

Masalai i tokaut

Number Seventeen: 19 January 2003

Senior Public Servants implicated in the political web that supports the illegal Kiunga Aiambak logging project

By their actions a group of senior public servants have shown their support for the illegal Kiunga Aiambak logging project and their disregard for the suffering of ordinary people.

These men seem to be part of the insidious web that supports and protects the worst abuses of the logging industry, and which seems impervious to criticism or sanction.

The Secretary for Planning, Solicitor General and Forest Authority Managing Director have all openly backed the illegally logging operations of Concord Pacific while the Attorney General has his own links to the logging company.

Last year the government of Sir Mekere Morauta was exposed as being riddled by Ministerial and public service links to the unlawfully activities of Concord Pacific and its controversial mentor, Philip Lee.

Indeed, Sir Michael Somare labelled as 'corruption' the failure of Morauta to sack two Ministers implicated in the Kiunga-Aiambak affair.

But what should we conclude from the Prime Ministers own silence and inaction now about the involvement of his senior Public Servants?

In December last year, the Solicitor General, the Secretary for Planning and the Managing Director of the Forest Authority all signed a legal document that purports to endorse the illegal logging operations of Concord Pacific and grants the company further unlimited rights to harvest logs in Western Province (*see below*).

This agreement was signed without the consent of the resource owners and with no regard for the US\$50 million worth of logs that have already been stolen by Concord Pacific from the forests of Western Province and the continued suffering of the local people.

The Deed of Settlement is also in defiance of the findings of the 2001 Australian funded Independent Forest Review. That Review recommended that 'Court action should be taken forthwith' against the unlawfully logging operation and that any application to extend the logging project 'should be soundly rejected'.

These recommendations were endorsed in the NEC approved Forestry Action Plan in November 2001.

The previous Prime Minister, Sir Mekere Morauta, declared the Kiunga-Aiambak project illegal in May 2002 and said that it 'should never have occurred'. He instructed the Attorney General to take action and promised an investigation into claims of violence and other human rights abuses against the resource owners (*Prime Ministers Press Statement 14 May 2002*).

At the same time, our current Prime Minister, Sir Michael Somare was accusing Morauta of double standards and he labelled as 'corruption' Morauta's failure to take action against two of his Ministers for their involvement in the Kiunga Aiambak affair.

Chief accuses Sir Mekere of double standards

OPPOSITION Leader Sir Michael Somare has accused Prime Minister Sir Mekere Morauta of double standards over the handling of the controversial Kiunga-Aiambak logging project in Western province. Sir Michael told the people of Yelso village in Madang on Tuesday that the lack of action against Forest Minister Michael Ogio over his handling of the controversial project was corruption. He said Sir Mekere preached transparency and good governance, yet he protected his Forest and Foreign Affairs ministers, both of whom were implicated in the Aimbak-Kiunga project.

But know the situation is reversed and it is Sir Michael who is maintaining a deafening silence on the complicity of his own senior Public Servants in the illegal Kiunga Aiambak project. This is despite a strongly worded letter from his own Chief Secretary to David Nelson condemning the purported legal settlement.

Valentine Kambori, Secretary for Planning, signed the legal document endorsing the illegal Kiunga Aiambak project in his new position as Chair of the National Forest Board. But, according to the Forest Industries Association, the document was never seen or endorsed by the Board (*see their letter below dated 13 December 2002, to the Chief Secretary*).

It is ironic that Kambori has only just replaced Wari Iamo as the Chair of the Forest Board. Iamo was forced to step aside because of his role in another illegal logging permit – for Kamula Doso in Western Province. This was exposed in an Ombudsman Commission report published in July 2002. The Ombudsman recommended that Iamo be removed totally from the National Forest Board but the Somare government has failed to comply with this Direction and has only moved Iamo from Chair to Deputy Chair.

The Attorney General was also exposed in the media last year as having a close connection with Concord Pacific, having previously acted as their lawyer.

Agreement with Concord Pacific signed by Kambori, Gelu and Nelson:

**IN THE NATIONAL COURT
OF JUSTICE AT WAIGANI)
PAPUA NEW GUINEA)**

O.B. NO. 738 OF 1999

**BETWEEN: CONCORD PACIFIC
LIMITED
First Plaintiff**

**AND: PAISO COMPANY LIMITED
Second Plaintiff**

**AND: THOMAS MEN -
MANAGING DIRECTOR
PNG NATIONAL FOREST
AUTHORITY
First Defendant**

**AND: PNG NATIONAL FOREST
AUTHORITY
Second Defendant**

**AND: THE INDEPENDENT STATE
OF PAPUA NEW GUINEA
Third Defendant**

DEED OF SETTLEMENT, RELEASE AND DISCHARGE

THIS DEED OF SETTLEMENT, RELEASE AND DISCHARGE is entered into by the Plaintiffs, CONCORD PACIFIC LIMITED (First Plaintiff), and PAISO COMPANY LIMITED (Second Plaintiff) of one part;

AND the Defendants, ~~MANAGING DIRECTOR PAPUA NEW GUINEA NATIONAL FOREST AUTHORITY (First Defendant); PAPUA NEW GUINEA FOREST AUTHORITY (Second Defendant), and THE INDEPENDENT STATE OF PAPUA NEW GUINEA (Third Defendant)~~ of the other part;

On this day of , 2002.

WHEREAS the Plaintiffs have since the 25th day of November, 1999, had an Order given in their favour by the Court restraining the Defendants from doing certain things including in summary any act preventing the Plaintiffs from undertaking any road construction work on Alambak-Kuaga Road Project pursuant to Timber Authority No. TA-024; for the Plaintiffs to be allowed to operate under the said Timber Authority in the project area in question pending

[Handwritten signatures and initials]

final determination of the substantive action to be instituted by the Plaintiffs; for the Defendants not to seize any logs extracted from the project area covered by the said Timber Authority; and for the Defendants not to do anything to prevent or delay granting of Export Permits for log exports.

AND WHEREAS the said Court Order continued in force till now with the Phase One of the said project having been completed.

AND WHEREAS the Plaintiffs are about to or have embarked on Phase Two of the said project.

AND WHEREAS the Parties hereto are desirous of removing the various contentions before the Court for the purpose of returning to the status quo prior to the Court action herein without further litigation.

AND NOW the Parties hereto AGREE to the terms of this out-of-Court settlement as follows:

1. The Defendants agree and undertake not to persist on and to pursue the issue as to the validity of the issue of and/or the renewal or extension of the Timber Permit No. TA-024, and for all relevant purposes the said Timber Permit is deemed to be valid.
2. The Plaintiffs agree and undertake that they will adhere to and comply with the terms and conditions of the said Timber Permit, and more specifically the Plaintiffs, in the course of the road construction under the said Timber Permit, will fell, extract and export whole logs from the legally allowable distance on both sides of the centre of the road-line adjacently traversing the entire length of the constructed road.
3. The Plaintiffs agree and undertake that as of the date of this deed, a Royalty/Premium of K8.00 per cubic meter of export whole logs will be paid to the individual landowners, and K4.00 of the same will be paid to the landowner company, the Second Plaintiff.
4. The Defendants agree and undertake that they will permit the Plaintiffs to fell, extract and export whole logs from elsewhere to make up for any short-fall in the maximum allowable volume of logs under TA-024.

D

D

certified to

16.

For avoidance of doubt, the said short-falls may occur where the road-line traverses surrounding land which is void of timber stands, and in such cases the Defendants will endeavour to allow the Plaintiffs to extract logs from the nearest reserve forest areas **SAVE AND EXCEPT** that such short-falls shall first be verified by the Second Defendant's technical officers.

5. The Defendants agree and undertake to pay the Plaintiffs' costs of the Court action herein but any lack of mutually agreed costs shall not be an obstacle to the settlement reached herein; such costs however are not to exceed the sum of K150,000.00.
6. The Plaintiffs agree and undertake that upon execution of this deed of settlement, they will simultaneously execute a draft Consent Order to discontinue the Court action herein by December 31st 2002.

IN WITNESS OF THE AGREED TERMS OF THIS DEED OF SETTLEMENT the Parties hereto have set their hand and seal as follows:-

CONCORD PACIFIC LIMITED
(First Plaintiff) in the presence of:



Witness.

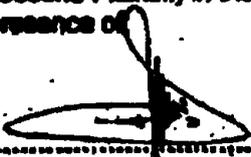
.....
Director



.....
Secretary



PAISO COMPANY LIMITED
(Second Plaintiff) in the presence of:



Witness.

.....
Director



.....
Secretary

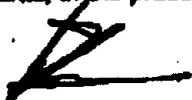


THE MANAGING DIRECTOR
(First Defendant)
PNG NATIONAL FOREST
AUTHORITY in the presence
of:


.....
Witness


.....
MANAGING DIRECTOR

PNG NATIONAL FORESTRY
for and on behalf of all
Defendants, in the presence
of:

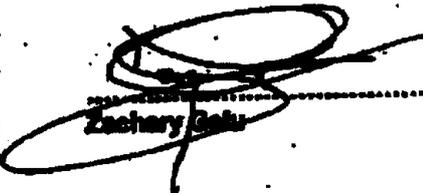

.....
Witness


.....
Chairman

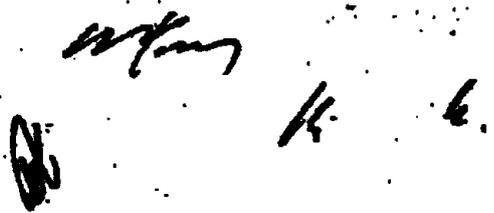
.....
Board Member

ZACHARY GELU, Solicitor
General for and on behalf
OF THE INDEPENDENT
STATE OF PAPUA NEW
GUINEA in the presence of:


.....
Witness


.....
Zachary Gelu





Letter from the FIA to the Chief Secretary:



**PAPUA NEW GUINEA
FOREST INDUSTRIES ASSOCIATION (INC)**

P. O. Box 229, Waigani. Phone: 325 9458 Fax: 325 9563

Email: fapng@datacom.pg

Sustained Forest Industry for Papua New Guinea

13 December 2002

Joshua Kalinoc
Chief Secretary to Government
Dept of Prime Minister & NEC
PO Box 639
Waigani

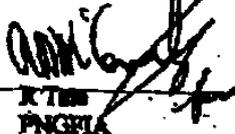
Ref Draft Deed of Settlement, Release and Discharge Concord Pacific & PNGFIA

Dear Sir,

The PNGFIA wishes to urgently bring to your attention the attached document, which was received by the PNGFIA today Friday 13 Dec 2002 for the signature of the FIA representative of the NFB. The FIA representative on the NFB advised that this document was not in accordance with NFB directives.

Furthermore the FIA representative (Mr. Samis Bai President of the PNGFIA) has been advised by the PNGFIA secretariat not to execute the document.

PNGFIA is completely opposed to such actions and seek your good services to fully investigate such blatant misuse of forest administration powers and responsibilities.


K T Bai
PNGFIA

- Co S Bai President PNGFIA
- Co Paul Barker PM's Dept
- Co Hon Patrick Prusak MP Minister for Forests
- Co Hon Bert Philimon minister for Finance & Treasury
- Co Hon Simi Brown Minister for National Planning
- Co Michael Mayberry PNGCCI
- Co NFB members
- 1 Dr Wai Iano secretary Office of Environment & Conservation
- 2 Kan Mondaie Eco Forestry Forum

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Site Counter