

Masalai i tokaut

Number Eight: 27 July 2002

Loggers now collecting the benefits of their election funding support

&

PDM scrambling to unlawfully issue new logging permits and extensions before they loose office

With the change of Government imminent the People's Democratic Party is looking increasing desperate to make good on the promises that they made to the loggers in return for election funds.

In a frenzy of activity at the Forest Authority, public servants and their political masters are pushing through a whole series of illegal permits and extensions in total disregard for proper procedures, due process and the letter of the law.

Attempts have been made to grant at least five unlawful new permits and extensions in just the past few weeks.

PDM kicked off their election fund raising back in December with the huge new Timber Authority for Concord Pacific in Western Province (*see below*). This permit allows access through 2.7 million hectares of forest. The allocation is totally illegal as there was no attempt to meet the necessary requirements of the Forestry Act or to follow due process.

One source within the Concord camp has suggested that this TA cost K5 million.

This was followed in February by the illegal 10-year extension of the Wawoi Guavi permit, also in Western Province. The landowners, the Provincial authorities and the National Forest Service all recommended for just a 6-month extension but the Minister and his Managing Director totally by-passed the Forest Board and granted the 10-year extension (*see below*).

In May another new Timber Authority was granted, this time for Simbali in East New Britain. This time it was the Secretary for Planning, another controversial and recent PDM appointee, who dirtied his hands (*see below*). Without any ostensible authority, he gave

approval for road line and agriculture clearances with no limit on the scale of the operations – a flagrant breach of the reforms introduced in the Forestry (Amendment) Act 2000.

Now, Forest Authority sources say that approvals are being hurriedly processed for a further three permit extensions, a whole new timber permit and a permit variation all of which are either in direct contravention of law and policy or have been hurriedly processed with little regard for proper procedures.

The timber permit for Bonua Magarida in Central Province is to be granted as an extension to the West Gaidasu concession. Just like Kamula Dosa that the Ombudsman is already investigating, the extension is larger than the original permit. The new permit is in flagrant breach of the legal requirements of the Forestry Act and breaches government reform commitments including the Forestry Action Plan and the Forest and Conservation Project agreement.

The variation for the Nutuve timber permit will change a small concession dedicated to downstream processing into a major log export operation – something that was specifically outlawed when the original permit was granted in 1995. With no consultation with the landowners or the Provincial Authorities and no assessment by the National Forest Service, the variation will quadruple the level of annual harvest and allow the export of 100,000 cubic metres of logs each year.

The timber permit for Vailala Blocks 2 and 3 in Gulf Province is to be extended for 10 years, despite a review by the Provincial forest authorities that concluded that the current permit holder has totally failed to fulfil its obligations and that the resource owners have completely missed out on any benefits from the existing operation.

Similarly, the permit holders in East Kikori and Edevu are also to be extended, by 10 years and 6 years respectively, despite no evidence of effective landowner consultation and in the face of very poor compliance in the existing logging operations.

In each of these cases, the Managing Director of the Forestry Authority, who has himself been illegally appointed by the Minister, is trying to force the National Forest Board to give consent to the extensions with no meeting being called or opportunity been given for discussion. He has even already prepared, and in some cases dated, the Ministerial approval forms (*see below*).

As one forestry officer has recently said in the Post Courier, "I can see clearly the fraud and corrupt practices lurking within the authority headquarters. Unless the authority is left alone from political interference, the National Forest service is at the brink of disaster."

SCHEDULE 1

Forestry

INDEPENDENT STATE OF PAPUA NEW

GUINEA FORESTRY ACT 1991

Act, Sec. 87
Reg. 161

FORM 157

TIMBER AUTHORITY FOR ROADLINE CLEARANCE

Authority No.: TA - 08

Project Area Name:

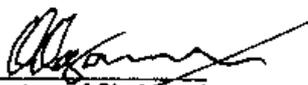
STAGE 2 & 3 OF WESTERN PROVINCIAL ROAD NETWORK (FORMING PART OF TRANS ISLAND HIGHWAY IN NORTH FLY AND MIDDLE FLY ELECTRATES, WESTERN PROVINCE.

I,.....**HON. OKOU OGAWE, MPA**..... Chairman of the Committee responsible for forestry matters in the**WESTERN**..... Provincial Government by virtue of the powers conferred by Section 87 of the Forestry Act 1991 and all other powers me enabling, hereby grant a Timber Authority to**CONCORD PACIFIC LIMITED**..... a registered forest industry participant (Registration No. F 1046) (referred to in this Authority as "the holder").

This Authority authorises the holder to carry out forestry operations in the project area described, and outlined in red on the map in Schedule 1 ("the Project Area") for the term specified in Schedule 2 subject to the Act and to the following terms and conditions -

- (a) the amount of allowable cut shall be as specified in Schedule 3; and
- (b) the holder must, within 21 days, lodge a performance bond in accordance with Section 98 of the Act for the amount specified in Schedule 4 (and if the performance bond is not lodged then this Timber Authority is void and of no effect); and
- (b) the holder must comply with the terms and conditions specified in the Schedules hereto.

Dated this 17TH day of **DECEMBER** 2001


(Signature of Chairman)
HON. OKOU OGAWE, MPA



PAPUA NEW GUINEA FOREST AUTHORITY
NATIONAL FOREST SERVICE

OFFICE OF THE MANAGING DIRECTOR

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P.O. Box 8056, BOROKE,
NATIONAL CAPITAL DISTRICT
PAPUA NEW GUINEA.



25th March 2002

Hon. Alfred Pogo, MP
Minister for Transport
P O Box 1489
PORT MORESBY
National Capital District

My dear Minister,

**RE: GRANT OF APPROVAL FOR TIMBER AUTHORITY NO. TA-08
FOR THE CONTINUATION OF STAGES 2 & 3 OF THE
CONSTRUCTION OF THE NATIONAL PROVINCIAL ROAD
NETWORK FORMING PART OF THE ISLANDS HIGHWAY.**

I wish to advise as follows:

1. An application for Timber Authority under Section 87 of the Forestry Act 1991 (as amended) was received by the Board in respect to the above Road Project on 23rd of January, 2002 together with appropriate prescribed forms.
2. The National Forest Authority is fully aware and notes that the Road Project is an existing project being approved through Motion No. 259 of 1994 by the National Parliament in July 1994. Consequently the National Government through the National Forestry Authority approved the Timber Authority No. 024 in 1994 for the commencement of Stage 1 (Alambak Klunga Road) of the project. The Stage 1 phase of the project is almost completed. The project itself has received tremendous support and

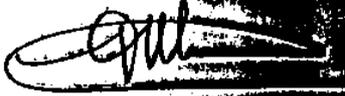
acknowledgement from the local people and the Provincial Government in the Western Province with strong desire for the continuation of Stages 2 & 3.

3. The National Forest Authority is also aware that the Road Project falls within the National Transport Plan 2001 - 2010. On 21st of October 1999 the Ministry of Transport approved the continuation of Stages 2 & 3 of the Road Project with full support and co-operation by the Department of Transport.
4. The Fly River Provincial Government has recently in December 2001 in the Provincial Executive Council Meeting No. 01 of 12/01 endorsed the Contractor (Concord Pacific Limited) to continue with the construction of Stages 2 and 3 of the Road Project. Consequently a Project Agreement was executed on 11th of December 2001 between the Fly River Provincial Government and the Contractor.
5. The Western Province Forest Management Committee has approved and recommended to the National Forestry Board for the issuance of the Timber Authority for Roadline Clearance of the Stages 2 and 3 of the Road Project. The Timber Authority No. TA-08 was accordingly issued and signed by the Chairman of the Provincial Forest Management Committee on 17th of December 2001 for the purpose of continuation of the Road Project in place of previous Timber Authority No. TA-024 in respect to the Stage 1 of the Road Project.
6. On the basis of the foregoing, it is hereby advised that approval by the National Forestry Board in respect to the Timber Authority No. TA-08 is granted pursuant to Section 89(6) of the Forestry Act 1991 (as amended).
7. The approval is however subject to the following conditions as required under the Forestry Act 1991 (as amended):
 - (i) The Contractor to lodge with the National Forestry Authority a Performance Bond in the sum of K50,000.00 and Third Party Insurance Policy certificate.
 - (ii) The harvesting of logs within three (3) kilometres on both sides of the road alignment is not permitted, however notwithstanding the generality of this condition, the Contractor is allowed to harvest allowable volume of logs along the road corridor as stipulated in the Timber Authority

TA No. 08 to cover the costs of construction of the Road Project.

8. In compliance with condition 7(i) above, the Contractor may commence the Road Project immediately subject to the compliance and technical reports from the Department of Transport on the first stage of the road project.

Yours faithfully,



THOMAS NEN
Managing Director.

- Cc: • **Minister for Forest**
• **Chairman - National Forestry Board**
• **Secretary for Transport**
• **Governor - Fly River Provincial Government**
• **Administrator - Fly River Provincial Administration**
• **Chairman - PTMC, Western Province**
• **Manager - Southern Region, NRS**
• **General Manager - Concord Pacific Ltd**

SCHEDULE 1

Forestry

INDEPENDENT STATE OF PAPUA NEW GUINEA

FORESTRY ACT 1991

Act, Sec. 89
Reg. 174

FORM 172

***CONSENT/NON-CONSENT TO GRANT OF TIMBER AUTHORITY**

To: Chairman of Committee responsible for forestry functions in East New Britain
Provincial Government.

Having received notification from the Provincial Chairman of the Forestry Committee under Section 89(5) of the Forestry Act that he intends to grant a timber authority to Simball Limited for the following purpose over the project area described below.

- * harvesting logs for commercial use from roadside clearing operations
- * harvesting logs for commercial use for use from forest clearing operations

Project Area: Simball Extension Timber Area, Wide Bay
(description)

The Board hereby ~~*consents/does not consent~~ to the said grant.

** delete whichever is inapplicable*

Dated this 29th day of May 2002



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For the Board

INDEPENDENT STATE OF PAPUA NEW GUINEA

FORESTRY ACT 1991

FORM 132

Act, Sec. 81
Reg. 136

APPROVAL OF MINISTER

To the Board

I, **HON. MICHAEL OGIO**, Forests pursuant to Section (81)(1) of the Forestry Act hereby accept the Board's recommendation dated the 4th day of **June, 2002**, and made under Section 80 of the Forestry Act and hereby approve:

~~*a transfer of the permit to~~ in respect to the permit described below
(insert name of transferee)

*an amendment to the permit in terms of the application lodged

~~*a surrender of the permit in terms of the application lodged~~

In the case of a transfer my approval is subject to and conditional upon the lodgement by the transferee Named below within 28 days of a performance bond in accordance with Section 98 of the Act for an amount as specified below.

Timber Permit: **TP15-59 relating to Nutuve TRP Area, East New Britain Province**

Amount of Performance Bond:

K N/A

(insert N/A if not applicable)

*Delete whichever is inapplicable

Dated this 5th day of June, 2002.

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MINISTER FOR FORESTS

SCHEDULE 1

Forestry

INDEPENDENT STATE OF PAPUA NEW GUINEA

FORESTRY ACT 1991

Act, Sec. 78 (4)
Reg. 122

FORM 124

RECOMMENDATION BY BOARD TO THE MINISTER FOR EXTENSION OR
RENEWAL OF TIMBER PERMIT

To the Minister

The Board having received satisfactory reports under Section 78 (3) of the Forestry Act 1991 from the **Gulf PFMC** hereby recommends under Section 78 (4), of the Forestry Act, 1991 an ~~*Extension or Renewal~~ of the term be granted to the holder of the timber permit as described hereunder and for the period as set out hereunder:

Timber Permit Holder: Gopera Investments Limited
Timber Permit No: TP 2-15
Project Name: East Kikori TRP, Gulf Province
Term of Extension/ Renewal: Six (6) years

Dated this _____ day of _____ 2002.

.....
**Chairman
For the Board**

INDEPENDENT STATE OF PAPUA NEW GUINEA

FORESTRY ACT 1991

FORM 124

Act, Sec. 78(4)
Reg. 127

RECOMMENDATION BY BOARD TO THE MINISTER FOR EXTENSION OR
RENEWAL OF TIMBER PERMIT

To the Minister for Forests

The Board having received satisfactory reports under Section 78(3) of the Forestry Act 1991 from the Provincial Forest Management Committee hereby recommends under Section 78(4) of the Forestry Act, 1991 an extension/renewal of the term be granted to the holder of the Timber Permit as described hereunder and for the period as set out hereunder.

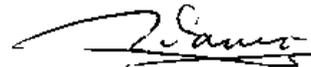
Timber Permit Holder: **Honeri Development Ltd**

Timber Permit No.: **TP3-34**

Project Area Name: **Edevu TRP**

Term of Extension and renewal: **Seven (7) Years**

Dated this day of 2002.



CHAIRMAN
FOR THE BOARD

024752

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