursuing their fight against Barrick Gold Ltd at the United Nations in New York and the Canada headquarters of the global mining giant.

According to a report in online publication Workers World (www.workers.org) published on Saturday, Jethro Tulin, a representative of the Ipili people from the Porgera mine area, addressed the United Nations Permanent Forum on Indigenous Issues in New York on May 18-19.

Mr. Tulin, founder of the Akali Tange Association, which represents around 10,000 Ipili landowners, also travelled to Toronto, Canada, on April 29 to tell shareholders at Barrick Gold’s annual general meeting about the alleged ongoing human rights abuses in Porgera.

Tulin’s visit to Canada to attend Barrick’s AGM coincided with the start of the state of emergency ‘Operation Ipili’ in Porgera, during which several houses belonging to "illegal miners" were allegedly burnt down by police.

Tulin told the UN forum and the Barrick AGM that the gold mine had destroyed his people's ancient subsistence farming community and brought nothing worthwhile in return, Workers World reported.

"We have had contact with the rest of the world for only the last 70 years," Tulin told Workers World.

"Our organisation is demanding a fair relocation process for the (displaced) residents. We want Barrick to repair the damage to the environment. We want reparations to compensate for those who have been killed or injured by the mine's security force.

"According to the (mining) agreement and by international law, the mining company is responsible for the costs of voluntarily resettling the people. Instead, the mine management allowed the people to stay on the land in the open-pit mine area. The waste tailings from the gold mine, dumped directly into the water from the mill, have ruined the farming in the area and made much of the population unable to survive on farming alone.

"Adding to the impoverishment," Tulin said, "Barrick uses force to stop the local people from finding small amounts of gold, as they did before the mine was built.

"Barrick's security force, recruited from outside the district, has shot and killed people who, the cops say, are 'stealing' Barrick's gold when they scoop up the ore on the edges of the pits – it's no longer possible to pan the polluted river.

"The company says that its lease means the locals are 'trespassing' and the mine 'owns' the gold …"

Amnesty International, in a report criticising Barrick, points out that last year, Barrick mined 627,000 ounces of gold at Porgera, which that year was worth more than US$500,000 (K1.5 billion). Since limestone, water and gas for electricity are all nearby, production costs are low at the mine, and the profits leave more than enough to buy influence in any country, Workers World reported.

Addressing the Barrick AGM, Tulin, holding a proxy that gave him a voice, presented a series of demands to Barrick Gold, which owns 27 mines and development projects in Canada, the US, Chile, South Africa, Australia,

Peru and Russia.

Tulin told Barrick's management: "The toxic waste you continue to dump into our 800km-long river system – which would be illegal in Canada – has caused the Norwegian government to divest its pension fund from more than US$230 million (K565 million) worth of shares in Barrick Gold and to report that its decision was based on its 'assessment that investing in the company entails an unacceptable risk of the fund contributing to serious environmental damage'.

"Now, under the influence of your company," Tulin told the AGM, "the Papua New Guinea Government has imposed a virtual state of emergency in Porgera. When I came to Canada last week, I received reports from Porgera that landowners who have spoken out against your mine are now being targeted. This week, and while I am standing here before you, their houses are being burnt down and they are fleeing for fear of their life," he told the company officials.

"The Government's priority should be to protect the interest of the people, but instead, it is protecting the interest of those who come in with money and who are destroying the traditional way of life. We are getting no benefit from development," Tulin told Workers World.

* This report is available online at (http://www.workers.org/2009/world/papua_new_guinea_0611/).

The National: www.thenational.com.pg/

EXXONMOBIL SAY GAS DEMAND TO REMAIN HIGH
Says PNG Liquefied Natural Gas project timed well

PORT MORESBY, Papua New Guinea (PNG Post-Courier, June 5, 2009) – Oil and gas giant ExxonMobil Corporation says that global demand for liquefied natural gas (LNG) will continue to grow, particularly in the Asia-Pacific region.

In dismissing claims that LNG demand is expected to fall in the near term, ExxonMobil — which is leading a joint venture to develop the PNG LNG Project — reiterated that annual LNG demand would grow by 4 per cent to 400 million tonnes per annum (Mtpa) by 2030.

"Our assessment indicates that there continues to be strong growth in demand for LNG particularly in the Asia-Pacific region," a Port

Moresby-based spokesman for the global giant told the Post-Courier yesterday.

"The PNG LNG project is well placed to capture a share of this market," said Miles Shaw, public affairs manager for Esso Highlands, the ExxonMobil subsidiary and project operator.

Mr. Shaw added that the project remained on schedule and expected a final investment decision by the end of this year.

He said marketing activities continued as planned with targeted buyers in the Asia region.

Shaw's comments followed the awarding of two major early works contracts — well ahead of the final investment decision.

Esso Highlands yesterday announced that the PNG LNG project had awarded an upstream early works contract to Clough Curtain JV, a 65/35 joint venture between Clough Niugini Ltd and Curtain Brothers PNG Ltd.

The other contract was awarded to Eos JV, an unincorporated joint venture between WorleyParsons and Kellogg Brown & Root.

Shaw did not disclose the contract values saying it was "a matter of policy".

The Clough Curtain JV contract involves civil engineering, construction and site preparation work required to upgrade existing infrastructure and construct new facilities to enable full-scale construction to begin early next year.

Esso Highlands said the scope of work extended across a significant portion of the proposed upstream worksites, including Hides,

Kutubu, Gobe and Kopi on the Kikori River.

"It is another milestone for the PNG LNG project as we approach a project sanction and final investment decision," project executive

Ken Larson said in a statement.

"We are very pleased to have awarded this early works contract and look forward to working with the Clough Curtain JV as both companies have extensive experience in delivering infrastructure projects in PNG.

"This contract will integrate the use of local workers and sub-contractors and we believe lessons and experience gained with this initial contract will be useful when the project enters full construction," he said.

Esso Highlands said the Eos JV contract involved a range of services, including engineering, training, in-country support services and integrated project team services for construction and project management.

It said Eos JV would provide project and construction management services from sites in PNG and in Brisbane, Australia.

The Esso-operated PNG LNG project proposes to build a two-train 6.3Mtpa liquefaction plant near Port Moresby with gas sourced from various fields in the Highlands.

The K30 billion project is an integrated venture including gas processing facilities, pipelines and LNG plant facilities.

Joint venture participants include ExxonMobil (41.5 percent), Oil Search (34 percent), Santos (17.7 percent), Nippon Oil (5.4 percent), Mineral Resources

Development Company (1.2 percent) and Eda Oil (0.2 percent).

Participation will change when the State nominees join as equity participants at a later date.

Papua New Guinea Post-Courier: www.postcourier.com.pg/

RAMU NICKEL MINE BUILDS PIPELINE TOO CLOSE TO HIGHWAY
Environment threatened by vehicle accident

PORT MORESBY, Papua New Guinea (The National, June 3, 2009) – The Ramu nickel slurry pipeline’s proximity to the Madang Highway poses a threat to the environment in the event of a vehicle accident or natural disaster, says a leading Papua New Guinean ecologist.

"There is a lot to answer for in terms of why approval was given for the pipeline to be constructed along the highway," Professor Simon Saulei, the Forest Research Institute’s director, said.

Prof Saulei said he was concerned that the pipeline's features, the route and its construction disregarded the climate, geology, environment and the populace of the area.

The 135km pipeline will ferry slurry from the Kurumbukari mine site, along the existing route to the Basamuk refinery, located 52km southeast of Madang on the Rai Coast.

The project is expected to shift from construction into operations next year.

When operations commence, 3.2 million tonnes of ore per annum will be treated to produce 31,000 tonnes of nickel and 3,200 tonnes of cobalt.

Prof Saulei said he was concerned that the pipeline would not be able to withstand the impact of an earthquake, flooding or landslips, or an impact by a motor vehicle, thus putting the environment and people at risk when the slurry was exposed.

After travelling along the highway recently, he said he was concerned to see that the pipeline:

- Did not have proper foundations;
- Was constructed just metres above waterways;
- Cut through villages; and
- Was too close to the highway.

"These observations raise a number of concerns because the environment is important and I am concerned because the area is prone to flooding, landslips and seismic activity," he said.

Prof Saulei said prior to approval, a detailed environment management plan should have been disclosed to the public for debate and constructive criticism.

Two national engineers, who requested anonymity, also expressed concern and condemned the Government's decision to allow the pipeline to hug the highway as it disregarded road safety standards.

One of the engineers said: "The highway is not the mine's service road, it is a public highway. As such, commuters will not be aware of the dangers and safety issues involving the pipeline.

"In civil construction, structures should not be erected close to the road, this is to allow motorists to pull over during an emergency and so forth, this is logic and should have been applied," the other said.

"The pipeline should have been routed well away from human habitation and well away from the road, it is surely a concern," the engineers said.

In 2000, the Ramu NiCo (MCC) Ltd was issued a special mining lease and in July 2007, the Mineral Resources Authority approved the amended project development.

The Department of Environment and Conservation (DEC) gave the green light in December 2007, by issuing the environmental permit, thus permitting full scale construction to commence last year.

Attempts to get comments and obtain a copy of the environmental impact assessment from MCC and DEC were unsuccessful.

The DEC did not respond to e-mail and telephone messages, while the MCC in an e-mail yesterday asked to be given "the formal documents before information is provided".

The e-mail flies in the face of its resolve "to communicating environmental management approaches and actions" as indicated in the 2006-08 sustainability report posted on the company's website.

The report, however, said MCC was committed to the environment and had invested more than K7 million [US$2.7 million] in baseline surveys and had already conducted awareness workshops with more than 500 locals.

The National: www.thenational.com.pg/

PNG MUST PREPARE FOR OK TEDI MINE CLOSURE
Failure to adapt to lose of revenue 'catastrophic'

WELLINGTON, New Zealand (Radio New Zealand International, June 2, 2009) – The owners of the Ok Tedi mine in Papua New Guinea say the country needs to plan for the 2013 closure of the infamous mine or the country could face another "human catastrophe".

Ok Tedi's huge environmental problems in the late 1990s prompted BHP Billiton to divest its 52 per cent shareholding to the PNG Sustainable Development Program in 2002.

PNG SDP provides services and funds for the country's severely affected Western Province, and other parts of PNG, out of the lucrative mine's gold and copper profits.

Launching the group's 2008 annual report in Port Moresby on Tuesday, PNG SDP chairman Ross Garnaut outlined the urgent need to prepare for the mine's closure.

Mr Garnault says in the absence of the long term fund that supports development after the mine's closure, one could expect a collapse of services in the North Fly region where the Ok Tedi mine is.

He says that would be a tragedy.

Radio New Zealand International: www.rnzi.com

The wealth must be shifted from the government to the hands of the individual — the resource owners. The wealth of our nation must be in hands of our people...

Land ownership in our hands **Post-Courier 1.6.09**

By HENZY YAKHAM

FORMER Prime Minister and New Ireland Governor Sir Julius Chan last week introduced a motion in Parliament seeking comprehensive review of the Mining Act 1992 - to transfer all natural resources ownership from State to Papua New Guinean landowners.
The motion is a revolutionary change and opens the gateway for majority citizens, which if gets the blessing of Parliament and subsequent changes to the law, will enable the resource owners to be meaningful partners

with rights protected and become real PNG citizens of the 21st Century.
Since the idea of the motion was mooted and its eventual introduction in Parliament, overwhelming support has been received from law makers, customary landowners and resource owners from new project areas.
Two weeks ago Sir Julius stated the reasons why resources ownership must be removed from the State and given to the landowners in a well presented speech delivered to his colleague legislators.
The motion was introduced while State negotiators and landowner representatives were struggling desperately to break the impasse over equity participation in the multibillion PNG Liquefied Natural Gas (LNG) project Benefit Sharing Agreement (BSA) in Kokopo, East New Britain province.
Sir Julius has on a number of occasions warned that “the agreement you sign is not worth the paper you’re signing, if the State is not going to honour its obligations,” making reference to more than K350 million owed to New Ireland Provincial Government by the National Government in overdue payments as per the Lihir Memorandum of Agreement (MOA) they signed in 1995.
That deal specifies for among others the National Government to allocate each year major infrastructure grants, SSG and major infrastructure projects. The infrastructure projects includes an international airport, an international seaport, a modern well equipped hospital at Namatanai and major redevelopment and sealing of the Bulminski Highway. To date, none of the major projects have been undertaken.
Speaking on his motion in Parliament, Sir Julius told an attentive audience that times had changed since PNG’s existing resource laws were legislated and the time was right for some radical changes to conform to the wishes and aspirations of the resource owners in the 21st Century.
“We must shift the wealth of the nation from the government to the hands of the individual — the resource owners. The wealth of our nation must be in hands of our people. This truly then is the pinnacle of what democracy defines — the people’s government.
For too long those who own the land where resources are extracted have suffered far too many of the negative impacts and received far too little of the benefits of such activities,” the House heard.
The motion is a follow-up of resolution No. 6 on mining benefits of the Governors Conference held at Lombrum, Manus Province on June 2 last year.
The conference unanimously approved and told Inter-Government Relations Minister Job Pomat to bring it to the National Government to produce a comprehensive review of the Mining Act 1992.
Sir Julius’ motion is aimed at assisting Mr Pomat to speed up that process and the National Parliament to push it to reality. The motion has been referred to the Parliamentary mining committee to deliberate on and report to Parliament for consideration.
While stressing the need for landowners to have a greater share of benefits from resources on their land, Sir Julius also noted the substantial negative environmental and socio-economic impacts of major resource extraction activities.
He told Parliament that people in affected areas suffered the greatest negative impacts, and since they would realise the financial benefits of the mine for only a limited time, it was only fair that they received a greater share of the benefits.
Currently, the main benefits the people receive are:
- ROYALTIES which amount to only 2 per cent of the FOB (freight on board) annual revenues of the resource extraction activity;
- SPECIAL Support Grants which the National Government has now tried to reduce to only one-quarter of 1 per cent of FOB annual revenues; and
- SOME infrastructure benefits in projects such as schools and health centres.

Sir Julius was very critical of the huge imbalance because although the province and local communities suffered huge negative impacts, they received only about 2¼ per cent of the financial benefits.
“This imbalance cannot be allowed to continue, especially since most of the negative impacts of the mine will last for generations. So, despite the fact the land belongs to ‘Mama Graun’ and despite the fact that they feel the negative effects more than anyone else the people themselves receive an insultingly small amount of the financial benefits of the mine. The people must benefit more and suffer less from the exploitation of their land. If they do not, then the people will refuse to allow further mining on their land. Why should they allow outsiders to come in and take their wealth for such a small payment?
“The Government should protect the people. Instead it has been protecting the mining companies and sharing in their profits while denying those benefits to the people,” he said.
Sir Julius suggested for an independent statutory authority, such as the Mineral Resource Development Corporation, to be formally legislated as the first recipient of all payments for which the mining company is liable under the mining contract, including corporate tax, PAYE tax, dividends and any other payments due.
The statutory body would then be legally responsible to distribute the funds it receives in the following way

and in the following order:
- DISTRIBUTION 1 - All funds owed to the province, LLG(s) and landowners under the MOA or similar agreement with the State;
- DISTRIBUTION 2 - Fifty per cent of all remaining funds are to be deposited into a reserve fund to be independently managed by a reputable financial institution outside Papua New Guinea for use for future generations; and
- DISTRIBUTION 3 - The remaining 50 per cent of funds are to be transferred to the State on the condition that one third of that total is to be used for PIP (development) activities inside the province in which the resource extraction activity is occurring and two-thirds of the total is to be used for development activities in the rest of Papua New Guinea.
Under this proposal, the province, local level government and landowners will continue to receive payments of royalties directly from the mining company, but the State would receive no funds directly from the company. The State would be the last of the payees to receive funds.
The State would then keep all funds received under mining or related agreements separate from all other income, and strictly dedicate those funds in the way outlined for development activities under the Public Investment Program (PIP).
Sir Julius called for a reversal of the current imbalance by turning the tide and take a bold step forward in a new path, leading to a new level of opportunity for the majority of our rural population.
“I hope we can stand together today to support this motion and get the Government to move swiftly to introduce the changes proposed to revolutionise our economic vision providing a new beginning for greater participation of the majority of our people and resource owners,” he urged the MPs.
The motion before Parliament is calling on the National Government to review the ownership of minerals as part of a comprehensive review of the Mining Act 1992.
The review calls for among others:
- REVIEW the decisions by the State to reduce the rate of Special Support Grant (SSG) calculations from 1 per cent to 0.25 per cent and demand the state to immediately restore the 1 per cent special support grants (SSG) with full compensation to be paid to affected provinces retrospectively to the date of the Government’s unilateral decision, without consulting the stakeholders or invoking settlement of dispute under terms of the MOA;
- SSG calculation be increased from 1 per cent to 10 per cent of annual FOB sales revenue and that SSG be given untied;
- THE principle of derivation revenue 5 per cent paid to provinces be applied also to mineral exports;
- THE rate of mineral royalty payment be increased from 2 per cent to 5 per cent of annual FOB sales revenue;
- THE 10 per cent equity option offered to provincial government and the landowners be fully carried by the State;
- THE supply and procurement of goods and services from within PNG be transferred from within the province where the mining operation is located so that GST to the provinces is maximised;
- TAX credit scheme be supplemented with more favourable arrangements to enable linking infrastructures to be established right from day one of the mining operations;
- MINING companies contribute at least 10 per cent of the value of further expansion costs not originally planned for that may prolong the payment of corporate tax;
- MINING companies committed to support infrastructure as recommended by the provincial government and this commitment must form part of the mining contract;
- NATIONAL Government immediately settle all outstanding MOA by June 30; and
- AMENDMENT to the Mining Act 1992 and transfer all natural resources, (timber, fish and underwater mining, oil and gas), ownership to resource owners with clear and agreed sharing formula.
Since the Post-Courier published the first write-up about the introduction of this motion on May 4, there has been overwhelming support from all sectors.
Among them was former Okapa MP Castan Maibawa, a former Minister for Petroleum and Energy, who said that the time had come for Papua New Guineans to take a higher stake in resource development, particularly from the country’s abundant gas reserves.
“I believe we have come to a stage where we, as a country need to seriously take stock of our natural resources and the decisions of the past. For far too long we have allowed foreigners to come and exploit our natural resources.
“The basis of inviting foreign investment into PNG in the past was that the country was young and did not have the expertise, capital and knowhow to develop these resources, while the Government concentrated on

collecting tax revenue while promoting employment and spin-off benefits
"Thirty-four years have passed since PNG's independence and in the light of changing time and nationals graduating of highly specialised skills and expertise, time has come for greater change in resource ownership and management by Papua New Guineans. We must not allow our remaining natural resources to be exploited without land owners meaningfully benefiting from," he said.
Mr Maibawa explained that 30 years ago, the gas market was almost zero, but in the past 12 years there had been great interest in gas development because it was a multibillion-dollar industry.
"Landowners must demand for higher stakes than the current 22.5 per cent for the Government and a mere 2 per cent for resource owner. Instead we demand 30 per cent, of which the State gets 20 per cent and the landowners 10 per cent from any gas development project.
"Let us forget the infighting for the crumbles and demand for 30 per cent stake in all gas development projects. No 30 per cent no gas," Mr Maibawa when supporting Sir Julius's for taking a bold initiative for benefit of the majority landowners.

Chinese LNG firm keen to buy PNG gas Post-Courier 28.5.2009

CHINESE gas company Sinopec Corp is negotiating with ExxonMobil over liquefied natural gas (LNG) purchases from Papua New Guinea, a Hong Kong economic journal has reported.
The report said Sinopec would buy two million tons of LNG from ExxonMobil, though the plan still requires government approval.
Global giant ExxonMobil is leading the joint venture for PNG's first LNG project.
LNG purchases from Exxon Mobil are expected to supply Sinopec's Lianyungang LNG terminal in eastern Jiangsu province.
Sinopec had previously signed a LNG purchase deal with Iran to feed its Qingdao terminal in eastern China, with annual supplies of three million cubic metres for 25 years as of 2011.

Work surges ahead for Ramu project PC 27.5.09

WORK at the giant Ramu nickel project in Madang Province is surging ahead, with all previous issues between Chinese and Papua New Guinea mine workers resolved, it is claimed.
Operating company Ramu Nico, a subsidiary of Chinese metals multi-national MCC, has taken delivery of most of the heavy items of processing plant, including very large generators for the 75 megawatt power plant, as well autoclave pressure vessels to extract nickel and cobalt from the mined material. Directors of 9 per cent minority shareholder Highlands Pacific visited the mine site at Kurumbukari and the processing plant at Basamuk Bay, and expressed their satisfaction that the project is overcoming all minor problems while keeping to the schedule of exporting PNG nickel concentrate in the year 2010.

The $US1.4 billion project is the only one of six large mineral developments world wide to have been kept at full development pace by MCC. Other projects have been slowed down or mothballed in response to the world economic downturn and the slackening of demand for minerals in Chinese industry.

PNG liquid natural gas benefits deal finalized

The National, 26 MAY 2009

PORT MORESBY (The National, May 25, 2009) – Five weeks of intense negotiations between the State and gas resource landowners and their provincial governments ended on Saturday with the signing of an umbrella benefits sharing agreement for the PNG liquefied natural gas (LNG) project.

The agreement will land K20 billion in the hands of provincial governments and landowners over the 30-year life of the project and commits the State to certain important infrastructure and socio-economic developments in the provinces and specific licence areas. Despite strong opposition from certain landowners, the State negotiating team was able to get everyone to sign the BSA in a marathon signing session.

Head of the Southern Highlands negotiating team and the biggest party at the talks, Governor Anderson Agiru, said yesterday: "We have cut a good deal. This deal now sets new parameters and new benchmarks in State/landowner relations." Mr Agiru’s "good deal" includes:

~ An additional 5% of State’s equity in the project, bringing provincial government/landowner equity in the PNG LNG project to 7%;

~ Construction and sealing of a massive highway linking the Gulf of Papua to the north coast of mainland PNG from Kikori, through Kutubu, Moran to Tari and Lake Kopiago and terminating in the Sepik;

~ Sealing of the Kikori to Ialibu (Gulf-Southern Highlands) highway;

~ A K100 million commitment to build the first phase of a Hela City Development at Tari and an undertaking to declare the future city as a free trade zone;

~ Development by the Independent Public Business Corporation (IPBC) of an international wharf at Kikori under public private partnership;

~ Commitment of K90 million for the first phase of the Tari International Airport;

~ A further commitment of K90 million for a super highway between Tari and Komo;

~ Relocation of the Mendi Airport;

~ Building of a township at Kikori;

~ Expansion of the Mendi and Ialibu townships; and

~ Development of townships in Kutubu, Komo, Magarima, Koroba, Kagua, Nipa and growth centres at Angore and Nogoli (Hides).

The extra 5% equity and the 2% carried interest translates to over K20 billion over the life of the project, Mr Agiru said. This will be shared by all affected provincial governments and landowners from Juha to Portion 152. The State has also committed K1.2 billion over the next 10 years for infrastructure development in each project area.

This would be funded from the State’s future earnings in PNG LNG brought forward. Funding arrangements for all of the projects would be by way of a combination of arrangements including bringing State future earnings forward, through tax credit, by way of a development fund, and concessional loans. The Tari International Airport and the Tari to Komo highway sealing would be funded during the construction phase. "The complexity of the project and the negotiations tested everyone involved," Mr Agiru said, adding "but in the end we persevered. We have lifted the bar. We have set the benchmark for future negotiations between State, its people and provincial governments on benefits sharing in resource developments."

Such was the intensity of the negotiations that Finance Minister Patrick Pruaitch remarked at midnight on Saturday: "Mipela kisim taim liklik. (We were cornered at times.)You are a tough negotiator, Mr Agiru." Said Mr Agiru: "We finally have a design to build a bridge over river time for PNG and Southern Highlanders to cross over to compete with the league of nations. PNG LNG will provide the platform, the catalyst, the launch pad for PNG accounting and legal firms, insurance brokers, plant and equipment companies, construction industries and all manner of other businesses to take off.

On a personal note, Mr Agiru said his people had come to East New Britain as plantation labourers in the 1960s and 70s left empty-handed. He said after five weeks, he would be flying back across the Bismarck Sea with plenty to be proud of. He thanked the Government of Grand Chief Sir Michael Somare, saying without the Prime Minister's personal blessing, the project would not have got off the ground.

Agiru happy with BSA deal PC 25.5.09

By Peter Korugl

"WE have cut a good deal," Southern Highlands Governor Anderson Agiru declared last night, soon after the umbrella benefit sharing agreement, signed between landowners and the Government at Kokopo on the weekend.

Landowners stand to get 7 per cent equity in the LNG project following commitment by the Government to offload 5 per cent of its stake in the multi-billion-kina project to the landowners.

The deal was struck between the government representatives, headed by Petroleum and Energy Minister William Duma, State Enterprise Minister Arthur Somare, Finance and Treasury Minister Patrick Pruaitch and National Planning and Monitoring Minister Paul Tiensten and landowner representatives.

The signing delayed for several days got underway at 5pm to 12 midnight on Saturday and began again yesterday at 1pm.

Both the Government and landowners agreed that the just concluded forum was a complex and tough negotiation, leading to the signing of the umbrella agreement for the LNG project to go ahead.

Apart from the increase in the equity participation, the Government has committed to build a super highway from Kikori in Gulf Province to connect Kutubu, Moran, Lake Kopiago and Sepik.

Southern Highlands is expected to get billions of kina worth of projects, among them the Tari city development at a cost of K100 million by the Government.

The Tari airstrip will also be developed into an international port and the Government has committed K90 million to fund the first stage, a super highway connecting Tari and Komo at that cost.

The townships of Mendi, Ialibu, Komo, Kutubu, Magarima, Kagua and Nipa will also be extended.

The State has further committed K1.2 billion worth of infrastructure in the various petroleum licensed areas over the next 10 years by bringing forward its earnings in the LNG project.

The State has also committed the Independent Public Business Corporation to build an international wharf at Kikori to handle the supplies shipped in for the LNG project.

Mr Agiru described the LNG project as the "bridge" to move a traditional PNG to the modern era as it sets new parameters for State and landowner relationship in resource development.

He said the project will become the platform for PNG businesses to grow and his province to prosper like never before with commercial growth experienced in the Angore and Nogoli areas.

Rocky signing
Landowners get rowdy at forum Post-Courier 25.5.09

By John Pangkatana

THE signing of the umbrella Benefit Sharing Agreement (BSA) got off to a rocky start at the Vunapope Conference Hall in Kokopo, East New Britain Province on Saturday afternoon.
This was mainly due to the landowners' concern that they had not seen the final draft of the State's offer to them.
Prominent Southern Highlands landowner Alfred Kaiabe took the lead to front up to the VIPs who included Petroleum and Energy Minister William Duma, Finance and Treasury Minister Patrick Pruaitch and State Enterprise Minister Arthur Somare to voice his concern.
The landowners, predominantly from the Southern Highlands, became rowdy and it could have gotten out of hand but Minister Duma finally calmed them down by handing out a couple of the draft copies of the agreement.
He also assured them the Licensed Based Forum in September would be the appropriate venue to discuss outstanding issues.
Another landowner also assured the majority that the outcome of the September forum would be legally binding. Everything started to cool down from there.
However the calls for landowners groups to sign still fell on deaf ears.
They even assured them that nobody would be denied the right to sign, as long as police were there.
Finally around 3pm, Mr Duma, with support from his fellow ministers and police escort took the plunge to break the ice by signing the agreement. This was amid a rowdy mob that included a number of chairs being thrown.
Southern Highlands Governor Anderson Agiru, who was one of the key people behind the signing delay, also took the initiative to sign. This again drew a couple of outbursts, but nevertheless opened up the move for the rest of the Southern Highlands MPs to sign.
Central Governor Alphonse Moroi and Kairuku Hiri MP Paru Aihi also signed.
After an hour of stalemate, landowners finally agreed to sign after viewing the draft.
The signing process went through well into the night and ended around midnight.
The signing continued yesterday around 1pm and is expected to go well into the night again.
Up to 1000 people are expected to sign from registered landowners, affected local level government councils, their MPs and governors.
Western Province Governor Bob Danaya and Gulf Governor Havila Kavo were notable absentees.

BSA [Benefits Sharing Agreement] stands for big bucks! Post-Courier 22.5.09

SO the K12 million extravaganza in Kokopo is finally coming to an end and the deal is done with the Benefits Sharing Agreement for the LNG project. At last!
This event has been a circus from day one. Getting nearly 2000 landowners from their homes in the valleys and hills of the Southern Highlands, the Gulf and Central provinces and from the Western Province, has been a mammoth task.
Not to mention the plethora of government officers, advisers and politicians. We are not surprised to hear that the Government is picking up a tab of K12 million or so for flying, feeding and feathering the nests of the audience to the BSA negotiations.
No doubt those organising the event will say K12 million is a drop in the bucket compared to the billions of kina that will flow from the source of gas down to the LNG plant outside Port Moresby, and be tipped into the hands and accounts of 60,000 affected landowners.
That is one way to view it and it has validity. But what kind of example does it set for the rest of the

nation and what does it tell the LNG landowners? Are they going to expect to be waited on hand and foot every time their toe twitches at the thought of gouging more money from the Government and the developers? Has the Government made a huge burden for it to carry for the next few decades? We are also intrigued by revelations from government insiders that a new company, Kroton No 2, has been registered by the Government vehicle in the deal, the Independent Public Business Corporation, to hold state equity in the LNG project. It is
this entity that will disburse the equity for the landowners. A question: Why is it registered in faraway Brussels, the capital of Belgium in Europe?
Why not in Port Moresby, or even Australia or Singapore, the more usual places for such things.
There are still suggestions that the BSA deal signed in Kokopo on Thursday is not legally binding ,and that major points will have to be approved by landowner forums up in the resource development areas.
This leaves the question begging: why did everybody go to faraway Kokopo for this jaunt? Just because the scenery is pleasant and that they have plenty of hotels and guesthouses?
Was it to get the landowners away from the “pressures’’ of being answerable to their constituents when lobbying and dealing? Perish the thought!

Illiterate and lost PC 22.5.09

By PETER KORUGL

Halimbu Lembo is in his late 30s. Yesterday he was sitting at the Airways Hotel, surrounded by his wife and other Southern Highlanders, trying to explain the benefit sharing agreement to this newspaper. The man could hardly speak Tok Pisin. English was out of the question.
Lembo, the son of Hembo Lembo, a chief of the Wita clan in the Hides area, where the Well Head One is located, had flown to Port Moresby and Kokopo for the Benefit Sharing Agreement forum, but could not make it.
“There are many people over there, who like me, cannot speak English, or Tok Pisin well. And they are involved in a forum, where very technical and highly scientific matters are discussed.
“You would not think that the only agency in this land that is supposed to help me and the like is fighting us. “Who do we turn to?” the man lamented. The agency that Lembo talks about in this case is the Government. Like him, many of the 1900 landowners are in total confusion about the BSA and others have taken advantage of the situation.
“There are many people at the BSA forum that should not be there. For example, I will give you a list of people that I think should be there from the Hiwa Tugubu area and you find out if they were there or not. Tandape Kengi, Wandiako Kihamua, Andria Halepange, Stanis Talu, Iruga Hunia, Ameya Ola, Agibe Kola, Magabe Katia should be representing the Hiwa tribe.”
Mr Lembo said: “For the Tuguba tribe, Himuni Homoko, Marago Pate, Arawi Tombuja, Ago Tagorali, Walabe Mara, Kubiawi Aluya, Mathias Mbari and Peter Potabe should be the ones at the forum. “The term of the executive of the Hiwa Tuguba Association has expired. We have not held an election for new office bearers.
A purported election that was held in the middle of the night was not recognised by the genuine landowners,” Mr Lembo said. Much of what he said was interpreted through a translator.
He said the BSA, if ever it is signed, will be invalid.

Govt gives special treat for Chinese Post-Courier 22.5.09

By Pearson Kolo

THE National Government through the Department of Labour and Industry has made it more flexible and easier for Chinese nationals to come into the country, bypassing many of the country's labour laws.
Minister for Labour and Industry Mark Maipakai revealed this in Parliament yesterday, saying that the Government had agreed to give special consideration to Chinese nationals entering the country to work here. This has seen an influx of Chinese into the country especially at the Ramu nickel mine, which has recently created problems with the locals over employment opportunities.
"The PNG Government has a special agreement with Ramu nickel mine where we give them special treatment and allow flexibility with our labour laws and regulations," Mr Maipakai said.
Despite strong opposition by the department, the National Government under this special agreement directed the department to issue the permits because of the agreement that had been signed to develop the Ramu nickel mine.

Talks begin over MCC visas Post-Courier 21.5.2009

By Patrick levo

The Government is re-negotiating its contract with the Ramu nickel developer MCC to streamline the issuing of work visas, the woman in charge of work visas Dr Rhona Nadile has said.
Addressing the PNG Australian Business Council in Madang, Dr Nadile said this after concerns raised by Australian businesses over what was considered favourable treatment towards Chinese workers who were issued visas despite not meeting the pre-employment requirement of being able to speak one of three national languages of PNG — English, Tok Pisin or Motu.
She said the Department of Labour and Industrial Relations is renegotiating the MoU, originally signed in March 2007, to make it "more workable".
"Let me make it very clear that the visas we issue are not free," Dr Nadile said.
"We signed the agreement in the best interest of the country, and now we are re-negotiating it."
She said under the previous MoU, Chinese employees of the nickel project were required to attend a Tok Pisin school run by the Madang-based Divine Word University.
However, the DWU classes faltered because the Chinese would turn up only one day in a week and forget the rest of the lessons.
Dr Nadile said: "We have reviewed the agreement and we are waiting for MCC to come back with their review. We are also considering the training agreement between Ramu nickel and DWU."
She said the review was a result of MCC and its contractors bringing new contractors who are not covered by the previous agreement.
Dr Nadile said MCC, like any other foreign employee, is not immune to DLIR penalties.
She said under the Employment of Non-Citizen Act 2007 and Employment of Non-Citizen Regulation of 2008, breach of work permit conditions would invoke huge penalties.
Dr Nadile said: "Any foreigner who works in the private sect-or must have a proper PNG Government issued work permit.
"If they are found not to have a permit, they will be fined K10,000 and the employer will be fined K20,000."

Why were women not at forum?   Post-Courier 21.5.2009

By Harlyne Joku

A private legal consultant has asked why there are no women or female representation at the Benefit Sharing Agreement forum which has come to no conclusion since being held three weeks ago.
Former chief land titles commis-sioner and secretary of the Law Reform Commission, Josepha Kiris, formerly Josepha Kanawi, said ILGs (Incorporated Land Groups) allowed for both men and women to be represented according to the newly passed CLRC (Constitutional Law Reform Commission) Incorporated Land Group Act.
Ms Kiris said the ILG was the only vehicle which customary land groups could get into the capital market. "I ask why most of the ILGs now present in the BSA Forum at Kokopo is very silent and not visible in female representation and participation in this forum," she asked.
"Are women not members of the ILG? Are women not part members of the clan that own the land?"
She also made similar comments recently in Mt Hagen as speaker on land rights at the CIMC Highlands Regional Consultative Meeting.
The theme was "Land Rights in Agriculture and Rural Development".

UNPFII: Intervention by Jethro Tulin, Executive Officer of Akali Tange Association (Porgera, Enga Province, Papua New Guinea)

by Jethro Tulin, Akali Tange Association, PNG
May 27th, 2009

A Statement
UN Permanent Forum on Indigenous Issues, Eighth Session

Intervention by: Jethro Tulin, Executive Officer of Akali Tange Association (Porgera, Enga Province, Papua New Guinea)

Supported by: Asia Caucus, Pacific Caucus, Western Shoshone Defense Project (Nevada, USA), Peoples Earth, Society for Threatened Peoples International (ECOSOC), Indigenous Peoples Link

Item 7: Future Work of the UNPFII

New York, May 27, 2009.

Madam Chair, this is my second time at this UN forum, and today my message and recommendations are more urgent than before. In my homeland in the highlands of Papua New Guinea, the Ipili and Engan people have seen their traditions turned upside-down by the influence of a large-scale mining project. In one generation, the mine has brought militarization, corruption, and environmental devastation to a land that previously knew only subsistence farming and alluvial mining.

We therefore welcome the participants of the office of the Special Representation on Business and Human Rights in these sessions. We urge the forum and professor Ruggie to continue the dialogue. However this alone is not enough. TNC corporations are a big problem for indigenous peoples and we need a constant monitor on their actions.

Last year, I explained that mine guards and police were killing locals and raping our women; there have been five more killings and many more rapes since. Last year, I described how our food sources were threatened by mine waste dumped directly into the river system and how my people were exposed to dangerous chemicals like cyanide and mercury; today, those practices continue. Last year, I complained that the mine is directly next to our homes; and just three weeks ago, the Papua New Guinea government, motivated by reports presented by the mining company, unleashed a [3]State of Emergency,[2] a police and military operation that saw hundreds of homes of indigenous land owners surrounding the open pit mine razed to the ground.

The increasing global power and influence of trans-national companies like the Canadian Barrick Gold, managers of the Porgera mine means that they, alongside the PNG government, must be responsible for upholding human rights within their spheres of influence.

Corporations are also a threat to our environment. These mines pollute vital water sources and require an immense amount of energy to run. The Porgera mine alone produces over 400,000 tonnes of greenhouse gases and consumes over 7 billion gallons of water a year, which it continually dumps polluted into a 800 km-long river system, eventually leading to the Gulf of Papua and reaching the Great Barrier Reef. In a time of impending climate change, this environmental devastation affects us all.

We recommend that the Permanent Forum:

1. Urge the Permanent Forum to establish a regular agenda point on the issues of the private sector and to write urgently to the Government of Papua New Guinea and Barrick Gold Corporation of Canada appealing for an urgent halt to the State of Emergency and the destruction of peoples homes.

2. Endorse the recommendations put forth in the report of the expert group meeting on extractive industries, Indigenous Peoples[1] rights and corporate social responsibility, which met in March 2009 in Manila, Philippines and follow up by sending the findings to corporations including Barrick Gold;

3. We recommend that the World Bank have an in depth interaction with the forum next year so we can call for activation of the World Bank 2005 Extractive Industries Review and for activation of the previous promises to address the impact and legacy of extractive industries on Indigenous Lands, territories and natural resources;

4. We ask the forum to Investigate how to set up an Indigenous arbitration system, a regulatory regime, to control the practices of the trans-national mining companies, other extractive industries, forestry and fisheries;

5. and to form an agency to evaluate the amount different Indigenous communities involuntarily subsidize the mining industry and other extractive industries through their natural resources, which are seized with minimal compensation, if any, by forms of colonialism perpetrated by trans-national companies;

Thank you.

Jethro Tulin, Akali Tange Association Inc.
Porgera Enga Province, Papua New Guinea
May 20, 2009 - New York

Anm. Red.: vgl. http://www.protestbarrick.net/

Papua New Guinea: Forced Evictions and destruction of property by Police in Porgera must end

AMNESTY INTERNATIONAL PUBLIC STATEMENT

Amnesty International May 11th, 2009

Amnesty International calls for immediate action to protect more than 1,000 people who have been left homeless after police officials in Papua New Guinea forcibly evicted them by burning down their homes.

On 27 April 2009 police officials burned down 50 houses within the Porgera mining area, owned and operated by Canadian-based Barrick Gold Corporation. More than 200 police had been sent to the area as part of an operation to deal with the law and order situation in Porgera District, Enga Province. The police alleged that people living in these homes were squatters responsible for illegal mining and other criminal activities. A further 300 houses of villagers living near the mine are also reported to have been burnt down as part of the same operations.

According to reports received by Amnesty International, these evictions were carried out in breach of international law, without giving prior and adequate notice, and without consultation with those affected. The families have not been provided with any alternative accommodation.

Papua New Guinea is under an obligation under international human rights standards to only carry out evictions as a last resort, and to explore all feasible alternatives to evictions to avoid or minimise the use of force. Forced evictions are recognised as a gross violation of human rights and should never be used as a punitive measure.

Moreover the company operating the mine and governments should abide by internationally recognised Voluntary Principles on Security and Human Rights that give clear guidance to both companies and governments about the use of security. Both the company responsible for the mine, Barrick, and the PNG government need to act on these standards and ensure the protection of people’s human rights.

There are fears that more homes may be destroyed as Internal Security Minister Sani Rambi has reportedly attempted to extend the police deployment in the province for a longer period.

Amnesty International urges:

- The Royal Papua New Guinea Constabulary to immediately stop the forced eviction of people in the Porgera Valley and the destruction of their properties.

- The Papua New Guinea government to carry out a full and independent investigation into the forced evictions and the manner in which they were carried out and bring those responsible to justice. The authorities also need to ensure that all victims of the forced evictions receive adequate reparation, including adequate alternative accommodation and compensation.
- The PNG government to immediately ensure that all victims of forced evictions are provided with emergency relief including shelter, food, water and access to medical assistance.
- The PNG government and Barrick Gold Corporation to prioritise the needs of villagers within the mine area and work to ensure a fair process for relocation with appropriate and adequate compensation.
- The Canadian Government, which recently became engaged in the Voluntary Principles on Security and Human Rights, to insist that Barrick Gold Corporation implement those principles and assist the company to do so.
- Barrick Gold Corporation to apply the principles set out in the Voluntary Principles on Security and Human Rights.

Background

Forced evictions are evictions that are carried out without adequate notice or consultation with those affected, without legal safeguards and without assurances of adequate alternative accommodation. They are defined by the UN Committee on Economic, Social and Cultural Rights as “the permanent or temporary removal against their will of individuals, families and/or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection. As a party to the International Covenant on Economic, Social and Cultural Rights and other international human rights treaties which prohibit forced eviction and related human rights violations, including the International Covenant on Civil and Political Rights (ICCPR), Papua New Guinea has an obligation to stop forced evictions and to protect the population from forced evictions.

Barrick Gold Corporation and Porgera

Barrick Gold Corporation is a Canadian mining company and the largest producer of gold in the world, with 27 mines in operation. Through its subsidiary, Barrick operates the Porgera gold mine in Papua New Guinea and owns 95% of the mine, which in 2008 produced 627,000 ounces of gold (gold prices averaged US$871 per ounce in 2008). Barrick took over the Porgera mine in 2006 through the acquisition of the prior operator, Placer Dome.

There are a number of villages within the mine area, which covers some 2,350 hectares of land. The Porgera Landowners Association, which represents the approximately 10,000 indigenous residents living within the mine area, has called for a fair relocation process for the residents.

Many locals look for gold in the tailings, waste rock piles, or the open pit of the mine. Locals claim that they practiced alluvial gold mining before the mine operation began, that it was a legal and important source of income, and that they continue to mine due to poverty and lack of land for subsistence farming. The locals' gold mining is considered illegal by Barrick, as it occurs within the company's Special Mine Lease area. This tension has been the source of conflict at the mine site. Since commencing operation in 1990, the mine has been associated with several violent deaths. The mine has also been heavily criticised for the impacts of its environmental practices. On 30 January 2009, the Norwegian Government Pension Fund excluded Barrick from its investment portfolio for "causing severe environmental damages as a direct result of its operations".

The Voluntary Principles on Security and Human Rights

The governments of the United States, the United Kingdom, the Netherlands and Norway, companies in the extractive and energy sectors ("Companies"), and non-governmental organizations ("NGOs"), all with an interest in human rights and corporate social responsibility, developed these principles to guide companies in maintaining the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms.

Since March 2009, the Canadian government has committed to promoting implementation of the Principles as part of the government's strategy for the Canadian extractive sector operating outside of Canada.

The Principles state that:

- Companies should use their influence to promote the following principles with public security: (b) force should be used only when strictly necessary and to an extent proportional to the threat; and (c) the rights of individuals should not be violated
- In cases where physical force is used by public security, such incidents should be reported to the appropriate authorities and to the Company. Where force is used, medical aid should be provided to injured persons, including to offenders.

ENDS

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