

## ON OUR LAND

### Frequently Asked Questions

#### 1. What is the extent of land grabs in Papua New Guinea?

Papua New Guinea's (PNG) forests are the world's third largest, and sustain both rich ecosystems and diverse populations. However, today PNG has become the focal point of one of the swiftest and largest land grabs on the planet.

In recent years, 5.5 million hectares, or 12 percent of the country's 46 million hectares, have been leased out to foreign corporations. Dozens of foreign companies have signed land deals under a government scheme called Special Agriculture and Business Leases (SABLs). Ostensibly formed to launch agricultural projects, firms operating through SABLs appear to be mostly occupied with harvesting timber that is then exported to overseas markets. With the SABL scheme, foreign companies have found a new and relatively easy way to open virgin forest areas for logging.

The 5.5 million hectares leased under SABLs in recent years are in addition to the 8.5 million hectares that were already under some form of logging concession in the country prior to SABLs. This massive amount of land, nearly one-third of the country, is now in the hands of foreign corporations, mostly for logging.

PNG has now become the second-largest exporter of tropical logs in the world. According to PNG's own Forest Authority, "If the trend continues, it is estimated that by 2021, 83 percent of the accessible forest areas will be gone or severely damaged."

#### 2. What is unique about Papua New Guinea's land tenure system?

The constitution adopted after the country's independence in 1975 provides strong protections for customary land rights. Under the constitution, the vast majority of PNG's territory belongs to its people. Until recently, local clans and tribes controlled 97 percent of the land in PNG. In fact, PNG has been recognized as having one of the most equitable distributions of land in the world.

Customary rules provide the framework for land acquisition and transfer among community members. They also regulate the management of common areas, such as forests or water sources, and set forth responsible use of the land. Customary systems of land tenure thereby sustain a traditional way of life that ensures food security and the fulfillment of households' basic needs.

#### 3. What are the Special Agriculture and Business Leases (SABLs)?

Special Agriculture and Business Leases (SABLs) were originally intended to enable economic opportunities for landowners, giving them the legal ability to lease customary land for agricultural projects. However, the system has been widely misused in recent years. Although

SABLs were established as vehicles for agricultural investments, foreign firms appear to be mostly occupied with harvesting timber on the leased parcels then exporting it to overseas markets. The scheme has provided foreign companies with a new and relatively easy way to open new logging areas in PNG.

In 2011, the government-nominated Commission of Inquiry (CoI) into the SABLs established the dire facts about the recent land concessions. The commission's findings included widespread lack of free, prior, and informed consent of the local people; failure by state agencies such as the Lands Department, the Department of Agriculture and Livestock, and the Forest Authority in performing their duties; fraud, misconduct, and incompetence; as well as overall lack of adherence to proper procedures. In many deals, landowners were blatantly misled about the size and the nature of agribusiness projects.

On September 18, 2013, Papua New Guinea's Prime Minister Peter O'Neill tabled the commission's report in Parliament and stated that it revealed a shocking trend of corruption and mismanagement.

#### **4. Is it not necessary for the government to attract foreign investors to bring economic development?**

The questions are: what type of development is being brought to the country and is it equitable? The current government development strategy of converting customary land to "productive use" land is only creating dispossession and accelerating deforestation.

The land deals don't appear to accrue benefits to the local populations. The infrastructure created is mostly basic roads to allow the transport of logs and machinery, which do not last long after the initial clearing of the forest is done. The March 2013 OI-PANG investigation also found that villages that have decades-old palm oil plantations lack basic resources like drinking water, proper sanitation, and access to school and health facilities. Implementing new mechanisms to lure in foreign investors is therefore not a guarantee for rural development, especially when the lease process happens in an environment of weak governance and little respect for the rule of law.

The government euphemizes the reversal of PNG's customary tenure system with the jargon of "freeing up land for development" and "unlocking land for productive use." In fact, the government is betraying people's constitutional protections through the loss of heritage and land for millions of Papua New Guineans.

#### **5. Do these land grabs involve human rights violations?**

Under the patronage of logging companies, local PNG police forces tend to side with developers when opposition arises. Intimidation, beatings, and arrests by the police have been common in recent years. In one particularly repressive case, local opponents of a subsidiary of Rimbanan Haiju, one of the largest logging barons in PNG, were locked in shipping containers for several consecutive nights in 2011. The pattern of police repression became widespread enough that it caught the attention of Police Commissioner Tom Kulunga, who ordered the withdrawal of all police officers from logging sites across PNG in early 2012. Just a few months later, police were back at logging sites.

## **6. Do land leases to foreign corporations threaten food security in PNG?**

An estimated 83 percent of PNG's population lives in rural areas and depends on small-scale agriculture for subsistence and cash. For centuries, local farmers have paid particular attention to variation among cultivated crops, resulting in remarkable genetic diversity, including nutritious and adaptable crops. The diversity of Papua New Guinean agriculture is a result of innovation and clever farming, and is critical for food security and good nutrition. Additionally, it sustains a vibrant trade in the country. The economics of agriculture in PNG combine both export and numerous domestic exchanges within communities, between communities, and between rural and urban centers. Much of farmers' agroecological approach to agriculture depends on forests, which constitute an essential source of soil fertilization, including through the use of allowing land to lie fallow. Most communities also depend on the forests for their food and medicines, soil and watershed protection, and for materials for construction as well as cultural activities, customs, and beliefs.

Thus, acceleration of land deals and logging threatens food security as well as the population's fundamental material assets. The destruction of forests constitutes an ecological, social, and economic catastrophe.

## **7. Which countries are involved in PNG wood trade?**

Dozens of foreign companies from Malaysia, China, Australia, and USA, among other countries, have signed land deals in PNG. The primary destination for PNG logs is China, which accounted for 97 percent of timber exports in 2010. Just one year later, the amount of logs exported to China increased by 26 percent. China has become the number one dealer of illegal timber in the world, and the country exports its furniture principally to the US and the EU, which have become the main importers of illegal wood. In a 2012 report, INTERPOL identified PNG as one of the key countries of origin in a global laundering scheme of illegal wood.

Several previous government-commissioned reviews of the logging industry in PNG show that the majority of forestry operations occur in violation of national laws, including the constitution itself. High rates of corruption and low governance capacity allow the illegally harvested timber to be exported, and, after laundering operations, to enter the legal market. Due to the high prevalence of illegal logging in PNG as well as the pervasiveness of illegal timber on the Chinese market, it is highly questionable whether any timber from China or with PNG origins should be accepted under the Lacey Act or the EU Timber Regulation (EUTR).

## **8. How can Western consumers make sure they don't buy wood products derived from timber illegally logged in PNG?**

Demand for high-end furniture, luxury décor, and stringed instruments supports operations that decimate the last remaining forests and forest-dependent communities around the world. Before you purchase any wood products or furniture, it is important to determine the wood's country of origin and place of harvest. Does the merchant know where it comes from? Are they knowledgeable about the chain of production? If the origin and place of harvest of the wood cannot be determined, there is a high risk you could be contributing to illegal timber trade.

The majority of illegally laundered wood passes through China. Consumers should be wary about purchasing any wood products, including furniture, flooring, and cabinetry, that have ties with Chinese manufacturers. Certified timber products are the safest products to purchase. They increase the transparency and credibility of the wood and wood products, and decrease the chance that your consumer choices are contributing to rainforest and community destruction.

**9. What can be done to support local communities against the theft of their resources and to ensure environmental protection?**

OI and PANG support the call made by local civil society groups in PNG for the immediate cancellation of all irregular leases, the return of land rights to local communities, and the stopping of any further logging. OI and PANG denounce the prime minister's decision to establish a task force "to develop a new legislative framework to free up customary land for development" as an answer to the Commission of Inquiry's findings.

PNG's laws are already very protective of people's rights and resources. Therefore, the problem does not lie in the country's legislative capacity but rather in the development agenda adopted by the government, which continues to fuel the looting of national resources.

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