



Hidden Valley Project

COMMUNITY AFFAIRS PRESENTATION

Peter Leahy

Presentation Outline

- Background
- Project Land Requirements
- The Stakeholders
- Landowner Agreements and Benefits
- Community Affairs

Project Land Requirements



- ML - 4079 ha of customary land in the headwaters of the Watut and Bulolo rivers, and
- ME – 2277 ha of customary land along the Manki Ridge (Bulolo-Watut Divide)
- LMP – 1 ha of customary land on Mt Naiko.

Project Land Requirements... Adjacent & Nearby Communities



- Villages of the Watut/Bulolo Valley
 - Nearby towns and settlements
 - Downstream communities
 - Down-road communities
- Landowner villages
 - Nauti
 - Kuembu
 - Winima

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The Stakeholders

- **The Developer**
 - Morobe Consolidated Goldfields
- **The Landowners (2 ethnic groups)**
 - Upper Watut people of "Nauti"
 - Biangai people of Winima and Kuembu Villages
- **The Government (3-levels of government)**
 - Host Local Level Governments
 - Wau Rural LLG/ Wau Bulolo Urban LLG/ Watut LLG
 - Host Provincial Government
 - Morobe Provincial Government
 - National Government
 - The State

Having waited for two decades, the Landowners are unanimously supporting the development of Hidden Valley.



The Stakeholders... Landowners

Landowners... as defined by the courts

Hidden Valley: 50% "Nauti" (Watut)
25% Winima (Biangai)
25% Kuembu (Biangai)

Hamata: 100% Yatavo Family, Ekuta Clan of Nauti Village (Watut)

Population of Landowners Villages in 2000... David King Report

BIANGAI		WATUT			TOTAL
Winima	Kwembu	Nauti	Akikanda	Miniva	
301	275	284	236	146	1242



Peter Askai, Deputy President NAKUWI at Nauti Village



Coffee parchment drying at Nauti



Peter Askai and children from Nauti Village

The Stakeholders... Landowner Representatives

- NAKUWI Association Inc
 - **NAuti-Kuembu- WI nima**
 - Launched in Feb 2000 to represent the Hidden Valley Landowners in future negotiation with the company and the government.
 - The establishment of NAKUWI was essential brought together two ethnically different groups of people, the Watut (Nauti) and the Biangai (Kuembu and Winima).
 - Involved in Development Forum and establishing the Project Memorandum of Agreement & Compensation Agreement.



**Welcome for Dignitaries at Winima
Dec 2003**



Rex Mauri, President of NAKUWI



NAKUWI meeting Aug 2003



**Jerry Naime, DOM Project
Cordinator Hidden Valley Project**

Stakeholders.... Government

- MPG and district level administration highly supportive and organized.
- MPs also highly supportive and pro-active.
- Minister for Mines and PM have taken special interest in our projects based on being a test case for community based mining development.
- PNG needs mine development to substitute closing mines.
- National govt has the political will to support projects.

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- **Landowner Agreements & Benefits**
 - Development Forum
 - Memorandum of Agreement
 - Compensation Agreement
 - Distribution of Benefits
- Community Affairs

Landowner Agreements...

- **Memorandum of Agreement**
 - **The MOA includes the following Annexes:**
 - Business Development Plan
 - Community Infrastructure Development Plan
 - Training and Localisation Policy
 - Procurement & Supply Plan
 - Conceptual Mine Closure Plan
 - A MOA for the Project is derived through a consultative process with Stakeholder and addresses Stakeholder' Undertakings and arrangements for benefit sharing
- **MOA now in the final stages and currently with the State Solicitors**



A high level of commitment from the Provincial Administrator and the MPA facilitated MOA discussions.

Landowner Agreements...

- **Compensation Agreement**
 - Document sets out the terms agreed by the developer and the landowners for compensation in respect to mining activities within the mining tenements (ML, ME & LMP).
 - Required before the Developer can enter onto the land for the purpose of mining.
 - A draft agreement, accepted in principle by the developer and the landowners has been approved by the DOM and following minor amendment will be ready for execution.

Landowner Agreements & Benefits

- **Direct from the developer and the government**
 - Royalty
 - Equity (not taken up in the case of the Hidden Valley Project); and
 - Compensation
- **Direct benefits from government**
 - Infrastructure Grant
 - Business Development Grant
 - Tax Credit Scheme
 - Commitments to maintain infrastructure
- **Direct benefit from the developer**
 - Scholarships
 - Mitigation projects
 - Contributions; and
 - Business spin-offs
- **Indirect benefits from the developer**
 - Medical services
 - Community health and Community Relation Extension Services

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- Landowner Agreements & Benefits
- **Community Affairs**
 - Organisation
 - Function
 - Experience

The importance of Community Affairs should not be underestimated... 97% of land in Papua New Guinea is private property owned by customary groups.

Government licenses and permits granted under Acts Of Parliament really boil down to a licence to deal with landowners.

It is critically important for the company to know:

- who the project landowners are
- who are the correct representatives who can speak with a clear mandate

Community Affairs field staff need to be engaged with the landowning community in order to be able to identify concerns and engage in dialogue to jointly facilitate solutions.

Community Affairs...

- **Community Liaison**

- Monitoring community attitudes, concerns & grievances.
- Advising, informing and educating the community on the Project Development.
- Managing Landowner & Community Expectations.
- Conflict resolution & negotiations
- Minimising social risks to the Project
- Mitigation of Social Impact

Community Affairs...

Government Liaison

- Aims to facilitate an effective working relationship between MCG and the Provincial Government, District Administration and the Local Level Governments.
- A comprehensive understanding of governmental and administrative organizational structure.
- Public Affairs & Media Relations

Community Affairs...

- **Business Development**
 - Fostering equitable participation of the Landowners in business
 - Provides a vehicle for visible participation
 - Highlights a commitment by the Developer to partnership
 - To be successful, a Business Plan needs to be:
 - Community oriented
 - Equitable (satisfy competing interests among and within Landowner Groups)
 - Sustainable businesses after mine life
 - As far as possible, vest responsibility of management on Landowners
 - Initially Business Development will rely heavily on managerial supervision by the developer.

Community Affairs...

- **Lands & Compensation**
 - Facilitate the identification and mobilisation of landowners in the project area.
 - Establish and nurture a positive relationship with the project area residents
 - Provide accurate intelligence to the company regarding landowner issues, eg., land disputes
 - Communicate accurate company information to landowners
 - Ensure the right of access to land during each phase of the project, including exploration, preconstruction, operations and project closure.
 - Obtain agreements with landowners regarding land compensation.
 - Ensure that timely and accurate compensation payments are made to relevant landowners.

**Because land is central to Papua New
Guineans in a way that is lost in most
modern societies, it is incumbent on
Community Affairs Staff to have as
much understanding about the
relationship of the project area people
to their land.**