



PAPUA NEW GUINEA:
NOT READY FOR

[REDD]

CONTENTS

Executive Summary	1
Introduction	2
Recommendations	3
The Promise of REDD in PNG	4
The Need for International REDD Finance	4
Somare's Plan: From Copenhagen to Cancun	5
McREDD and Rushed REDD Plans	5
Carbon Cowboys	7
Donor Bodies and REDD Financing	8
Poor Forest Governance in PNG	10
Illegal and Destructive Logging	10
Corruption in the Forestry Sector	10
Dismantling of Indigenous Peoples' Rights	12
Conclusion	13
Reference	13



EXECUTIVE SUMMARY

This report critiques the handling of domestic policy aimed at Reducing Emissions from Deforestation and Degradation (REDD) by the Government of Papua New Guinea (PNG) and the way it has engaged with international REDD negotiations since the 2009 UN Climate Conference in Copenhagen.

The poor governance and entrenched corruption that has long characterised the PNG logging industry, together with a refusal to accept conditions for REDD funding and a growing dismissal of indigenous peoples'

rights means PNG is not currently ready for REDD funding. This is unfortunate as future generations of Papua New Guineans and the country's unique biodiversity could miss out on a positive alternative to continued destructive industrial logging.

Greenpeace is a strong advocate for fast-start funding for REDD if it is provided with strict preconditions for governance reform. Greenpeace has provided, and will continue to provide, advice and recommendations to the Government of PNG (GoPNG) on the measures that should

be taken to advance its case for REDD money. Greenpeace's key recommendations are a moratorium on new large-scale logging and agricultural concessions and a review of existing operations and stringent safeguards for indigenous peoples and biodiversity.

This report offers recommendations for existing and prospective REDD donor countries and key conditions that must be met by the GoPNG before REDD financing occurs.



INTRODUCTION



There is no questioning the unique environmental and cultural importance of PNG. Covering the eastern half of the island of New Guinea, the country hosts one of the world's largest and most diverse areas of remaining intact tropical forest. It also supports the Earth's most diverse collection of cultures with over 850 languages.

Yet PNG faces significant environmental and economic challenges. Much of the largely rural-based population does not have access to health or education services and one third of the population lives on less than US\$1.25 a day.¹

Decades of industrial logging have not delivered the promised benefits of employment, improved health and education. Communities affected by logging have witnessed the loss or destruction of their forests and waterways, two things that are key to their subsistence way of life. Today only 55% of PNG's forests remain as intact forest landscapes,² much of which are at risk of being lost forever.

Due largely to unsustainable levels of logging, PNG has the second highest proportion of national greenhouse gas (GHG) emissions from land use and land use change and forestry (LULUCF) in the world.³

The appeal of receiving international financial assistance for REDD has seen PNG position itself as a leader within international REDD discussions.

Yet this high level of influence has not been reflected in leadership on effective emission reductions or forest protection domestically. What national policy has been developed thus far aims to maximise potential international REDD funding rather than improve institutional and political capacity in PNG in order to implement effective REDD policy and measures.

Meanwhile, the search and investment for voluntary REDD carbon credits and schemes has ballooned in PNG as speculative investors and entrepreneurs look to get into a rapidly emerging but uncontrolled market.

Corruption within PNG's forest industry, disregard for land owner rights, inflated estimations of likely benefits from REDD and a lack of effective institutional systems in place do not engender confidence in the country's ability to manage a funded institutional transition to a low carbon economy. Rather than leading to institutional reform, these allegations have resulted in the re-naming of relevant institutions to deflect blame.

Recently introduced legislation marks a shift towards reduced government transparency and an increasing disregard of rights of its indigenous peoples – the owners of 97% of the country's forests.

PNG's GHG emissions reduction plans focus largely on Reduced Impact Logging (RIL), sidelining the benefits of conservation. It also leaves many to conclude that PNG's largely foreign-owned logging industry and pro-logging advisors retain undue influence over the GoPNG and its forest and REDD policies.

For the GoPNG to provide an alternative to continued destructive logging and deforestation, which has shown no real benefit to its people, it must embark on a new way to engage with REDD policy at home and abroad.

For prospective international REDD donors, the greatest way to support the people of PNG and achieve the objectives of REDD is to insist on legislative preconditions to accompany REDD funding.

RECOMMENDATIONS

To REDD donor countries and institutions:

1. Implement a comprehensive set of preconditions and safeguards for credible REDD and Climate-Compatible Development in PNG that includes:
 - b. Recognition and respect for indigenous peoples' rights to the forest lands and carbon (including a requirement of a review of the Environment Act to remove elements that breach the UNDRIP);
 - c. No support or financing for industrial logging (including RIL or SFM) of intact or primary forests, and the re-alignment of the forestry sector to focus on management and restoration of secondary forests and local processing;
 - d. The implementation of a moratorium on forest conversion for industrial agriculture and the expansion of logging into intact or primary forests by the Government of PNG;
 - e. Participatory land use and conservation planning based on the free prior and informed consent of the customary

landowners. It must also ensure areas of high conservation value, primary forests and intact forest landscapes are protected with a focus on community protected areas;

- f. Measures to ensure forest governance reform in order to keep corruption out of REDD.
2. Establish a 'PNG Forest Fund' with multi-stakeholder governance that includes civil society and NGO representatives, similar to the Amazon Fund.

To the Government of Papua New Guinea:

3. As a demonstration of commitment to REDD, immediately declare a moratorium on industrial logging in intact or primary forest and forest conversion for industrial agriculture.
4. Ensure the REDD and PNG laws respect the rights of the customary landowners as laid down in the PNG constitution and the UN Declaration on the Rights of Indigenous Peoples. Further, rights to forest carbon and the majority of benefits from its conservation should remain with the customary landowners.

5. Reject the baseline and business as usual (BAU) scenarios within their Climate-Compatible Development Interim Action Plan (IAP) and Strategy (SDCCD). Instead, use realistic assumptions for GHG abatement based upon 10 year average deforestation rates similar to the approach taken in Brazil.
6. Carry out comprehensive and inclusive consultation with PNG civil society including the customary landowners on the proposed IAP and SDCCD.
7. Redirect the IAP and SDCCD to focus on GHG abatement from forest protection, particularly in primary forest and restoration of secondary forest, rather than a continuation and expansion of logging (RIL).
8. Establish a 'PNG Forest Fund' to manage REDD finance with multi-stakeholder governance that includes civil society and NGO representatives, similar to the Amazon Fund.



The greatest way to support the people of PNG and achieve the objectives of REDD is to insist on legislative preconditions to accompany REDD funding



THE PROMISE OF REDD IN PNG

The Need for International REDD Finance

The protection of PNG's forests, in particular the intact and primary forests that store considerable volumes of carbon, is essential for mitigation of climate change. Much of this forest is threatened by logging and conversion for agriculture. The people of PNG, most of whom live a subsistence life relying on the forest, also have the right to development and improving their livelihoods. Therefore protection of their forests for the global benefit is going to require international financing to compensate forgone development.

Only 55% of PNG's forests today are in large blocks of primary forest (>500 km²) of minimally disturbed forest ecosystems known as Intact Forest Landscapes (IFLs).

“Primary forests are generally more carbon dense, biologically diverse and resilient than other forest ecosystems, including modified natural forests and plantations, accordingly, in largely

intact forest landscapes where there is currently little deforestation and degradation occurring, the conservation of existing forests, especially primary forests, is critical both for preventing future greenhouse emissions through loss of carbon stocks and continued sequestration, as well as for conserving biodiversity.”⁴

The UN Convention on Biological Diversity (CBD)

However, continued illegal and destructive logging and the conversion of forest areas into plantations could see much of PNG's commercially accessible tropical forests cleared or degraded by 2021.⁵

With over 85% of PNG's people living within the forest and surrounding rural areas, the forests play an important role in their livelihoods. However, access to education and health care remains a major development challenge. One third of the population lives on less than US\$1.25 a day.⁶ Despite years of economic growth, industrial development has benefited only a very few, with many living in poverty.⁷ PNG has traditionally been

dependent on overseas aid to bridge the gap in its development needs and rapidly increasing population. The Australian Government, for example, gave \$457.2 million in aid to PNG in 2010.⁸ This represents about 6% of PNG's GDP in 2009.⁹

With REDD finance there is the opportunity to marry the two goals of GHG emissions reductions through forest conservation and development that improves the livelihoods of local communities. REDD finance could provide essential infrastructure and services such as education, health, communication and housing as well as support small-scale low-impact community use that maintains the carbon and biodiversity.

However a major challenge is for PNG to transform its policies, laws and institutions, if it is to ready itself for increased international assistance via REDD. It will need to bring down the high levels of corruption and improve governance if donors are to be reassured that REDD financing can achieve the goals of emissions reductions, forest conservation and climate-compatible development.



©Greenpeace/Sutton-Hibbert



©Greenpeace/Scheltema



Continued illegal and destructive logging and the conversion of forest areas into plantations could see much of PNG's commercially accessible tropical forests cleared or degraded by 2021

©Greenpeace/Solness

Somare's Plan: From Copenhagen to Cancun

On 27 May 2010, at the Oslo Climate and Forest Conference, PNG Prime Minister Michael Somare outlined the country's new plans for REDD and described it as a model for all prospective countries looking to benefit from REDD.¹⁰ In his speech, he also identified the finance needed by PNG for a targeted cut of over 110 million tonnes of GHG emissions (between 2011 and 2015 and for a low carbon pathway leading to 1.1 to 1.5 billion tonnes of CO₂e reductions before 2030.

While PNG has not yet lodged a National Communication on GHG emissions, deforestation and forest degradation emissions were estimated to be about 44 million tonnes in 2010.¹¹

Somare identified that PNG needs 'fast start funding' of between US\$715 million to US\$1 billion in three phases over the period 2011 –2015:

- US \$71 million for readiness payments
- US \$118 million for pilot program costs
- US \$526 – 811 million for performance based payments.¹²

Somare also criticised the current processes under the World Bank and the United Nations, calling them a tangle of "endless process and conditionality's (sic)". The implication being that safeguards for biodiversity and indigenous peoples' rights (which Somare's speech and the Coalition for Rainforest Nations (CfRN) presentation failed to address), are hindering the flow of REDD finance.

Rushed REDD Plans

While PNG has made commitments to reduced GHG emissions, it has relied heavily on analysis that inflates baselines and BAU scenarios, and opts for expanded logging as the main REDD abatement strategy. Further to this, it has largely excluded local civil society including the customary (indigenous) forest holders, in the development of its climate-compatible plans, and is simultaneously undermining indigenous rights through amendments to the country's laws.

In February 2010, PNG made a conditional commitment to the UNFCCC, under the Copenhagen Accord, that GHG emissions would be reduced by about 30% from current levels and about 50% from BAU by 2030.

GoPNG has developed an Interim Action Plan for Climate-Compatible Development (IAP).¹³ The plan purports to shape more climate-resilient development whilst almost doubling annual GDP growth and suggests a BAU emissions growth of almost 40% over the next 20 years. However, there are a number of significant failures in the plan.

Firstly the GoPNG proposes the need to "clarify and rationalize the allocation of land between forestry, commercial agriculture, subsistence agriculture and other uses such as hunting". Previously the government declared, "All natural forest carbon is owned by the customary landowners and managed by the state."¹⁴ However, details are scant on how the state will 'manage' the carbon on the landowners behalf, especially how benefits will be shared.

Outwardly it would appear that the GoPNG is proposing to effectively appropriate the rights over forest carbon, control any financial gains or sales, and decide on how any benefits are distributed. Customary landowners have not handed over their rights to the State to manage forest carbon and any attempt to do so would cause significant opposition to REDD in PNG.



©Greenpeace/Behring-Chisholm

Current rates of logging are unsustainable and most of the productive forest will be logged by the end of the decade

With or without landowner support, the GoPNG proposes a 50% reduction in BAU GHG emissions by 2030. In effect the GoPNG proposes a 10% reduction in the estimated emissions of GHG in 2010, largely through changing forestry and agricultural practices. The IAP suggests that these reductions are conditional on an international agreement that will fund REDD, so that “Papua New Guineans are compensated for ecosystem services and emissions benefits they contribute to the world, and for the resulting changes to their incomes and livelihoods”.

These could be seen as laudable goals if not for the fact that much of this abatement potential is estimated to be from Reduced Impact Logging (RIL) in existing operations (logging primary forest). Apart from some reference to conservation initiatives and community REDD projects, no assessment of the GHG abatement opportunities of conserving the remaining primary forests in PNG is undertaken in the IAP. Conserving primary forest is the easiest and surest way of addressing the massive forest degradation

caused by logging and instead using RIL to restore secondary logged over forests together with local processing.

Indeed, under the BAU scenario, the IAP suggests that a 2% annual growth in log and agricultural commodity production and a doubling in production of minerals and oil and gas to 2030. As recent studies suggest, current rates of logging are unsustainable and most of the productive forest will be logged by the end of the decade. It is therefore questionable whether a 2% annual increase in log production to 2030 is even possible, even before considering whether landowner approval for the expansion is possible.

Projected future BAU reference levels for REDD are poor standards to estimate and reward reductions. An increasing reference level based on BAU projections assumes continuing deforestation and degradation and a built-in incentive to inflate such reference baselines: the higher the reference baseline assumed, the easier it is to generate ‘reductions’ and hence gain rewards.

To ensure real emissions reductions PNG should follow Brazil’s lead and

use an average ten year deforestation rate as a reference period – so that donors can base performance payments on actual reductions in deforestation and degradation.

Furthermore, monitoring, reporting and verifying emission reductions based on RIL is difficult and expensive compared to the relatively simple spatial analysis required for reductions in area of primary forest logged or forest not cleared. It is therefore questionable that RIL can achieve genuine emission reductions in PNG.

Therefore in order to develop a credible climate-compatible development strategy the GoPNG needs to shift to real emissions reductions through the protection of primary forest together with community development, RIL only in the millions of hectares of already logged over forests, and by allowing industrial agriculture expansion only in already cleared areas.



Carbon Cowboys

Voluntary carbon trading has fuelled PNG's ongoing 'cargo cult' and the corruption of officials and parliamentarians.¹⁵ Described as a classic 21st-century scam, it is known in PNG as mani bilong skai – sky money – because it appears to be selling air. Current proposals being rushed through undermine indigenous peoples rights, inflate BAUs and may allow logging. The government has sent mixed signals on whether it supports them or not.

In addition to the scandals and corruption associated with logging, there have also been a number of events linking the PNG government to the so called 'carbon cowboys'. Late in 2009, Opposition Leader Sir Mekere Morauta raised questions about claims of possible abuse of process and corruption purportedly based on official documents bearing signatures of high public officials,¹⁷ including:

- The then Office of Climate Change and Environmental Sustainability (OCCES) involvement in issuing carbon credits certificates to foreign companies for forest areas in PNG.
- A document, signed by then Acting Secretary for Commerce and Industry and co-signed by the current National Planning Minister Paul Tiensten which confirms the receipt of US\$200 million, paid by C.A. PNG Ltd to the GoPNG for Carbon Credits totaling 33,333,333 tonnes.

A week later, an Australian company was embroiled in a US \$100 million carbon trading scandal in PNG. Carbon Planet admitted to giving fake carbon certificates that purported to represent a million tonnes of voluntary carbon credits issued by the UN. The company claimed that the certificates created by PNG officials were merely props to help persuade landowners to sign over the carbon rights to their forests.¹⁸ After an investigation, the head of the PNG Office of Climate Change, Theo Yasause, was removed from office in 2010.¹⁹

In June 2010, two carbon projects have sought approval from the Climate Community and Biodiversity Standards. The Minister for Forests, Belden Namah endorsed the April Salome Project in East Sepik Province as the first pilot project in the country.²⁰ Yet conflicting this support, the PNG's Office of Climate Change and development executive director Wari Iamo stated: "The PNG Government does not recognise and disavows any partnership, support, endorsement or any form of connection to the proposed projects."²¹

The second project, Kamula Doso in Western Province, is led by controversial Australian businessman Kirk Roberts.²² In many of the voluntary carbon projects there have been concerns about landowner consent but in this case one tribal leader claims he was forced at gunpoint to sign away his lands to the project. "They came and got me in the night... police came with a gun.

They threatened me. They told me, You sign. Otherwise, if you don't sign, I'll get a police and lock you up," said a leader of the Kamula Doso peoples Abilie Wape.²³ This is in spite of the fact that the Kamula Doso area is subject to a court injunction preventing carbon trade project development as well as a land dispute – both are in process in the PNG courts.

In August 2010, both carbon trade projects and supposed REDD pilot schemes were the subject of criticism for "a litany of inconsistencies, dubious science, legal issues and concerns landowners will be ripped off."²⁴ The baseline data on the volume of timber appears to be inflated and there is a possibility that both could allow logging.

The GoPNG is sending conflicting messages in respect to voluntary carbon trading in PNG. On the international stage, the Prime Minister Michael Somare insists that his Government is opposed to voluntary carbon trading. Meanwhile back in PNG his Ministers and government officers tell a different story. GoPNG needs to urgently reign in all the voluntary projects until it has a robust policy framework that is supported across the entire government.



©Greenpeace/Solness



©Greenpeace/Sutton-Hibbert



©Greenpeace/Morris

Donor Bodies and REDD Financing

It is not surprising that there has been little international interest in PNG as a responsible recipient of REDD funding due to high levels of corruption, carbon cowboy scandals, and lack of political leadership on REDD in PNG. While Australia has pledged a small amount (\$3m) for capacity building and UN – REDD is assisting (US \$2.5m), PNG has been ignored by many donor countries looking to support nations with progressive policy positions.

PNG expressed interest in becoming a pilot country in the first and second round of investments in REDD pilots under the World Bank Forest Investment Program (FIP) but so far has failed to be recommended or approved by the Expert Group of the FIP.²⁵

As an active architect of the World Bank's Forest Carbon Partnership Facility (FCPF), PNG has also had surprising difficulty with securing funds. It's first application was rejected largely due to a lack of consultation and significant information gaps. The FCPF has since accepted an amended application, but there is still some disagreement whether this will be in the form of Readiness Funding or will merely lead to PNG receiving technical assistance.²⁶ However, it has been reported that PNG has advised the FCPF that until other countries have received FCPF grants, it will only seek resources from UN REDD and not from the FCPF.

The GoPNG's focus on reduced impact logging rather than forest protection is out of step with many key donors safeguards or aid finance policies. One of three objectives of the Norwegian US \$3 billion Climate and

Forest Initiative is “to promote the conservation of natural forests to maintain their carbon storage capacity.”

The German Ministry for Economic Cooperation and Development's (BMZ) binding guidelines on forests (Forest Sector Strategy) states “primary forests, are the most important terrestrial reservoirs for carbon”, and “minimum ecological standards in forests with high conservation value, protection of the ecosystem's biodiversity takes precedence over other goals”.

The environmental safeguards of the Japan International Cooperation Agency (JICA) state that: “Projects must not involve significant conversion or significant degradation of critical habitats or critical forests” and “illegal logging of forests must be avoided.” All three governments also have safeguards on indigenous peoples' rights.

PNG has been ignored by many donor countries looking to support nations with progressive policy positions





The people of PNG deserve to have their country develop in a way that improves their livelihoods and protects their natural resources for future generations

©Greenpeace/Behring-Chisholm

Governance issues are also behind much of the reluctance of donor countries and bodies to provide capacity building finance to PNG. GoPNG's plans for institutional changes and capacity building for climate-compatible development will do little to address PNG's credibility gap with donors. Following Brazil's example, PNG needs to establish a 'PNG Forest Fund' with multi-stakeholder governance to manage REDD preparedness, finances and benefit sharing.

There have been suggestions reported by insiders that the failure of the GoPNG to effectively negotiate international finance flows for REDD is partly due to the US-born Climate Ambassador, Kevin Conrad, who reputedly retains a tight control of PNG's REDD policy.

Conrad has come under fire in the PNG parliament, primarily for his activities as an investment banker. Last year, Peter O'Neill, while opposition leader, attacked Conrad for his roles in a failed US \$8m public servants' housing scheme and in the US \$17m collapse of commodity exporter Angco Coffee. Mal 'Kela' Smith, the Governor of the Eastern Highlands,

said "We don't trust him with the money carbon trading will bring." So far, the income from carbon trading remains *mani bilong skai*.²⁷

The people of PNG deserve to have their country develop in a way that improves their livelihoods and protects their natural resources for future generations. REDD could provide funding to achieve this, or it could compound corruption and ongoing forest degradation. PNG needs to develop a coherent and inclusive plan that includes placing a moratorium on the logging of primary and intact forests, as well as on agricultural expansion into forested areas, and transforms its institutions and forest governance. Until then, it would be irresponsible for international funding bodies and donor governments to provide PNG with REDD funding.



©Greenpeace/Sutton-Hibbert

POOR FOREST GOVERNANCE IN PNG

Despite having some of the best forestry laws in the world, PNG's reputation as a forest manager is very poor. Failure to control illegal and destructive logging means that the GoPNG is not ready to implement the even more technical and rigorous governance and enforcement structures that will be required to ensure positive REDD outcomes.

Illegal and Destructive Logging

The majority of logging operations in PNG can be classified as environmentally, economically and socially unsustainable²⁸ and the vast majority of the logging in PNG is illegal.²⁹

In one GoPNG review of 14 forestry operations between 2000 and 2005, none could be defined as legal and only one project managed to meet more than 50% of key criteria for a lawful logging operation.³⁰

No logging concession is able to meet the International Tropical Timber Organisation's (ITTO) criteria for sustainable logging and none, except for two community eco-forestry group schemes, have Forest Stewardship Council (FSC) certification.

Privately owned companies control all commercial timber production from natural forest areas. Malaysian owned companies dominate this commercial timber production. The role of the State is limited to inadequate monitoring and control.

Corruption in the Forestry Sector

The lack of financial accountability and oversight of government ministers and bureaucrats in PNG continues to undermine confidence in the country's ability to deliver on key Government programs and equitably distribute its wealth. Cronyism and self-interest seem to be the mantra of many in the GoPNG and the forestry sector

in particular has a long history of corruption and undue dealings.

In the first admission of its kind by a PNG government official, the country's Forest Minister, Belden Namah, told parliament in 2008 that logging companies routinely flout the law with the help of corrupt officials.³¹ He revealed that most of his departmental officers responsible for monitoring forestry operations had ignored the law and that many were 'in the pockets' of logging companies. Later in 2008, the Post-Courier newspaper linked unnamed PNG politicians to US \$45m in a Singapore bank account, allegedly money earned through secret logging deals.³²

In 2009, PNG's anti-corruption watchdog investigated the alleged payment of millions of dollars in bribes from the logging industry to ministers in the government of Prime Minister Michael Somare. Media reports in PNG claimed there was a money trail of corrupt payments from Singapore

The majority of logging operations in PNG can be classified as environmentally, economically and socially unsustainable





©Greenpeace/Sutton-Hibbert

through Australia to Port Moresby, with \$US 27m being withdrawn from one account around the time of the last PNG national election.³³ The Ombudsman Commission failed to determine whether the payments to the Singapore bank accounts were derived from a 2% take of logging export revenues from operations in the Gulf Province in southern PNG.

In its 2009 Global Corruption Report, Transparency International found that forestry in PNG had reached a critical juncture with current levels of logging said to be unsustainable, and the legality of many current concessions in doubt.³⁴ The report concluded that:

“In Papua New Guinea, the effects of lobbying alongside other forms of corruption to influence decisions on forestry and logging have had a significant impact on the sustainability of the industry.”³⁵

In 2009, the PNG Auditor General said corrupt officials had stolen about \$360m annually in recent years.³⁶

In 2009, allegations were made that the shooting of PNG’s top corruption fighter, Chief Ombudsman Chronox Manek, was linked to corrupt parties wishing to silence him. This indicates just how far parties may be willing to go to hide their activities.³⁷

Corruption remains a significant barrier to sustainability for PNG’s forestry sector. Despite a number of independent reports and investigations, some undertaken by the PNG Ombudsman, the current GoPNG has failed to adequately recognise the problem and had placed little emphasis on measures to rectify and punish individuals for corruption.

Any successful REDD program will require a high level of monitoring, good governance and transparency. There is a long way to go before the GoPNG can honestly claim to be ready to deliver such guarantees and cleaning up its forestry sector must be a priority.



Environmental laws in PNG are currently under threat

Dismantling of Indigenous Peoples' Rights

As mentioned, PNG has some of the most comprehensive environmental laws relating to forests in the world. This is due largely to the requirement for prior and informed consent of traditional landowners for forestry or other natural resource exploitation. Yet these laws are currently under threat.

Thanks to PNG's forestry laws, the judiciary has been used effectively to limit some of the worst examples of landowner abuse and environmental impact at the hands of the PNG logging industry. However, the overloaded courts often take years to hear a case.³⁸

Only one day after Somare's speech in Oslo earlier in 2010, the PNG Parliament broke parliamentary standing rules to amend its environmental laws.

The amendments ban legal challenges against environmentally destructive projects if the project is ruled to be of 'national interest'³⁹. These include removing landowners' rights to challenge in court any development that impacts their land from future or continuing harm and to be awarded compensation.

Legal opinion suggests the Environment (Amendment) Act 2010 should be declared unconstitutional as it:

- breaches the right to protection and enforcement of landowners' guaranteed rights under S57 of the Constitution;
- breaches the landowners' right to compensation under S58 of the Constitution;
- breaches the landowners' rights to unjust deprivation of property under S53 of the Constitution;

- is contrary to National Goal and Directive Principles – Goal 4; and
- breaches Constitution Section 25(2) and Section 25(3).

In response to media criticism over the amendments, the Attorney-General, Ano Pala, issued a decree imposing a media blackout on debate saying, "your right to freedom of expression is now subsumed."⁴⁰

The new laws, which have not gone unnoticed by civil society in PNG and are currently the subject of a Constitutional challenge, are perhaps the most obvious example of the GoPNG's attempts to sideline indigenous rights.

The 2009 policy which purportedly attempts to relieve customary landowners of their rights over forest carbon (as detailed above) is a specific example of the GoPNG seeking to exclude indigenous rights in the context of REDD.

CONCLUSION

Unless measures are taken to protect PNG's forests, the current pressure from destructive industrial logging looks set to continue. The result will be a disaster for the climate, the people of PNG who rely upon the forests and the critically important ecosystems that exist within them.

REDD offers a significant opportunity for the future of PNG. Yet there is nothing to be gained by the international community or by the people of PNG when forests are not protected from destructive

and illegal logging and an increasingly desperate and corrupt leadership continues to bulldoze the rights of indigenous peoples.

Ensuring that strict safeguards for people and biodiversity are attached to REDD payments, such as those proposed by the German Government and those recommended in this report, will ensure the maximum environmental and social benefits are

achieved and that countries like PNG will be saving their forests for the good of the planet, not the profits of a few.



Reference

1. UNDP – United Nations Development Program (2009) *Human Development Indices*, Table 3: Human and income poverty, p35. http://hdr.undp.org/en/media/HDI_2008_EN_Tables.pdf
2. IFL: An unfragmented expanse of forest and natural ecosystems within a forested landscape that is minimally disturbed by people and larger than 50,000 hectares.
3. WRI -World Resources Institute (2010) *Climate Analysis Indicators Tool (CAIT)* Version 5.0. Washington, DC: World Resources Institute (WRI). <http://cait.wri.org>.
4. CBD - Convention on Biological Diversity (2009) *Connecting Biodiversity and Climate Change Mitigation and Adaptation* – Report of the Second Ad Hoc Technical Expert Group on Biodiversity and Climate Change. CBD Technical Series.
5. Shearman, P.L., Bryan, J.E., Ash, J., Hunnam, P., Mackey, B. & Lokes, B. (2008) *The State of the Forests in Papua New Guinea*, University of Papua New Guinea. http://www.scienceinpublic.com/png_forests.htm.
6. UNDP – United Nations Development Program (2009) *Human Development Indices*, Table 3: Human and income poverty, p35. http://hdr.undp.org/en/media/HDI_2008_EN_Tables.pdf.
7. The GoPNG developed the *PNG Definition of Poverty*, as being: "Lack of access to economic and financial growth opportunities and the inefficient delivery of, and lack of access to basic services. The factors contributing to this definition of poverty include: weak governance, weak social support systems, unsustainable use of natural resources, unequal distribution of resources and a poorly maintained infrastructure network." Cited in Storey, D. (2010). *Urban Poverty in Papua New Guinea*. National Research Institute Discussion Paper 109. National Library Service of Papua New Guinea.
8. Oaks, D. (2010) *Top PNG diplomat attacks Coalition; Howard era 'derailed bilateral relations'* – ELECTION 2010. The Age, Melbourne. 13 August, p6.
9. PNG's estimated GDP in 2009 was US \$7.907b according to The CIA World Factbook CIA (2010).
10. The REDD Monitor (2010a) <http://www.redd-monitor.org/wordpress/wp-content/uploads/2010/06/PM-Somare-at-Oslo-Forest-Climate-Conference-27-May-2010-Final.pdf>.
11. WRI (2010).
12. With an equivalent carbon price of between \$7 or \$8 per tonne.
13. The IAP supersedes the previous strategy draft 'Climate-compatible Development in Papua New Guinea. Second Draft for Stakeholder Comment. March 2010'.
14. PNG MoF - Ministry of Forestry (2009) *Forestry and Climate Change Framework for Action 2009-2015*; PNG National REDD strategy draft May 2009.
15. Power and leadership attributed to the provision of goods – traditionally thought to have been gifts from their ancestors.
16. Callick, R. (2009a) *The rush is on for sky money*: Weekend Australian. Canberra. 5 September p13.
17. Yakham, H. (2009) *Carbon credit concerns demand action*. Papua – New Guinea Post – Courier. Port Moresby. 2 November, p14.
18. Post-Courier (2009) *Scandal threatening carbon trading rights*. Post-Courier. Papua New Guinea. 11 September, p14.
19. *ibid.*
20. PNG Forest Minister (2010) Press Statement. *Forest Minister Endorsement of April Salome Forest Management Area for a Pilot Project for REDD*. <http://www.forestry.gov.pg/site/files/April%20Salome%20220609.pdf>.
21. *ibid.*
22. Convicted of race horse doping and illegal cock fighting.
23. Quote from SBS documentary 'PNG Climate Woes Continue' December 2009.
24. *ibid.*
25. FIP -Forest Investment Program - Expert Group (2010) *Recommendations for Additional Pilots under the FIP*, Second Report of the Expert Group to the FIP Subcommittee, 4 June 2010. http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/FIP%207%20Expert%20Group%20June%20202010_key_document_071910.pdf.
26. UN REDD (2010) Initial Draft of the UN REDD Program – *PNG Quick Start Initiative* <http://www.unredd.org/UNREDDProgramme/CountryActions/PapuaNewGuinea/tabid/1026/language/en-US/Default.aspx>.
27. Callick, R. (2009a).
28. ITTO – International Tropical Timber Organisation (2007) *Achieving the ITTO objective 2000 and sustainable forest management in Papua New Guinea*, Report of the diagnostic mission. http://www.itto.or.jp/live/Live_Server/3632/E-C42-7_PNG_Mission_Full_Report.doc; ODI – Overseas Development Institute (2007a). *What can be learnt from the past? A history of the forestry sector in Papua New Guinea*. Papua New Guinea Forest Studies 1. http://www.odi.org.uk/fecc/resources/reports/png_paperone_history.pdf; ODI-Overseas Development Institute (2007b). *The current legal and institutional framework of the forest sector in Papua New Guinea*. Papua New Guinea Forest Studies; Sherman et al. (2008).
29. Review Team (2001) *Review of Forest Harvesting Projects being processed towards a Timber Permit or a Timber Authority*, Observations and Recommendations, The Independent Forestry Review Team, prepared for the Government of Papua New Guinea, October 2001; Roberts, G. (2006a) *The rape of PNG forests*, The Weekend Australian 24-25 June, p29; Roberts, G. (2006b) *Timber scam costing PNG \$100m a year*, The Australian 20 July, p7; McDonald, H. (2006) *Loggers remain a law unto themselves*, Sydney Morning Herald, 9-10 September, p22; SBS Australian Television (2001) *Wilderness Laid Waste by Corruption*, Dateline May 2; SBS Australian Television (2004) *Jungle Justice*, Dateline November 2.
30. Forest Trends (2006) *Logging, legality and livelihoods in Papua New Guinea: synthesis of official assessments of the large scale logging industry vol. 1*, Forest Trends, Washington, DC.
31. Roberts (2008a).
32. Roberts (2008b).
33. *ibid.*
34. Transparency International, (2009). *Global Corruption Report 2009: Corruption and the Private Sector*. Cambridge University Press. London. p164.
35. *ibid.*
36. *ibid.*
37. *ibid.*
38. ODI (2007).
39. *ibid.*
40. The Advertiser (2010). *Papua New Guinea Media gagged*, The Advertiser, Adelaide, 26 June, p26.



GREENPEACE

Greenpeace Australia Pacific

GPO Box 3307, Sydney NSW 2001
L 2, 33 Mountain Street, Ultimo NSW 2007

Ph: +61 2 9281 6100

Fax: +61 2 9280 0380

Email: support.au@greenpeace.org

www.greenpeace.org.au

Front cover image ©Greenpeace/Behring-Chisholm Back cover image ©Greenpeace/Sutton-Hibbert