

Tabled  
2-11-2000

**GOVERNMENT RESPONSE**

**TO**

**THE JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS,  
DEFENCE AND TRADE**

**REPORT**

**“BOUGAINVILLE: THE PEACE PROCESS AND BEYOND”**

### **Recommendation 1:**

**The Committee recommends that the Australian Government ensure that the Peace Process Consultative Committee, under the chairmanship of the UN Observer Mission, is given all necessary support from external observer representatives to enable that body to maintain a clear focus on the outcomes from the peace negotiations.**

#### Response:

Noted. The Peace Process Consultative Committee (PPCC) is an important forum for parties to the peace process - the Bougainvillean factions and the PNG Government - to discuss matters including weapons disposal and the way forward to a political settlement in the province. All PPCC meetings to date have been held on Bougainville. The Australian Government, which has observer status at PPCC meetings, will continue to support and facilitate the work and meetings of the Committee including by providing transport to participants: including, at times, to the entire PNG Government delegation. The Australian High Commission in Port Moresby, along with Peace Monitoring Group (PMG) partner governments, works hard to encourage PNG Government participation in the important work of the PPCC.

### **Recommendation 2:**

**The Committee recommends that the Minister for Foreign Affairs consider increasing the level of Australia's contribution to the shared-costs arrangement in support of the Peace Process Steering Committee, in order to enhance the prospects of maintaining the momentum of the peace process and reporting on progress with the negotiations between the parties.**

#### Response:

Not accepted. Australia funded the attendance of several PNG Government representatives to the initial PPSC meetings in Brisbane in November 1998. All subsequent PPSC meetings have been held in Port Moresby with Australian officials in attendance. New Zealand meets the costs of attendance at PPSC meetings by its representatives and capital-based representation by Fiji and Ni-Vanuatu. There would appear to be no requirement at this stage to change the current arrangements, which are working well. There have been no indications to date that funding issues have constrained or limited the work of the PPSC.

### **Recommendation 3:**

**The Committee recommends that the Australian Government examine with regional partners further opportunities to facilitate mutual understanding between all the parties to the peace negotiations, with particular reference to ensuring the future political stability of Bougainville.**

#### Response:

Noted. The Australian Government is committed to supporting the peace process on Bougainville. It is in regular contact with its regional partners, particularly its PMG partners,

to explore opportunities for furthering the peace process and to foster mutual understanding between the parties in Bougainville, both through development assistance under the bilateral aid program (including some joint projects with New Zealand) and through its contribution to the PMG.

**Recommendation 4:**

**The Committee recommends that the Australian Government consider relatively low cost initiatives such as contributing to the availability of satellite telephones for key participants in the negotiations, in the interest of facilitating dialogue and thereby reducing potential for misunderstandings to occur between the parties.**

Response:

Accepted in part. The Government is committed to improving communications in Bougainville, but considers this to be done best through facilities other than satellite telephones. Australia and New Zealand have cooperated closely in upgrading communications systems in Bougainville. Australia has provided forty-two HF radios to faction representatives, district offices and health centres at various locations around Bougainville. Australia has also upgraded Radio Bougainville, which now broadcasts over the whole province. New Zealand initially funded satellite phones for faction leaders. New Zealand also upgraded the telephone system in seven key centres in the province, including Arawa. On completion of this project, New Zealand discontinued support for satellite telephones as they assessed that there were now adequate communication systems available in the province to facilitate the peace process.

**Recommendation 5:**

**The Committee recommends that supplementation of the Department of Defence's annual budget be provided to cover the additional costs of Australia's contribution to the Peace Monitoring Group operation.**

Response:

Noted. A total of \$17.205m was supplemented for the Defence contribution to the Peace Monitoring Group operation for FY 1999-2000. These additional costs were calculated on the basis that Defence's contribution would continue until the end of that financial year.

**Recommendation 6:**

**The Committee recommends that the Australian Government, in conjunction with regional partners in the Peace Process Steering Committee, develop clear indicators for the phasing out and eventual withdrawal of the Peace Monitoring Group**

Response:

Noted. The Government has indicated publicly, and to the PNG Government and factions on Bougainville, that the PMG is not a permanent fixture in the peace process. It has also been made clear to all parties that reductions in the PMG will not be made in a way that would

delay settlement efforts nor jeopardise gains already made. The issue will be further discussed at future meetings of the PPSC. Australian participation in the Peace Monitoring Group, and a phased strategy for the withdrawal of the PMG from Bougainville, was last reviewed by Ministers in April 2000. Australian officials are continuing consultations with Australia's PMG partners on a phased withdrawal strategy for the PMG.

**Recommendation 7:**

**The Committee recommends that a ministerial statement to the Parliament follow cabinet's three-monthly review of the situation in Bougainville.**

Response:

Noted. The Government reviews Australia's participation in the PMG on a six monthly basis. The next review is due in early November 2000. The need for a ministerial statement at this time will be considered.

**Recommendation 8:**

**The Committee recommends that the Peace Process Steering Committee meet regularly, at least quarterly.**

Response:

Noted. The Australian government agrees with the Committee on the need for regular meetings of the PPSC. The timing of PPSC meetings is decided by the Chair of the PPSC, Papua New Guinea. The Australian government frequently encourages the PNG government to convene the PPSC on a regular basis.

**Recommendation 9:**

**The Committee recommends that the *Crimes (Overseas) Act 1964* be amended to extend its jurisdiction to Australian civilians serving overseas in situations not covered by the agreement of the United Nations.**

Response:

Accepted. The Government recognises that there is an omission in Australian criminal jurisdiction regarding Australian persons serving overseas in circumstances where they are exempt from local jurisdiction, and will examine possible amendments to the Crimes (Overseas) Act.

**Recommendation 10:**

**The Committee recommends that section 3 of the *Crimes (Overseas) Act 1964* be amended to apply the Act to '...Australian citizens and residents (other than Defence Force members) serving overseas under a "prescribed arrangement"'. The Committee also recommends that the amended section 3 be followed by a definition of 'prescribed arrangement,' to include:**

- . an arrangement made between the Commonwealth and the United Nations;
- . an arrangement, as specified in the Regulations, made between the Commonwealth and another country;
- . an arrangement under which the person is serving as an Australian diplomatic or consular official.

Response:

Noted. The Government will examine proposed amendments.

**Recommendation 11:**

**The Committee recommends a consequential amendment to paragraph 4(b), replacing ‘under arrangements between the United Nations and the government of that country’ with ‘a prescribed arrangement’.**

Response:

Noted. The Government will examine proposed amendments.

**Recommendation 12:**

**The Committee recommends that, in the special circumstances applying to Bougainville at a critical stage in the peace negotiations and reconstruction of its devastated infrastructure, the Australian Government consider the possibility of increasing the overall aid program to Papua New Guinea in order to provide some additional funding for Bougainville.**

Response:

Not accepted. The aid program to Papua New Guinea is already Australia’s largest by far, making up one fifth of all Australian Government aid. The Papua New Guinea Government has agreed that Australian assistance for the reconstruction of Bougainville will be part of the funds allocated annually under the Treaty on Development Cooperation between the Government of Australia and the Government of Papua New Guinea. The costs associated with Australia’s participation in the Peace Monitoring Group are additional to these funds and represent a further contribution from Australia to Papua New Guinea/Bougainville.

**Recommendation 13:**

**The Committee recommends that, in conjunction with relevant authorities in Papua New Guinea, AusAID review its development programs designed to enhance coordination and information exchanges with and between indigenous, Australian and international NGOs working in Bougainville, so that existing and developing forums for coordination are supported and enhanced.**

Response:

Accepted. AusAID's PNG Community Development Scheme (CDS) has been expanded to include Bougainville. This project assists non-government and community-based organisations develop partnership networks with government and donor agencies as well as other NGOs. AusAID coordinates very closely with the Bougainville Peace and Restoration Office on developing and delivering the aid program. AusAID representatives take part in the regular aid coordination meetings of donors and international NGOs that take place in Port Moresby and in the province to review developments in Bougainville.

**Recommendation 14:**

**The Committee recommends that AusAID examine the feasibility of enhancing the opportunities for local contractors and employees to benefit from engagement in larger aid projects by dividing such projects into smaller components.**

Response:

Accepted. It is a guiding principle in the development of projects on Bougainville that local firms and labour are used wherever possible. A particular emphasis is placed on developing employment opportunities for ex-combatants and displaced youth. AusAID projects, such as the Buka Hospital and Coastal Trunk Road Rehabilitation projects, have been divided into smaller components in order to enhance the opportunity for more local involvement.

**Recommendation 15:**

**The Committee recommends that AusAID review capacity within the aid program for Bougainville, to enhance opportunities to respond quickly and flexibly to identified community need for small-scale assistance projects.**

Response:

Accepted. The Bougainville Community Projects Scheme (BCPS) has been reviewed. It has been made more responsive to community needs and funding was increased in FY 1999-2000. The Community Development Scheme (CDS) is also being expanded to cover the whole of Bougainville. The CDS will enable non-government and community based agencies to respond quickly and flexibly to community needs. AusAID plans to extend the PNG Small Activities Scheme into the province in 2000.

**Recommendation 16:**

**The Committee recommends that AusAID review the administrative guidelines and processing procedures for project funding and also consider increasing the resources available to Bougainville communities, in order to assist community groups to prepare proposals for aid projects and to comply with the relevant administrative and accountability guidelines associated with small-scale aid projects.**

Response:

Accepted. The basic goal of the Community Development Scheme is to strengthen and support non-government and community based organisations' capacity to plan and carry out community development activities. The Bougainville Community Projects Scheme has been reviewed and the application process has been simplified. Guidelines have been translated into TokPisin and special workshops have been held throughout the province to assist community groups in preparing their applications.

**Recommendation 17:**

**The Committee recommends that, building on the experience of projects such as the pilot Bougainville District Development Officer Scheme, AusAID give priority to increasing the administrative capacities of community leaders and community groups, in order to enable maximum access to be gained to available funding assistance, and to increase local skills in liaison, evaluation and other administrative tasks.**

Response:

Accepted. A review of the Bougainville District Development Officer Project (BDDOP) has been completed. Discussions are being held with the Bougainville Peace and Restoration Office and with provincial authorities on the development of a Bougainville-wide local government institutional strengthening project. This project will build on the lessons learned from the BDDOP. As noted above, the Community Development Scheme has also been expanded, and will increase the capacity of community and non-government groups to access and manage aid funds.

**Recommendation 18:**

**The Committee recommends that AusAID give particular priority to the provisions of recurrent funding assistance for projects in Bougainville which have key significance for achieving a permanent peace settlement, for example law and order issues addressed by supporting salaries funding for trained auxiliary police.**

Response:

Accepted. Australia is generally wary of using aid funds for recurrent expenditure. This approach tends to undermine the counterpart ownership of the program and to limit its sustainability. Australia is conscious, however, of the special circumstances in Bougainville and has shown flexibility in designing projects in the province. For example, in the joint Australia/New Zealand Community Policing Project, donor funds will pay the trainee community police allowances during their training. The Australian Government is also exploring ways to use aid funds to better support Papua New Guinea's own service delivery programs in Bougainville. This could include support for recurrent cost funding.

**Recommendation 19:**

**The Committee recommends that AusAID ensure that there are explicit programs designed to enable women to participate fully in all phases of the peace process.**

Response:

Accepted. AusAID's emphasis is on development and reconstruction. All AusAID projects and activities address the issue of gender in development. In August 1999, an appraisal mission was commissioned to analyse how effectively the aid program in Bougainville addressed the needs of women and what more could be done in this area. As part of the outcome of that mission, AusAID is working with the provincial administration to develop a program to involve more women in the formulation of provincial development plans. AusAID is also helping to strengthen women's capacity to participate in the peace process through funding a project managed by the Leitana Nehan Women's Development Agency (LNWDA). Funding from AusAID's Peace Travel Fund has enabled women's representatives to participate in peace related meetings. Ultimately, however, the extent to which women, or any other Bougainvillean faction or group, participates in the peace process is a matter for the parties to the conflict.

**Recommendation 20:**

**The Committee recommends that AusAID discuss with the Papua New Guinea Government and Bougainville authorities the assignment of greater priority to small, community-based projects designed to develop negotiation, conflict resolution and counselling skills within Australia's development assistance programs for Bougainville.**

Response:

Accepted. AusAID has funded and is funding a number of activities in these areas. These include programs managed by Peace Foundation Melanesia (formerly Foundation for Community Development), Moral ReArmament, and the Marist Mission Centre for training in Trauma Counselling Skills and Small Business Development and Management Skills. AusAID will also be providing funding to Leitana Nehan Women's Development Agency (through International Women Development Agency) to develop a program addressing violence against women and alcohol abuse. Other projects, such as the community police-training project, include components that address these important issues.

**Recommendation 21:**

**The Committee recommends that AusAID examine the possibility of allocating aid funding for projects designed to assist in rebuilding the archives and library collections of Bougainville by locating relevant material held in Australian collections, and either copying the records or making them available to the Bougainville authorities in some other way.**



Response:

Not accepted. The Bougainville aid program is designed in full cooperation with the PNG Government and with Bougainville provincial authorities. These authorities have identified health, education and infrastructure as key priorities for the program. At this stage, the issue of funds being made available for retrieving archival and library collections has not been raised as a development priority, given the other competing demands on the program. AusAID, however, is preparing in consultation with the PNG Department of Education to provide books to schools in Bougainville. This will include the provision of library kits to seven high schools in the province.