

FOREST WORKSHOP - with INA/CIMC
Morning of 8th October, 2019, at the INA

This Workshop is for the morning of Tuesday, 8th October 2019.

Prior to the National Forest Summit on 9-11 Oct (at APEC Haus), this workshop for forest and conservation professionals, NGOs, CSOs, academics and community members enables some prior dialogue on key issues affecting the sector, especially from the community, sustainable resource management and conservation perspectives.

The workshop will focus on the key factors affecting forest resource management and conservation in PNG, including priorities for:

- local communities, based upon its contribution to the local community in terms of contribution to landuse, food, nutrition and other needs, employment, cash income, fresh watershed management, other forest services etc. (including from forestry, forest retention, carbon etc)
- the national economy, in terms of sustainable economic activity, employment and revenue, carbon/environmental services
- environment and ecological services

The National Forest Policy of 1990 (and hence the Forest Act of 1991) was based upon:

- strengthening engagement and control over forest resources and benefit of those resources with the customary land owners; including clear choice over resource utilisation, including use of development option studies, stopping decision-making by unrepresentative community leaders etc.
- placing sustainability resource management at the centre of all resource acquisitions and permits, and removing back doors for resource acquisition/development (including LFAs, and TAs, - except for genuine community agricultural areas etc up to 50 hectares etc)
- improving forest planning and management with a single line forest service, with tiers of decision-making at the national and provincial level, ensuring that PNG gained it's fair share from it's resources (stamping out transfer pricing etc), removing sole discretion by the Forest Minister or Secretary and having a system of checks and balances, with a Forest Board made up of independently selected representatives from a few Government interests (Planning and Environment), professional foresters' assocn, social/environmental NGOs (initially through the NANGO alliance and later EFF), the Provinces, women's interests, and the private sector (through the Chamber of Commerce)
- encouraging domestic downstream processing, notably where it provides value-added, local benefits etc

Despite the intent of the new policy and Act and the wrongdoing in the sector highlighted by the Forest Inquiry (or 1987-9), delays in the Act's application enabled large areas of the forest resource to be allocated as LFAs in the final days/months of the old Forest and Private Dealings Acts. It also coincided with the arrival into PNG of the whirlwind of Sarawak loggers, initially with Vanimo timbers, after the departure of Bunnings, and the Frontier Holdings securing of resources and transferring them to RH. Since then the more diversified, but smaller scale operations, some locally owned, some owned by Japanese or other companies, were consolidated under the big new mandates that had developed a very lucrative model, in association with the Chief Minister of Sarawak (and to a lesser extent Sabah), which was applied in PNG, and the industries political influence grew progressively, and capacity to resist measures of planning and legitimate government oversight.

Since then, although the industry consistently argued that they were losing money, it was apparent that the margins enjoyed by the industry were highly lucrative and that they were pursuing any further available resource areas, by one means or another, including through a series of backdoor routes (including extensions to resource areas, durations, securing vast TAs, and the heavy use of supposed forest conversions, to agriculture, roads etc). Over the past 13 years, the use of the Lands Act became more routine, using SABLs and associated Forest Conversion Authorities (FCAs) approving that forest areas were to be converted for use notably for agriculture, with DAL's endorsement that they were valid projects. The SABL scandal was subject to the major, though uncompleted, SABL inquiry in 2011-12, which highlighted that they all were essentially illegal or more specifically invalid as free, prior and informed consent was never obtained by the landowners, as required under the Constitution and Lands Act, prior to securing the resource (despite the Minister/Secretary for Lands waiver and authorisation of the lease).

Following the Inquiry and verbal commitments by the then Govt to revert the land properly to the landowners, little action has in reality occurred, as it all seemed too hard (or against the interests of officials who'd prepared them), and risked legal disputes from logging/(agricultural) companies that had acquired the resources improperly. The Lands staff focussed some attention on converting the SABLs under Customary Land Tenure Conversion arrangements, which shifted ownership back to the landowners (who legally had really never apparently lost it anyway - although in practice they had), but this didn't seek to challenge the control that these companies had gained, especially where they'd progress their logging and in various cases developed oil palm operations, despite in many cases being unsuitable terrain for such agricultural developments - as in the karst terrain of southern ENBP).

With SABLs ceasing to be the avenue for continued land grabbing, it appears that business has continued unimpeded, with FCAs continuing to be released, but in the absence of the SABLs.

It seems that the Sarawak model of logging, which left the customary inhabitants of Sarawak bereft of their forests, and natural resources, while making a few corporations and politicians very wealthy, is continuing unimpeded in PNG, albeit with some tinkering with the aspects of that model.

So, in reviewing the Policy and Act in 2019, it is clear that there needs to be:

- much greater transparency around all aspects of forest management in PNG, with all documentation (on resources, FMA/permit boundaries, agreements, prices, taxes due payable etc) accessible to stakeholders including different components of government, the landowners and the wider public. (SGS's work over the past 25 years has enhanced transparency, but the information it provides has failed to be utilised adequately to restrain transfer pricing etc, and EITI measures also need to be applied to forestry operations)
- enhanced governance and accountability arrangements over resource acquisition, allocation, oversight etc, with more concerted efforts at compliance, including permit cancellations and penalties in the case of abuse
- serious arrangements to reinforce genuine community awareness and engagement in resource decision-making, and more sustainable benefits, whether from forestry operations, carbon, conservation or other landuse options
- consideration of the downstream processing/log export bans, their purpose/risks/benefits, how to secure revenue in the absence of log export taxes and avoid bogus local processing (.eg. stripping of bark or flitching etc)
- review all issues around the back door arrangements, notably FCAs, which provide around 1/3 of all log exports, yet are clearly not consistent with the requirement for sustainable forest harvesting, or genuine agricultural projects in most/many instances, with some of the Major palm oil operations in ENBP already closed owing to low commodity prices (and poor yields, poor management experience etc)

AGENDA:

- THE Status of the Forest Sector in 2019
- The SABLs- FCAs - status
- Resource management information - surveys, projects resource areas, documentations, Environmental Plans etc
- Key components for a new National Forest Policy and Act

For participating or further details, please contact Mary Boni at CIMC (tel 3211714), or Moale Sabadi or Esther Wari at INA (tel 3211044/5). mary.boni@cimcpng.org or moale.sabadi@cimcpng.org

PB