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4. LEGAL, ADMINISTRATIVE AND PLANNING FRAMEWORK

This chapter outlines the Papua New Guinean legislation, standards and guidelines which are relevant to the proposed Papua LNG Project – Downstream (the Project) which is a development project for the Papua LNG Joint Venture participants. The requirements for Project approvals are discussed under the two principal statutes that regulate petroleum projects in Papua New Guinea, the *Environment Act 2000* (Environment Act) and *Oil and Gas Act 1998* (Oil and Gas Act). This chapter also sets out policies and international agreements that are relevant to implementation of the Project, including the internal policies of ExxonMobil PNG Antelope Ltd (EMPNGA), the Project proponent.

4.1 LEGISLATION GOVERNING PROJECT APPROVAL

This section outlines the requirements for assessment, approval and development of the Project under the Environment Act and the Oil and Gas Act. The two Acts are interrelated; the Minister responsible for the Oil and Gas Act must consider the socio-economic impact study included in this Environmental Impact Statement (EIS) and must be satisfied that "proposals for development provide adequately for the protection of the environment and welfare of the people of the area." The references are to Sections 49(c) and 57(2)(b) of the Oil and Gas Act. Additionally, the Environment Act restrains other governmental authorities from issuing permits or licences for level 2 or level 3 activities (other than existing activities) until an Environment Permit has been granted in accordance with Section 46(1) of the Environment Act.

4.1.1 Project approval under the Environment Act

The principal legislation for managing the environmental effects of projects in Papua New Guinea is the Environment Act. The act aims to promote sustainable development by minimising the adverse impacts of projects to the environment and the people of Papua New Guinea. This is achieved by requiring project proponents to obtain authorisation before undertaking activities that may harm the environment. The approval process includes completion of an EIS that covers the issues set out in the Environmental Inception Report (EIR), that is approved by the Papua New Guinea Conservation and Environment Protection Authority (CEPA). Once completed, the EIS is submitted to the Director who will then assess the EIS. When satisfied, the Director will accept the EIS and refer to the Environment Council within 14 days of acceptance. The Environment Council review and provide a recommendation to the Minister of Environment who will then either issue an approval in principle for the activity or refuse to approve the activity. Following approval in principle by the Minister, the Director may issue an Environment Permit with conditions authorising the project activities to be conducted.

CEPA is the government authority that is responsible for administering the Environment Act, the CEPA Act, CEPA (Environment Management Fee) Regulation, Environment (Permit) Regulation, Environment (Prescribed Activities) Regulation and other environment related legislation.

The following sections describe the approval context, activities that trigger the need for an Environmental Impact Assessment (EIA), the process for undertaking an EIA and submitting an EIS as a prerequisite to project approval, issues to be addressed in the EIS and guidelines and standards applicable to the assessment.

4.1.1.1 Approval context

The PNG LNG Project LNG Plant (LNG Plant) is located within a defined premises, per the Environment Act, with permitted works and activities under the existing Environment Permit EP-L3(210) held by ExxonMobil PNG Limited (EMPNG). EMPNGA has applied for an Environment Permit for the Papua LNG Project –

Downstream. The scope of EMPNG's EP-L3(210) will be appropriately amended to facilitate operations at the integrated LNG Plant by ExxonMobil.

4.1.1.2 Requirement for an environmental impact assessment

Based on the proposed level of activities, an EIA is required before an Environment Permit can be granted (Section 50 of the Act). An EIA involves the submission of an EIS and defines the physical and social environmental impacts which are likely to result from the proposed activity(ies).

This Project is required to undertake an EIA (and submit an EIS) as it involves Level 2 and Level 3 activities (as defined under the Environment (Prescribed Activities) Regulation 2002) as shown in Table 4.1.

Table 4.1 Level 2 and Level 3 prescribed activities relevant to the Project

Activity number	Prescribed activities
Level 3	
18.2	Refining of petroleum or manufacture and processing of petrochemicals or liquefaction of natural gas requiring a Petroleum Processing Facility Licence issued under the Oil and Gas Act 1998, except where the activity falls within the ambit of a Category B, Level 2 activity.
19.2	Construction of seaports and ship repair facilities serving ships of an individual tonnage of more than 500 tonnes.
Level 2	
5.1	Manufacturing of organic chemicals requiring a Petroleum Processing Facility Licence issued under the Oil and Gas Act 1998.
5.2	Pipeline transport and storage, using facilities with a holding capacity of more than 0.5 million litres.
10.2	Operation of fuel burning power stations with a capacity of more than 5 MW, but not including emergency generations.
11.1	Sewage treatment in plants serving more than an equivalent population of 5,000 people.
11.2	Operation of public and private landfills for the disposal of municipal waste, serving a population of more than 10,000 people.
11.4	Incineration, reprocessing, treatment or disposal of industrial or biomedical waste of a capacity greater than 10 tonnes per year.

Source: Environment (Prescribed Activities) Regulation 2002.

4.1.1.3 Process for undertaking Environmental Impact Assessment

The EIA approvals process for this Project stipulated by Section 51 of the Environment Act is shown schematically in Figure 4.1. Three key steps for the proponent in this process include:

- **Registration of intention to undertake preparatory work on Level 2 and Level 3 activities** (Section 48 of the Act).

- **Submission of an EIR** (Section 52 of the Act). The EIR is a scoping document that is developed through consultation between the proponent and the Managing Director of CEPA[1]. If the Managing Director is satisfied with the EIR, they will approve it or refer the EIR back to the proponent for amendment and re-submission. If the proponent does not receive a formal response from the Managing Director within the 60-day review period, the EIR is considered approved.
- **Submission of an EIS** (Section 53 of the Act). Under Section 53 of the Act, the proponent is required to submit an EIS that addresses the issues set out in the EIR.

Table 4.2 lists the key statutory submissions the proponent has issued to CEPA as part of the EIA process.

Table 4.2 Summary of key statutory submissions

Submission date	Summary
13 April 2022	Proponent submitted to CEPA a notification to carry out preparatory work in relation to a Level 2 and Level 3 activity. The notification of preparatory work covered the activities associated with the proposed development of the Papua LNG Project - Downstream.
15 July 2022	Proponent submitted the EIR for the Project.
1 September 2022	CEPA approved the EIR.
21 September 2022	Proponent submitted an Environment Permit application as requested by CEPA.

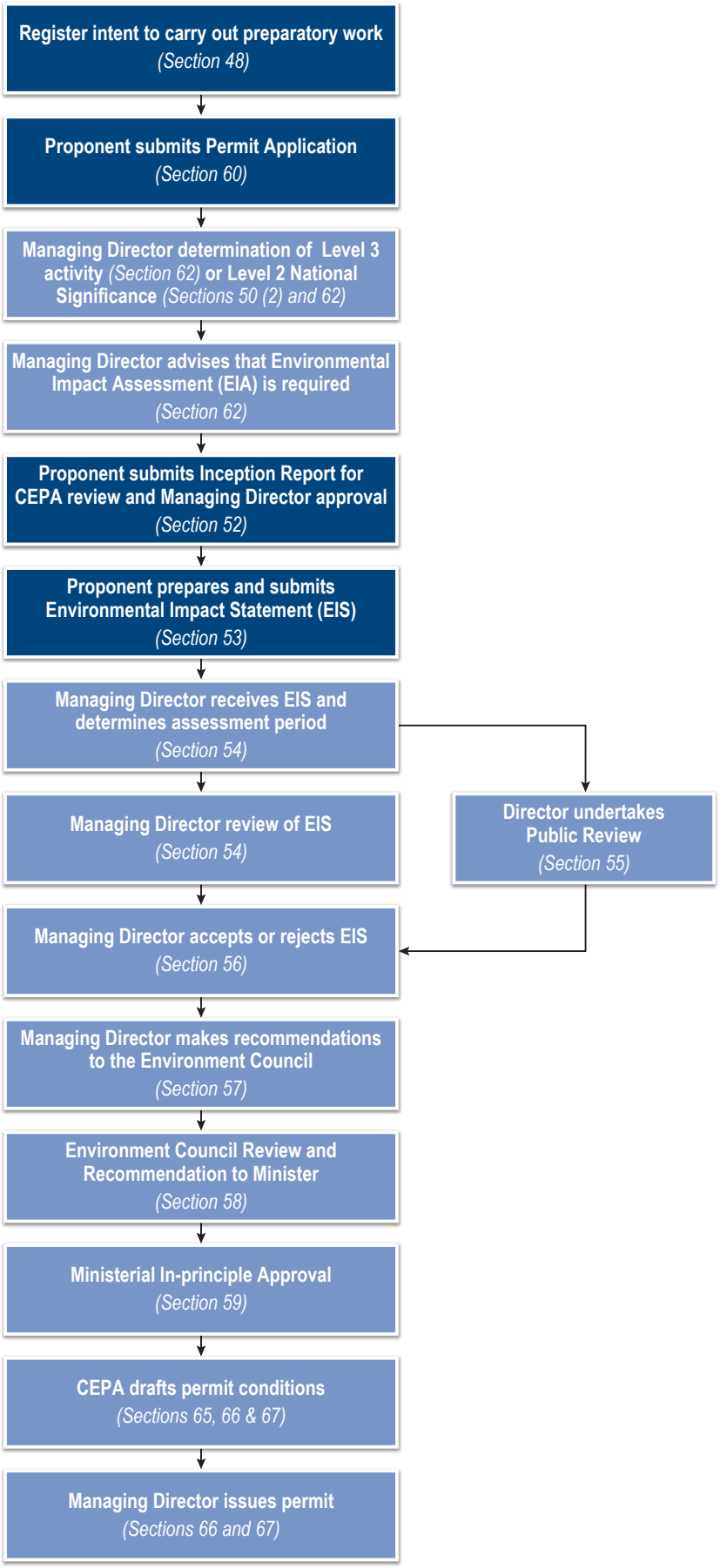
Approval Process

CEPA's Managing Director will make a preliminary assessment (Section 54 of the Act) of the EIS once submitted and make the document available for public review (Section 55 of the Act). The Director, may at any time prior to accepting the EIS, refer issues raised during the assessment and public review of the EIS back to the proponent, requiring the statement to be amended to address issues raised. Where the Director is satisfied of the following (Section 56 of the Act):

> *"(a) an environmental impact statement contains an adequate description of the nature and extent of physical and social environmental impacts which are likely to result from the carrying out of a proposed activity; and*
>
> *(b) all reasonable steps will be taken to minimise environmental harm which may result from the carrying out of the activity; and*
>
> *(c) the activity will be carried out in a manner which is consistent with all relevant Environment Policies and the Regulation."*

The Director shall accept the statement and within 14 days of the date of acceptance, refer the EIS to the Environment Council, a multi-disciplinary panel of experts appointed under Section 57 of the Act. The Environment Council has 90 days to decide whether it is satisfied with the EIS. If the Environment Council is not satisfied, the EIS is returned to the proponent for revision and resubmission. If the Environment Council is satisfied, it will make a recommendation to the Minister of Environment to approve the proposed activity in principle (Section 59 of the Act). After the Minister has issued an approval in principle, the Director will accept the Environment Permit application and grant an Environment Permit with conditions under Sections 65, 66 and 67 of the Environment Act.

[1] With the commencement of the CEPA Act, the Managing Director of CEPA took over the roles and responsibilities allocated to the 'Director of Environment' in the Environment Act. At that time, Section 15 of the Environment Act was amended to state that "The Director of Environment for the purposes of this Act is the Managing Director of the Conservation and Environment Protection Authority'.



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PAPUA LNG PROJECT – DOWNSTREAM

FIGURE 4.1

Environmental approvals process for the Project

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Environment permit and management

Sections 65, 66 and 67 of the Environment Act provide criteria for granting, setting and issuing conditions of Environment Permits, respectively.

Under Section 66, these conditions may include:

- Installation of plant or equipment within a certain time (Section 66(1)(a))
- Taking certain action to minimise the risk of environmental harm (Section 66(1)(b))
- Installation of monitoring equipment (Section 66(1)(c))
- Preparation and implementation of an environmental management program (Section 66(1)(d))
- Provision of reports specified by the Managing Director (Section 66(1)(e))
- Environmental improvement plan (Section 66(1)(f))
- Audits (Section 66(1)(g))
- Emergency response (Section 66(1)(h))
- Provision of information required by the Managing Director (Section 66(1)(i))
- Environmental bond (Section 66(1)(j))
- Baseline studies (Section 66(1)(k))
- Rehabilitation (Section 66(1)(l)).

Part VII of the Environment Act provides for permits for the use of water resources in Papua New Guinea including dams, diversions, discharges of effluents and/or contaminants.

Chapter 18 Environmental and Social Management, Monitoring and Reporting outlines the proposed framework for environmental and social management, monitoring, and reporting for the Project. This chapter provides an overview of:

- The relevant policy, legislation, guidelines, and standards.
- The environmental and social management system under which the Project will be constructed and operated.
- The range of management plans for environment, social aspects and health and safety.
- The organisational structure, and the framework for monitoring and reporting, including in relation to the expected conditions of the environment permits for the Project.

4.1.1.4 Issues to be addressed in the Environmental Impact Statement and standards of assessment

The Environment Act does not explicitly prescribe the matters to be covered in an EIS. Rather, under Section 52, the contents of each EIS and the issues to be addressed within are outlined by the proponent via the EIR.

CEPA has issued guidelines for preparing an EIS (DEC 2004) and draft guidelines for conducting social impact assessments (OEC 2004). The EIS guidelines instruct proponents to address the key areas as listed in Table 4.3.

The Environment Act also does not stipulate detailed standards to which the EIS must adhere, providing only that the Director and Environment Council must be satisfied that (Section 56 and Section 58):

- The EIS adequately describes the project and its impacts
- All reasonable steps will be taken to minimise negative impacts
- The project will be consistent with other environmental policies and regulations.

Table 4.3 Conformance to Environmental Impact Statement guidelines

EIS guideline requirement	Chapter of this EIS
Description of the project (including its purpose, viability, activities, and timeline)	Chapter 1 Introduction Chapter 2 Project Description Chapter 3 Assessment of Project Alternatives
Characteristics of the receiving environment (that is, baseline studies, including physical, biological, and social environments)	Chapter 7 Receiving Environment: Onshore Chapter 8 Receiving Environment: Marine Chapter 9 Social Environment Chapter 10 Cultural Heritage Environment
Impacts on the receiving environment	Chapter 11 Environmental Impact Assessment: Onshore Chapter 12 Environmental Impact Assessment: Marine Chapter 13 Social and Cultural Impact Assessment Chapter 14 Cumulative Impact Assessment
Waste and hazard management	Chapter 16 Waste Management Chapter 17 Environmental Hazard and Risk Management
Environmental management, monitoring, and reporting	Chapter 18 Environmental and Social Management, Monitoring and Reporting

In addition to Papua New Guinean legal requirements, this EIS has been informed by the International Finance Corporation Performance Standards (IFC PS) on Environmental and Social Sustainability (IFC, 2012) (IFC, 2012a, 2012b). The IFC PS are comprised of eight performance standards that detail commitments, roles and responsibilities relating to environmental and social sustainability.

Other standards of assessment and practice have been adopted where appropriate and are listed in Table 4.4.

4.1.2 Project approval under the Oil and Gas Act

The Project requires a petroleum processing facility licence (PPFL) under the Oil and Gas Act, which governs the exploration, development, processing and transportation of petroleum in Papua New Guinea. The Act is administered by the Department of Petroleum and Energy (DPE).

The Environment Permit must be granted prior to the PPFL being issued. Petroleum activities under the Oil and Gas Act are listed as Level 3, Sub-Category 18 activities in Schedule 1 of the *Environment (Prescribed Activities) Regulation 2002*. Per Section 46 of the Environment Act, other governmental authorities (such as DPE) are restrained from issuing permits or licences for level 2 or 3 activities (other than existing activities), until an Environment Permit in relation to the activity has been granted in accordance with the Environment Act.

Table 4.4 Standards of assessment adopted in the Environmental Impact Statement

Standard	Chapter of this EIS (section)
Pipeline standards Pipelines will be designed principally to meet the requirements of Australian Standard 2885.	Chapter 2 Project Description (2.1.3.1)
Waste and hazardous materials Waste and hazardous materials will be exported in accordance with the Convention to Ban the Importation into Forum Island Countries of Hazardous and Radioactive Wastes and to Control the Transboundary Movement and Management of Hazardous Wastes within the South Pacific Region (the Waigani Convention) and the Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (the Basel Convention). Standards listed in the Oil and Gas Act (standards 87 and 124) will also apply, as will the Environmental Code of Practice for Sanitary Landfill Sites Papua New Guinea (OEC 2001).	Chapter 16 Waste Management (16.5)
Wellbeing of individuals and communities including human rights Definitions of 'wellbeing' from the World Health Organization (WHO 1997) and the World Resources Institute (WRI 2008) will guide the social and cultural impact assessment.	Chapter 5 Overview of Impact Assessment Method (5.2.4) Chapter 13 Social and Cultural Impact Assessment (13.1.1)
Air quality, noise and water quality Air quality, noise and water quality parameters will be adopted from the PNG LNG Project Environment Permit EP-L3(210), as the conditions are likely to be similar for the Papua LNG Project – Downstream. Where the PNG LNG Project Environment Permit EP-L3(210) does not specify, air and water quality will also be assessed with reference to standards published by WHO, IFC Environment, Health and Safety Guidelines, United States Environmental Protection Authority and Australia and New Zealand Environment and Conservation Council (ANZECC) and Agriculture and Resource Management Council of Australia and New Zealand (ARMCANZ). Water quality will also be assessed according to the Papua New Guinea Public Health (Drinking Water) Regulation 1984 (Schedules 1 and 2), Environment (Water Quality Criteria) Regulation 2002, and WHO Guidelines for drinking-water quality (WHO 2017).	Chapter 7 Receiving environment: Onshore (7.1.7, 7.1.8.1, 7.1.9.1) Chapter 8 Receiving Environment: Marine (Chapter 8.5) Chapter 11 Environmental Impact Assessment: Onshore (11.4.1.2, 11.5, 11.6) Chapter 12 Environmental Impact Assessment: Marine (12.5.1.2) Appendix E Nearshore Marine Baseline Appendix J Noise Impact Assessment Appendix M Air Quality Assessment
Cultural heritage The significance of cultural heritage sites will be defined with guidance from the International Council on Monuments and Sites, as set out on the Burra Charter, Australia's application of the guidelines.	Chapter 10 Cultural Heritage Environment (10.1.3.) Appendix A Cultural Heritage Impact Assessment

4.1.2.1 Landowner Identification, Socio-economic Study and Development Forum

The Oil and Gas Act requires social mapping and landowner identification, a socio-economic study and a development forum as follows:

- Under Section 47, a **social mapping and landowner identification** (SMLI) study must be conducted for petroleum prospecting licences, petroleum retention licences and petroleum development licences. The

purpose of the SMLI is to identify and document the customary landowners in the licence area, associated pipeline areas, and other areas affected by the petroleum project. The SMLI study completed in September 2008 as part of the PNG LNG Project was updated in April 2023 for the Papua LNG Project. The Papua LNG Project SMLIs have been submitted to the DPE.

- Under Section 49(c), a **socio-economic impact study** must be submitted to the Minister of Petroleum as well as the Minister responsible for the Environment Act. This study is described as 'a socio-economic impact study' as part of the environmental plan required under the Environmental Planning Act 1978 (Environmental Planning Act). The Environmental Planning Act has since been repealed and replaced by the Environment Act, thus replacing environmental plans with the current scheme of granting Environment Permits following the preparation of an EIS.
- Under Section 48, the Minister of Petroleum must convene a **development forum** to which the project-area landowners, representatives from relevant local and provincial governments, and national government representatives are invited to attend. Relevant landowners' representatives are identified by the SMLI study and endorsed as genuine by the Minister. The purpose of the forum is to seek agreement among these stakeholders about certain aspects of a project, including the sharing of equity and royalty benefits.

Ideally, project benefit distribution is reached by agreement amongst the stakeholders and documented in a development agreement (Section 50). If agreement cannot be reached, then the Minister of Petroleum is to decide how benefits are to be shared in accordance with Section 170.

4.1.2.2 Construction approval

Construction of the Project cannot commence without the written consent of the Director Oil and Gas. The application for the approval to construct the facilities must include all the information as outlined in Section 182 of the Oil and Gas Regulation 2002. Once this has been approved, a permit is issued.

4.2 OTHER LEGISLATION RELEVANT TO THE PROJECT

Papua New Guinea has a range of other legislation and regulations that potentially apply to the approval, planning, design, construction and operation phases of the Project, as described in this section.

4.2.1 Cultural heritage legislation

Papua New Guinea has laws to preserve and protect objects of national cultural or historical importance. The *National Cultural Property (Preservation) Act 1965* makes it an offence to destroy or damage objects declared to be of national importance. The Project aims to identify, avoid, minimise, or offset Project-related impacts on cultural heritage.

4.2.2 Employment legislation

The *Employment of Non-Citizens Act 2007* aims to promote the Papua New Guinean workforce while balancing the need for foreign labour. The statute sets up a scheme of work permits that regulates foreign workers. Under Section 12, some occupations are reserved for Papua New Guinea citizens, and these occupations are listed in the Employment of Non-Citizens Regulations 2008. There are 243 occupations in total including occupations relevant to the Project such as concreter, crane operator, earthmoving labourer, security guard and truck driver.

A national content plan[2] specific to the Project will be drafted in accordance with Project requirements.

4.2.3 Other legislation

The Project will comply with a wide range of Papua New Guinean legislation. Table 4.5 summarises other, potentially applicable statutes. This list is not intended to be a comprehensive overview of all legislation that may apply to this Project and focuses on matters most relevant to the EIS process.

Table 4.5 Other legislation and regulations potentially relevant to the Project

Statutory instrument	Description and project relevance
Building Act (Chapter 301) and Building Regulation 1994	Regulates construction.
Climate Change (Management) Act 2015	Provides a regulatory framework to promote climate and manage compatible development through climate change mitigation and adaptation activities.
Conservation Areas Act 1978 and Conservation Areas (Amendment) Act 2014	Provides for the preservation of the environment and of the natural cultural inheritance by the conservation of sites and areas having particular biological, geological, historic, scientific or social importance and the management of those sites and areas. Papua New Guinea has established only one conservation area, which will not be affected by the Project.
Customs Act 1951	Regulates import and export of goods.
Environment (Water Quality Criteria) Regulation 2002	Sets criteria which projects must not lower marine and freshwater quality levels below.
Explosives Act 1953, Explosives Act (Adopted), Explosives Regulation 2002, Explosives Regulation (Adopted) (Chapter 309)	Provides for licences to use explosives and for safe use and storage of explosives.
Fauna (Protection and Control) Act 1966 and Fauna (Protection and Control) (Amendment) Act 2014	Regulates the taking or killing of fauna, including the hunting, shooting, poisoning, netting, disturbing or injuring of fauna.
Fire Service Act 1962	Establishes fire brigades and regulates the lighting of fires.
Fisheries Management Act 1998, Fisheries Management Regulation 2000 and Fisheries Management (Amendment) Regulation 2016	Regulates fishing activity.
Industrial Safety, Health and Welfare Act 1961	Sets standards and procedures for industrial work environments.
Inflammable Liquid Act 1953	Regulates the keeping, conveyance and sale of inflammable liquid and other dangerous goods.
International Trade (Fauna and Flora) Act 1979 and International Trade (Fauna and Flora) (Amendment) Act 2014	Regulates the export of species listed under the Convention on International Trade in Endangered Species of Wild Fauna and Flora.
Land Act 1996	Regulates matters relating to State-owned land and land held under customary tenure in Papua New Guinea, including acquisition of land (both voluntary and compulsory).

[2] The Papua New Guinean Government through DPE has drafted a new petroleum national content policy that is under review and was considered but not required as part of this assessment.

Statutory instrument	Description and project relevance
Marine Pollution (Ballast Water Control) Act 2013	Controls the spread of adverse aquatic organisms and pathogens.
Marine Pollution (Preparedness and Response) Act 2013	Mandates a response system for cleaning up oil spills, chemicals, or any other pollutants in Papua New Guinea's waters.
Marine Pollution (Sea Dumping) Act 2013 and Marine Pollution (Sea Dumping) Regulation	Guides the disposal of dredged material as well as the incineration and dumping of waste at sea.
Marine Pollution (Ships and Installations) Act 2013	Prevents and controls marine pollution from vessels or installations in Papua New Guinea's waters as well as from Papua New Guinea's vessels and installations globally.
Maritime Zones Act 2015	Multi-faceted measures for the protection of the marine environment.
National Cultural Property (Preservation) Act 1965 and National Cultural Property (Preservation) Regulation 1965	Sets out protections for any property of particular importance to the cultural heritage of Papua New Guinea and any object used for any purpose connected with the traditional cultural life of any of the peoples of the country past or present.
National Museum and Art Gallery Act 1992	Requires developers to maintain a register of cultural heritage and archaeological sites identified and make provisions for their maintenance.
National Water Supply and Sanitation Act 2016 (as amended)	Provides for water supply and sewerage services in Papua New Guinea.
Physical Planning Act 1989	Establishes a comprehensive mechanism for physical planning at national and provincial levels of government.
Public Health (Drinking Water) Regulation 1984	Regulates water quality in Papua New Guinea, ensuring its suitability for human consumption.
Road Maintenance Act 1971	Provides for the classification and maintenance of roads.
Road Traffic Act 2014	Controls the licensing of heavy vehicles engaged in commercial carrying.

4.3 GOVERNMENT POLICY FRAMEWORK

In addition to statutory requirements, the Project will be developed and operated within the relevant policy framework of the Papua New Guinean Government. Four sets of policies are relevant:

- Vision 2050
- Papua New Guinea Development Strategic Plan
- Medium Term Development Plan
- Provincial, local-level and ward development plans.

4.3.1 Papua New Guinea Vision 2050

In 2009, the Papua New Guinean Government, through the National Strategic Plan Taskforce, released 'Vision 2050'. This vision describes the country's long-term strategy and reflects the aspirations of Papua New Guineans, with the goal that the nation will be ranked in the top 50 countries in the United Nations Human Development Index by 2050. Papua New Guinea was ranked 157 out of 189 countries in 2020 (UNDP 2022).

The plan seeks to address Papua New Guinea's social and economic indicators through strategies that focus on seven 'pillars':

1. *Human capital development, gender, youth and people empowerment.*
2. *Wealth creation, natural resources and growth nodes.*
3. *Institutional development and service delivery.*
4. *Security and international relations.*
5. *Environmental sustainability and climate change.*
6. *Spiritual, cultural and community development.*
7. *Strategic planning, integration and control.*

Figure 4.2 shows the seven pillars of the Papua New Guinea Vision 2050. Development of the Project is aligned with the second strategic area as it presents a potential new source of wealth and growth for Papua New Guinea.

4.3.2 Papua New Guinea Development Strategic Plan

In 2010, the Papua New Guinean Department of National Planning and Monitoring released the Papua New Guinea Development Strategic Plan 2010 to 2030 (DNPM 2010). The plan translates the focus areas of the 'Vision 2050' into concise directions for economic policies, public policies and sector interventions with clear objectives, quantitative targets, and baseline indicators.

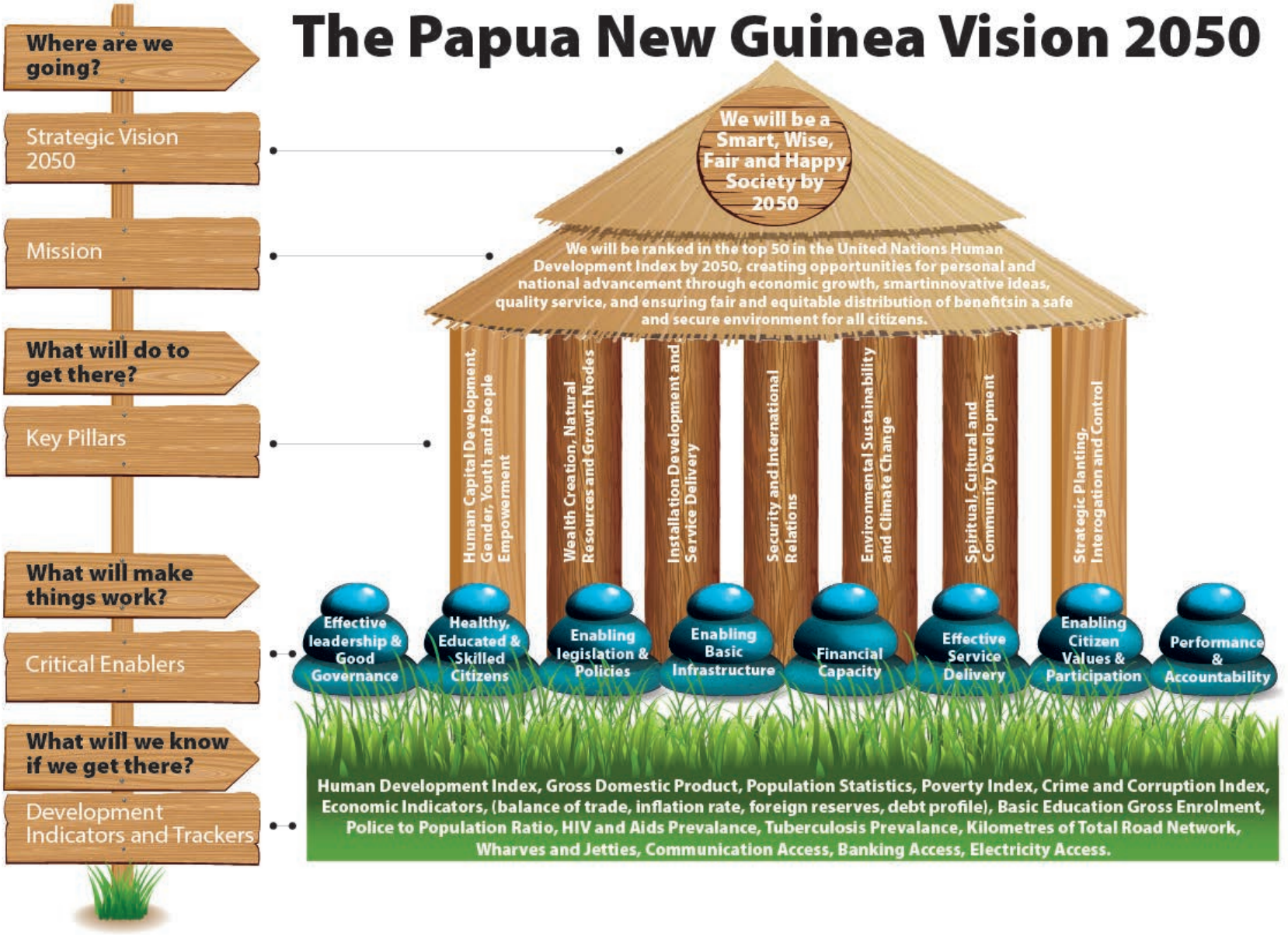
The goal is for Papua New Guinea to become a prosperous, middle-income country by 2030 (DNPM 2010). The plan acknowledges Papua New Guinea's substantial natural gas reserves and identifies the prosperous future for both the gas industry and nation as a whole.

The broad objectives of the plan are:

- Integral human development
- Equality and participation
- National sovereignty and self-reliance
- Natural resources and environment
- Papua New Guinea ways.

The plan targets for at least three large gas projects to be up and running by 2030. The Project is consistent with this target, as well as the petroleum goal to:

> *Build a world leading petroleum industry that maximises benefits to PNG and landowners, minimises impacts on the environment and social welfare, and provides PNG with energy security.*



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PAPUA LNG PROJECT – DOWNSTREAM

FIGURE 4.2

The seven pillars of the Papua New Guinea Vision 2050 (adopted by ExxonMobil)

SOURCE
Exxon Mobil Corporation adapted from National Strategic Plan Taskforce (2022)

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4.3.3 Medium Term Development Plan

The Medium Term Development Plan III, 2018 to 2022 (DNPM 2018), is a five-year plan describing the objectives, strategies and financing plan to fund the government's key development priorities. This plan builds on the two previous Medium Term Development Plans I (2011 to 2015) and II (2016 to 2017).

Volume 1 of Plan III provides the road map for a sustainable future towards Vision 2050 and supports the guiding principles of sustainable development established in the National Strategy for Responsible Sustainable Development for Papua New Guinea. It is designed to provide strategic direction to Government investment decisions and the main indicators and targets needed to meet development objectives. Volume 2 of the plan sets out the framework and investment plan with outcomes and targets, deliverables, and annual investments for each sector.

The plan acknowledges that petroleum extraction to date has focused on crude oil rather than natural gas. Natural gas will become an increasingly prominent contributor to the Papua New Guinea economy through tax and export revenues. Development of the Project is consistent with the aim of the Medium Term Development Plan.

4.3.4 Provincial, local-level and ward development plans

Provincial and local-level governments in Papua New Guinea are required to formulate five-year rolling development plans, under the Section 24 and Section 33A of the Organic Law on Provincial and Local Level Governments (1995). The aim of these plans is to provide clarity and accountability to investment decisions, and to inform development planning at the national level.

In turn, provincial and local-level development plans are informed by plans at the ward level, required under Section 11 of the *Local-level Governments Administration Act 1997*. This statute also reinforces the duty of local-level governments to undertake such planning, pursuant to Section 38. In practice, few development plans are drafted or maintained, especially at the local and ward levels. Development plans for Central Province and Hiri-Koiari District (previously Kairuku-Hiri District) will be anticipated as required by the Project.

4.4 INTERNATIONAL ENVIRONMENTAL AGREEMENTS

Table 4.6 summarises the international agreements, including treaties, conventions and protocols relevant to the Project and its implementation, and to which Papua New Guinea is a signatory.

In general, these treaties are effective in local law only after implementing legislation has been enacted in a signatory country. Elements of these agreements may relate to mitigation and management of environmental and social impacts of the project in those instances where the Papua New Guinean Government has passed local laws to fulfill its obligations to these treaties.

4.5 PROJECT POLICIES

This section sets out key policies, standards, and commitments of EMPNGA, that will subsequently apply to NLOC upon handover post commissioning, in relation to risk management frameworks. Further details on the application of these policies, standards and commitments are provided in Chapter 18 Environmental and Social Management, Monitoring and Reporting.

The Project is committed to conducting business in a manner which is compatible with the environmental and economic needs of its employees, those involved with operations, customers, and the communities in which it operates, and that protects the safety, security, and health of these communities and employees of the company.

This commitment is put into practice through a disciplined management framework called the Operations Integrity Management System (OIMS), which outlines common expectations for addressing risks inherent to the business. OIMS is compliant with ISO 14001, the International Organization for Standardization's standard for environmental management systems.

The Project has developed a National Content Strategy for its activities which commits to:

- Recruiting and developing local workforces
- Developing and using local vendors for the supply of goods and services
- Investing in health, education, and infrastructure to assist the development of local capacities.

Contractors and subcontractors engaged for the Project will be required to comply with EMPNGA policies (see Chapter 18 Environmental and Social Management, Monitoring and Reporting) and standards, and the Papua LNG Project - Downstream ESMP (Construction).

Table 4.6 Applicable international agreements to which Papua New Guinea is a signatory

Title	Comment
Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (1989)	A major multilateral agreement, relating to transboundary movement in, and responsible management of, hazardous and other wastes.
Convention Concerning the Protection of World Cultural Heritage and Natural Heritage (1972)	Recognition and protection of the world's natural and cultural heritage considered to be of outstanding universal value.
Convention for the Protection of the Natural Resources and Environment of the South Pacific Region (1986), including the Protocol for the Prevention of Pollution of the South Pacific Region by Dumping (1990) and Protocol Concerning Co-operation in Combating Pollution Emergencies in the South Pacific Region (1990).	Protection, development and management of the South Pacific marine and costal environment.
Convention of the Prevention of Marine Pollution by Dumping of Wastes and Other Matter (1972)	Promotes the effective control of all sources of marine pollution and practicable steps to prevent pollution of the sea by dumping of wastes and other matter.
Convention on Biological Diversity (1992) including Cartagena Protocol on Biosafety to the Convention on Biological Diversity (2000).	Preserving and sustaining biological diversity.
Convention on International Trade in Endangered Species of Wild Fauna and Flora (1973)	Prevents the endangerment of animal and plant species by regulating the international trade of specimens.
Convention on the Conservation of Migratory Species of Wild Animals (1979)	A global environmental treaty striving to protect migratory species, their habitats and migration routes.
Convention on the International Regulations for Preventing Collisions at Sea (1972)	Regulations and navigation rules for ships and vessels at sea. Intends to prevent collisions of two or more vessels.
Convention on the Protection of the Underwater Cultural Heritage (2001)	Significant legislation to protect submerged heritage.
Convention on Wetlands of International Importance Especially a Waterfowl Habitat (1971)	Local and international commitment to the conservation and wise use of wetlands.
Convention to Ban the Importation into Forum Island Countries of Hazardous Wastes and Radioactive Wastes to Control the Transboundary Movement and Management of Hazardous Wastes within the South Pacific (the Waigani Convention) (1995)	Proscription of international trade in hazardous waste and notification procedures, monitoring mechanisms and cooperative authorities.
International Convention for the Control and Management of Ships' Ballast Water and Sediments (2004)	Requires signatories to ensure their ships work to prevent the spread of harmful aquatic organisms between regions, namely through ballast water discharge.

Title	Comment
International Convention for the Prevention of Pollution from Ships (1973), as modified by the Protocol of 1978 (MARPOL 73/78 Annexes I through V), including Optional Annex III, IV and V.	Aims to prevent pollution from the operational or accidental actions of ships.
International Convention for the Safety of Life at Sea (1974)	Minimum safety standards for the constructing, equipping, and operating of ships.
International Convention on Civil Liability for Bunker Oil Pollution Damage (2001)	International rules and procedures governing liability and compensation for oil leakage from ships.
International Convention on Civil Liability for Oil Pollution Damage (CLC) (1992), including the CLC Protocol (1996)	Ensures adequate compensation is available for damages caused by oil pollution from oil tankers involved in accidents.
International Convention on Load Lines (1966)	Limits on the amount of weight a ship can be loaded with, namely in consideration of buoyancy and safety.
International Convention on Oil Pollution Preparedness, Response and Co-operation (1990) and the 2010 Hazardous and Noxious Substances Protocol	Outlines measures for managing oil pollution domestically and globally.
International Convention on the Control of Harmful Anti-fouling Systems on Ships (2001)	An agreement prohibiting the application of harmful substances from the hulls of ships.
International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage (Fund Convention) (1971), including the 1992 Protocol.	Covers the legal, financial, and other questions not fully covered by the CLC.
International Convention on Tonnage Measurement of Ships (1969)	Implements a universal tonnage measurement system for a ships' cargo-carrying capacity.
International Convention Relating to Intervention on the High Seas in Cases of Oil Pollution Casualties (1969)	Affirms the right of a coastal State to take such measures on the high seas as may be necessary to prevent, mitigate or eliminate danger to its coastline or related interests from pollution by oil or the threat thereof, following upon a maritime casualty.
International Maritime Dangerous Goods (IMDG) Code	Protects crew members and prevents marine pollution by enforcing international safe transportation and shipment of dangerous goods and/or hazardous materials.
International Plant Protection Convention (1976)	Promotes international cooperation to control pests and diseases of plants and plant products.
International Standards of Training, Certification and Watchkeeping for Seafarers (STCW) 1978	An international agreement on the minimum standards of training, certification, and watchkeeping for seafarers.

Title	Comment
Kyoto Protocol to United Nations Framework Convention on Climate Change (1997)	Aims to reduce negative changes to the earth's climate, with a focus on greenhouse gases. Places onus on industrialised countries (annex 1 countries) to reduce emissions. Developing countries such as Papua New Guinea are exempt from the reduction requirement.
Paris Agreement to the United Nations Framework Convention on Climate Change (2016)	Aims to strengthen the global response to the threat of climate change by reducing greenhouse gases emissions, adapting to the impacts of climate change, and to provide financial assistance to developing countries affected by a changing climate. The most important difference between the Kyoto Protocol and the Paris agreement is that developing countries such as Papua New Guinea are submitting pledges to reduce greenhouse gases emissions.
Plant Protection Agreement for Southeast Asia and the Pacific Region (1956)	Aims to prevent the spread of harmful pest species within the Southeast Asia and Pacific Region.
Rotterdam Convention of Prior Informed Consent for Certain Hazardous Chemicals and Pesticides in International Trade (1998)	Allows for global informed decision-making regarding the trade of hazardous chemicals.
Stockholm Convention on Persistent Organic Pollutants (2001)	Seeks to eliminate or restrict the manufacturing and/or utilisation of persistent organic pollutants.
United National Framework Convention on Climate Change (UNFCCC) (1992), including the Kyoto Protocol (1999).	Commits signatory countries to reduce greenhouse gas emissions in line with agreed targets and the United Nations Framework Convention on Climate Change.
United Nations Convention on the Law of the Sea (1982)	Multilateral agreement on the law of the sea, in particular, the protection and preservation of the marine environment.
United Nations Framework Convention on Climate Change (1992)	Sets specific goals on the stabilisation of greenhouse gas concentrations at a level at which dangerous anthropogenic interference with the climate system is avoided.
Vienna Convention for the Protection of the Ozone Layer (1993)	Aims to protect the ozone layer.