

Joint Communique released by the Honorable Richard Maru, Minister for Trade Commerce and Industry, Mr Bager Wamm, President Karkar LLG, Mr Frank K Don, representative of the Rempi impact community and Mr Francis Gem, representing the Kananam impact community, following consultations and discussions held at the Madang Resort Hotel on 19 December 2012.

1. Introduction

In recognition of the verbal commitments we have made concerning the issues raised in the discussions and noted in the various documentation presented by the plaintives, held this morning we all recognize and accept the prevailing issues raised by the parties concerning the PMIZ project at this time.

We the 3 plaintives of the project impact area acknowledge the effort the Minister is making to resolve this matter and thank him for the initiative he is taking to ensure a smooth resolution of this matter as soon as possible.

We thank the Provincial Governor and the Provincial Administration for the support it gives to the project and its proposal and commitment for the resolution of this matter in whatever way it deems necessary.

2. Recognition

The parties recognize that Memorandum of Understanding between PMIZ Stakeholder reached on 16 October 2012.

We all accept that the PMIZ project is a valuable project with wide ranging benefits to the province and its people, but we also recognize that:

- a. The landownership is settled. We accept that the land area known generally as Vidar Plantation is a state land. In dealing with the project, we agree that the traditional landowners have no legal ownership but in terms of spin off benefits and other benefits derived from the PMIZ projects shall give due consideration and priority to the traditional landowners.
- b. In dealing with this project in the past, the National and Provincial Governments did not appropriately deal with all matters relating to the project, including impact awareness, environmental studies, structuring of Umbrella organization, employment benefits, business opportunities and other social benefits deriving from the project.
- c. An environmental plan especially over the sea and the ocean is not in place and therefore gives rise to a level of concern and anxiety over the possible adverse impact on local fishing grounds and local economy. Therefore there should be an environmental study conducted as a matter priority.
- e. There has been some errors made in appointing and constituting the Local Umbrella Organizations (LUOs) where it is clear that there were no

democratic processes employed in choosing and appointing the executives and leadership of the LUOs, which is giving rise to mismanagement and bad leadership, which in turn leads to community disenfranchisement

3. The Understanding

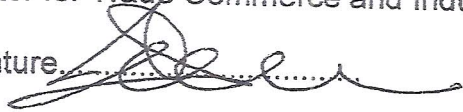
As a result of the frank and open discussion we have held today we make this understanding of the actions we must each take towards withdrawing the Court case on foot, taken by the plaintives on behalf of the people of the impact area of the project.

As a way forward we mutually agree as follows:

1. In relation to the approach to be taken toward moving this project forward, the government both national and provincial will relook at the structure and the constitution of the LUOs with a view to reorganising and reconstituting the leadership and membership of the Local Umbrella Company Organisations. This review will also consider reviewing the operations of the existing LUOs to seek and resolve any accountability issues that may exist.
2. To improve management capacity and to strengthen accountabilities regime of the LUOs, we agree that there will be only two LUOs representing the Rempi and Kananam Impact areas.
3. Any benefits accruing to the Karkar Island community as a result of the impact of PMIZ, it is agreed that the Karkar LLG will be recognized as the vehicle to seek and hold any beneficial interest of the Karkar people.
4. We agree that there will be mechanisms developed by and in consultation with all parties, a new Benefits Sharing Agreement(BSA) which will cover the communities of Rempi, Kananam and Karkar Island.
5. To assist the progress of the project and to help increase awareness of the project it is agreed that the 3 plaintives will be taken on study tour of the Philippines to seek better understanding of the operations of the fishing industry there.
6. The National government agrees to work with the Provincial Government with a view to relocating and establishing a Project Office in Madang no later than January, 2013.
7. We are all committed to work towards reaching settlement and signing the Benefit Sharing Agreement and the withdrawal of the court proceedings by February, 2013.

Agreed this 19th December 2012 at the Madang Resort Hotel

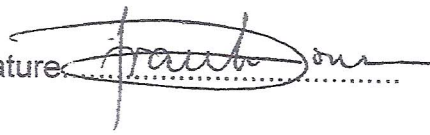
Hon. Richard Maru, OBE, MP
Minister for Trade Commerce and Industry

Signature 

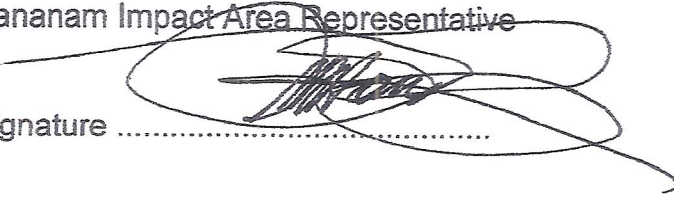
Mr Bager Wamm
President, Karkar LLG

Signature 

Mr Frank K Don
Rempi Impact Area Representative

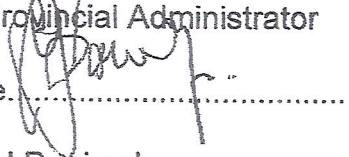
Signature 

Francis Gem
Kananam Impact Area Representative

Signature 

Witnessed by:

Mr Paul Adam Ito
Deputy Provincial Administrator

Signature 

Mr Gerard Dogimab
Acting Secretary
Department of Trade Commerce & Industry

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