

Legal framework, legality risks and risk mitigation

A reference for buyers of Papua New
Guinean export timber

2016



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IGES Publication Code PR1601

ISBN978-4-88788-194-5

Foreword

The Paris Agreement adopted by Parties to the United Nations Framework Convention on Climate Change at the 21st Conference of the Parties in December 2015 recognises the importance of sustainably managing the world's forests to mitigate global climate change. The sustainable management of forests can only be achieved when strong legal frameworks that regulate forest resource and land use are in place and when these frameworks are enforced. However, enforcing legal frameworks for forest management has been a difficult challenge for developing countries. Government agencies often lack the resources and competencies to fully implement their country's forest and land laws, meaning that even if countries have good laws in place, forests may be destroyed or degraded through illegal harvesting of timber.

As far back as 1998, the G8 recognised the need for a global effort to tackle illegal logging when it adopted its Action Programme on Forests, which includes illegal logging as one of its five themes. Since then, various initiatives have sought to send positive signals through international markets to support legal and sustainable timber harvesting in developing countries. Here in Japan, the government introduced a public procurement policy in 2006 that requires public agencies to only use legally harvested wood materials, and national legislation to stop any trading in illegally harvested timber has been enacted.

Recognising the importance of markets to sustainable forest management, this document provides guidance to timber buyers on the steps that they can take to responsibly purchase Papua New Guinean export timber. Log exports have been a major foreign exchange earner for PNG, but weak enforcement of forest laws means that the forest estate is mostly not managed sustainably, placing the future of this industry in doubt.

If timber buyers and others supporting sustainable forest management in PNG find this guide useful, it will have served its purpose.

The authors are grateful to Professor Hidefumi Imura and Dr. Mark Elder (IGES) for their guidance on improving the content of this report. They also express their appreciation to Peter Dam (FORCERT), Dr. Hwan Ok Ma (ITTO) and Dong Ke (TNC) for their comments on a draft of the report. The authors are solely responsible for any errors or omissions in this document.

Hideyuki Mori
IGES President
March 2016

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Executive Summary

- Papua New Guinea (PNG) is blessed with rich forest resources, but these are being rapidly depleted through unsustainable land use and logging. While PNG has a strong legal framework for forest management, it is weakly enforced, meaning that there are significant legality risks associated with PNG export timber. This guide aims to assist timber buyers in minimising the legality risks associated with PNG export timber by (i) providing an understanding of the types and scale of the legality risks (risk assessment), and (ii) setting out options available to mitigate these risks (risk mitigation).
- Legality risks associated with PNG export timber are wide ranging, but are mostly associated with the failure of the State to gain the free prior informed consent of the customary landowners before timber rights are transferred from the landowners to the State, especially under old timber right purchase arrangements, and the failure of logging companies to comply with the regulations governing timber harvesting. Any timber harvested under a special agriculture business lease can be considered high risk.
- The administration of forest management controls has been strengthened with the introduction of a new Forestry Act in 1991 and supporting regulations and guidelines, and with the introduction of an independent export log monitoring system, which is implemented by Société Générale de Surveillance. However, buyers should note that the export log monitoring system does not guarantee that export timber is fully legal. The system only allows traceability of timber back to the harvesting block, not the stump, and was never intended to provide assurance of legality.
- The administration of forestry in PNG produces a number of documents that timber buyers can request from the exporter, logging company and Government agencies as a partial check on legality. As a first step in legality risk mitigation, this document check can be complemented by a visit to the logging site, where the buyer can observe operations and hold discussions with the PNG project supervisors and landowners.
- However, because of the complexity of the local contexts and the variety of views that different stakeholders may provide, it will be difficult for a timber buyer to comprehensively mitigate legality risks through a key document check and site visit. Timber buyers should therefore target timber that has been certified under a credible certification scheme.
- Currently, the percentage of PNG export timber that is verified as legal or certified as sustainable is very low; however, a growing number of timber businesses are making efforts to have their operations certified. In the case that preferred timber suppliers are not certified or in the process of becoming certified, buyers should strongly encourage them to acquire certification. Timber buyers can ask suppliers of evidence of such efforts, e.g. the results of an audit

report from the certification body, evidence of steps taken to fill gaps that were identified in the audit, etc. If their suppliers do not take steps to acquire credible legality verification or sustainability certification, buyers should find other timber suppliers.

Abbreviations and acronyms

| | |
|-------|---------------------------------------------------------------------------------|
| CITES | Convention on International Trade in Endangered Species of Wild Fauna and Flora |
| CoC | Chain of Custody |
| CW | Controlled Wood |
| DEC | Department of Environment and Conservation |
| FIP | Forest Industry Participant |
| FM | Forest Management |
| FMA | Forest Management Agreement |
| FME | Forest Management Enterprises |
| FOB | Free On Board |
| FSC | Forest Stewardship Council |
| IGES | Institute for Global Environmental Strategies |
| ILG | Incorporated Land Group |
| ITTO | International Tropical Timber Organisation |
| LC | Legal Compliance |
| LFA | Local Forest Area |
| LO | Legal Origin |
| NGO | Non-Governmental Organisation |
| PFMC | Provincial Forest Management Committee |
| PGK | Papua New Guinea Kina |
| PNG | Papua New Guinea |
| PNGFA | PNG Forestry Authority |
| SABL | Special Agriculture Business Leases |
| SGS | Société Générale de Surveillance |
| SLIMF | FSC Small and Low Intensity Forest Management standard |
| TLS | Timber Legality Standard |
| TLTV | Timber Legality and Traceability Verification |
| TRP | Timber Rights Purchase |
| UNEP | United Nations Environment Programme |
| VLC | Verification of Legal Compliance |

1. INTRODUCTION

Papua New Guinea (PNG) is blessed with rich forest resources. These are tremendous natural assets, not just for PNG, but also for the globe. The forests of PNG are great storehouses of nature, holding about 5% of the world’s biodiversity (Miller, Hyslop, Kula, & Burrows, 1994). As massive sinks and stores of carbon, they also have an important role to play in the global effort to mitigate climate change. At home, PNG’s forests directly contribute to the subsistence and local economy of about 80% of the population (OCCD, 2012, p. 24), and through the harvesting and exports of logs, generate important foreign revenue and employment for about 11,000 people (FAO, 2014).

Despite their obvious values, PNG’s forests are being rapidly depleted through unsustainable land use and logging (Shearman et al., 2008). While PNG has a strong legal framework for forest management, it is weakly enforced, meaning that there are significant legality risks associated with PNG export timber. In a confidential survey of expert perceptions covering about 30 respondents from government, the private sector, non-governmental organisations (NGOs) and others, a Chatham House study found that 90% of the experts interviewed felt illegal logging to be either a major or the main cause of forest destruction in PNG (Lawson & MacFaul, 2010). Amongst the experts surveyed, very few noted any improvement in levels of legal compliance, with 30% feeling that the situation is worsening. The report *Green Carbon, Black Trade* by the United Nations Environment Programme (UNEP) and INTERPOL also highlighted continued



PNG lowland tropical rainforest, New Britain

international concern over PNG timber legality (Nellemann & INTERPOL Environmental Crime Programme, 2012).

These reports suggest that if buyers purchase PNG export logs without a thorough check on legality, the forestry sector in PNG will never be sustainable. Efforts in PNG to improve the enforcement of forest laws will only be successful if international timber buyers target timber that carries assurance of legality. If timber buyers do not make efforts to only purchase legally harvested timber, then the status quo in forest management and timber harvesting can be expected to continue in PNG, at least until the timber resources run out.

However, legal frameworks for forest management are complex, so how can a timber buyer with limited understanding of the legal framework in PNG understand legality risks and take steps to mitigate any risks that are identified? Risk management consists of risk assessment

and risk mitigation (Fig. 1.1). This guide aims to assist timber buyers in minimising the legality risks associated with PNG export timber by (i) providing them with an understanding of the types and scale of the legality risks (risk assessment), and (ii) setting out options for them to mitigate these risks (risk mitigation).

1.1 Methodology for guidance development

This guide is based on an extensive document and literature review, interviews with experts involved in the forestry sector and working on forest issues in PNG, and site visits to forestry operations and timber processing plants and yards. The report “Managing Forests as a Renewable Asset for Present and Future Generations: Verifying legal compliance in forestry in Papua New Guinea” IGES (2015), which was funded by the Government of Australia through the Responsible Asia Forestry and Trade partnership, was an important reference when developing this guide.¹

1.2 Contents

After this introduction, Section 2 describes the legal framework for forest management and timber exports in PNG. Section 3 defines timber legality risk and explains why PNG can be considered a ‘high risk’ country in terms of the legality of export timber. The types of legality risks of PNG export timber are subsequently described. Section 4 sets out options for timber buyers to mitigate the legality risks. Section 5 provides details



Figure 1.1 Elements of risk management

¹ The report is available at <http://pub.iges.or.jp/modules/envirolib/view.php?do-cid=4809>.

of organisations that can be contacted for further information.

Readers who are familiar with the legal framework governing the forestry sector in PNG and who are mostly interested in what the legality risks are and how to mitigate them can move straight to Section 3.

2. **B**asic elements of the administrative and legal framework in PNG

PNG is considered to have a good,

though somewhat complex, regulatory framework for forest management. A basic element of the legal framework for forestry is the recognition by the Constitution of customary rights, i.e. rights that are acquired by custom and not necessarily reflected in laws, including rights to all natural resources, with the exception of minerals, petroleum, water and genetic resources. Through this recognition, 97% of the total land area and 99% of forest lands are owned by the people of PNG according to their customary institutions (Bird, Wells, van Helden, & Turia, 2007a, p. 1).

The customary landowners can undertake forestry on their own lands, but mostly do not have the capacity to organise themselves to supply timber for export. The State's policy on forestry has therefore centred on securing timber



Logs ready for export, New Britain

rights from the customary landowners, developing forestry projects, offering these up for tender, and then monitoring the forestry operations.

There are as many as 60 laws, regulations and international conventions to which PNG is a signatory that affect logging and timber processing and export (see Appendix 1). Within this legal framework, the Forestry Act 1991 (amended in 2000, 2006 and 2010) regulates the carrying out of forest industry activities. The Act is supported by a number of guidelines and regulations. These include the National Forestry Development Guidelines (revised in 2009); the Planning, Monitoring and Control Procedures for Natural Forest Logging Operations 1995; the Key Standards for Selective Logging in Papua New Guinea 1995; the PNG Logging Code of Practice 1996; the National Forest Plan 1996; Procedures for Exporting Logs 1996; and the Forestry Regulations 1998 (amended in 2010).

The PNG Forestry Authority (PNGFA) was created in 1991 under the provisions of the Forestry Act to monitor and ensure compliance with the rules and regulations within the forestry sector, including contracts between the State, landowners and investors. The PNGFA is empowered by the Forestry Act to negotiate *forest management agreements* with the customary owners, choose developers and negotiate conditions for *timber permits, licences and timber authorities*.

The PNGFA comprises the National Forest Board and the National Forest Service. The National Forest Board includes representatives from various groups in the forestry sector and oversees the activities of the PNGFA. The National Forest Service is responsible for administering the

Forestry Act 1991 and is in charge of all aspects of forestry at the national level.

A number of regulatory and administrative responsibilities have been delegated to the provincial level. Provincial Forest Management Committees are responsible for the selection of logging operators and the preparation of timber permits; the enforcement of timber permit conditions and the Forestry Act; the issuance of timber authorities; and overseeing the receipt and distribution of government levies and charges and other benefits due to landowners.

The Department of Environment and Conservation (DEC) also has an important role in forestry. The DEC exercises functions relating to environmental protection through the approval of development proposals, including approval of forest management agreements.

2.1 Timber harvesting

Figure 2.1.1 provides a map of logging concessions in PNG. From the map it can be seen that most of the forest areas in West and East New Britain and New Ireland are under concessions, and that large concessions can be found in most other provinces, including Central, Northwest, Western, Gulf, West and East Sepik, Madang, Morobe, Milne Bay, and Manus provinces, as well as some of the Highland provinces.

Under the Forestry Act 1991 it is an offence to engage in forest industry activities without being registered as a *forest industry participant* (FIP). FIPs must acquire a timber permit, licence or timber authority before they harvest timber, buy unprocessed timber for processing or export, or sell timber.

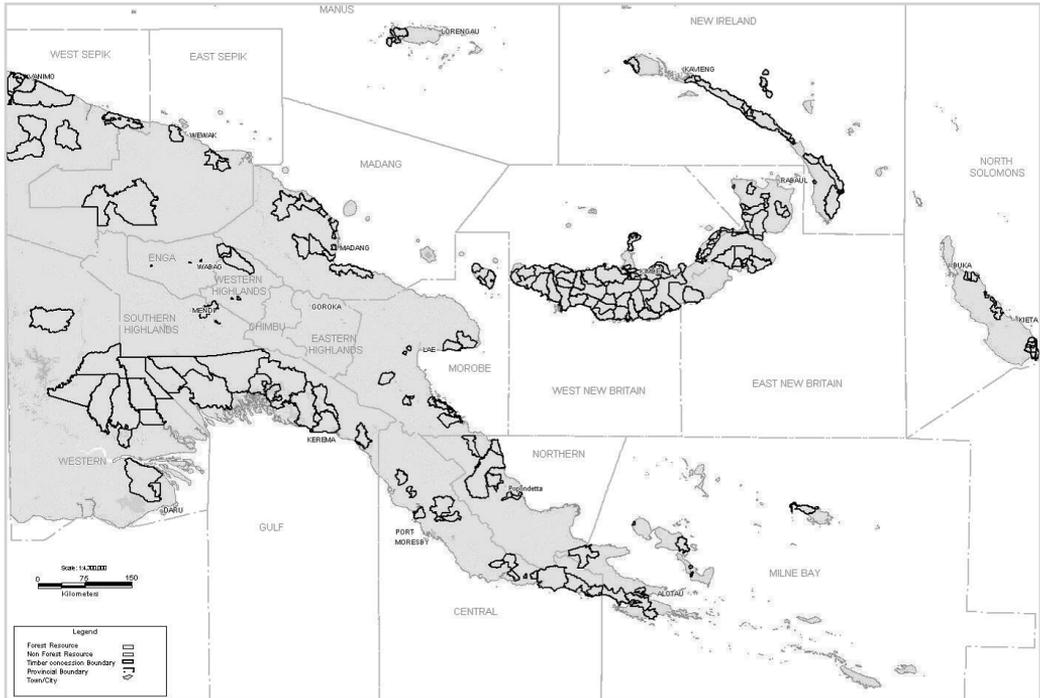


Figure 2.1.1 Map of current logging concessions

Source: Amos (2013)

Timber harvesting can take place under several types of authorisations, as follows.

a) Timber Rights Purchases and Local Forest Area agreements

Prior to the enactment of the Forestry Act in 1991, *timber rights purchase* (TRP) was the main instrument for large scale timber extraction. Under TRPs, the State acquired the rights for timber harvesting from the forest-owning communities and then invited timber companies to log the forest. *Local forest area* (LFA) agreements were later introduced to allow the customary owners to directly negotiate a logging project with timber companies. Through the mechanism of LFA agreements, customary owners were allowed to form a landowner company

to negotiate a *logging and marketing agreement* directly with a logging contractor. Both TRP and LFA processes were repealed by the Forestry Act 1991; however, the Act recognised the validity of existing TRPs and LFAs, and logging continues to take place under them (until their expiry or extension). Most of the LFAs have expired but many TRPs are still valid (see Appendix 2).

b) Forest Management Agreements

The Forestry Act 1991 gives the PNGFA the authority to acquire timber rights from customary owners through a *forest management agreement* (FMA) with the owners, provided that the forest area is included in the National Forest Plan and respective Provincial Forest Plans. All concessions under FMAs are acquired

Table 2.1.1 Steps in forest acquisition and allocation associated with an FMA

| Step | Phase |
|-----------------------------------------------------------------------------------------------------------------|-------------------|
| Step 1: Forest Inventory (Forest Resources shall be developed only in accordance with the National Forest Plan) | Acquisition Phase |
| Step 2: Landowner Awareness Program | |
| Step 3: Formation of Land Group | |
| Step 4: Forest Management Agreement | |
| Step 5: Development Options Study | Allocation Phase |
| Step 6: Advertisement: Call for Project Proposals | |
| Step 7: Corporate Formation | |
| Step 8: Selection of Preferred Developer(s), Negotiations | |
| Step 9: Developer Feasibility Study | |
| Step 10: Project Agreement | Operations Phase |
| Step 11: Approval of Environmental Plan Under the Environment Planning Act | |
| Step 12: Timber Permit | |
| Step 13: Harvest Authorisation | |

Source: Modified from Bird et al. (2007a, p. 53)

for 50 years. The forest acquisition and allocation process can be summarised in 13 elements covering three phases (Table 2.1.1).

The FMA process begins with the PNGFA conducting a forest inventory and landowner awareness activities. If the customary owners agree to a forestry project, the PNGFA will proceed with the incorporation of all the relevant land groups. Before the PNGFA can assign the timber rights it acquires through an FMA to a FIP, the National Forest Board must arrange a *development options study* over the proposed project area and then advertise a tender for a forest development project. The Provincial Forest Management Committee (PFMC), in consultation with the landowners, prepares draft guidelines for project development which it submits to the Board for finalisation. The Board uses the

guidelines when advertising the forest development project to seek interest from registered FIPs, who are invited to submit proposals. The project proposals are evaluated by the PFMC, which submits its report, including recommendations, to the Board. The Board consults with the Minister and then directs the PFMC to negotiate a *project agreement*. The PFMC submits the project agreement to the Board, which signs it on behalf of the PNGFA and request the Minister to grant a timber permit to the Forest Industry Participant. Prior to the issuance of a timber permit, the developer must submit an *environmental plan*, an *environmental monitoring plan* and a list of personnel responsible for the monitoring to the DEC.

The Forestry Act 1991 requires the holder of a timber permit to submit to the National Forest Board a *project statement* (a general outline of the project objectives

and strategies over the succeeding five years), a *5-year forest working plan*, and an *annual logging plan*. Once the 5-year forest working plan is approved by the PNGFA, the logging operator must submit its annual logging plan, and on approval by the PNGFA Managing Director, must prepare and submit its *set-up* (harvest block) *plan* to the project supervisor for approval. The PNGFA places project supervisors in each concession to monitor the forestry operations. The role of the project supervisors includes ensuring the logging operations comply with the Logging Code of Practice and Key Standards for Selective Logging in PNG.

c) Timber Authorities

Timber authorities are issued by the Chairman of the PFMC after approval from the National Forest Board for small-scale operations of up to 5,000 m³. Timber authorities can only be issued for areas that are outside an existing FMA, and for the following five purposes:

- TA-01: harvesting of less than 5,000 cubic metres annually of timber for domestic processing;
- TA-02: harvesting of timber for road line clearance (for road that does not extend more than 12.5 km outside an FMA);
- TA-03: harvesting of timber for clearing in preparation for agriculture or other land use (for less than 50 hectares of trees);
- TA-04: harvesting of forest produce other than timber; and
- TA-05: harvesting of timber in plantation areas.

Timber harvested under a timber authority cannot be exported in log form

except for a road line clearance (TA-02), site preparation for an agriculture project (TA-03) and those harvested in forest plantations (TA-05).

d) Timber Licences

Under the Forestry Act 1991 the National Forest Board may issue a *licence* to a FIP that already has a timber permit or authority to conduct a forestry activity that is outside the scope of the permit/authority. The maximum term of the licence is 12 months.

e) Forest Clearance Authorities

Unlike timber permits, which are given for selective logging, *forest clearance authorities* are for the clear felling of natural forest. Forest clearance authorities can be issued for agricultural or other land use development and road construction. The application for a forest clearance authority for land development requires a *development plan*; *evaluation report* and *certificate of approval* from the relevant Government department; a certificate from a financial institution to show the developer has the finances needed for the proposed development and evidence of past experience with similar developments; a verification of ownership and evidence of landowner consent; and an approval of the *environment impact statement* by the DEC.

2.2 Procedures regarding the scaling, tagging, movement of timber and royalties

'Procedures for the Identification Scaling and Reporting on Logs Harvested from Natural Forest Logging Operations' set out the controls for the scaling of logs

at the log landings and the reporting on species and volumes, as well as for self-assessment of royalty payments. Logs must be identified and scaled by a licensed scaler on the log landing in the forest after being trimmed and cut to length. PNGFA project supervisors are required to carry out periodic log scaling checks by undertaking their own scaling and must address any major discrepancies between their checks and those provided by the licensed scalers. The timber business is required to submit monthly or more frequently a 'Declaration of Logs Harvested and Royalty Self-Assessment,' which is based on the 'Log Scaling Record Sheets.'

No permit is required to move the timber from the forest, but logs cannot be removed from the log landing unless they are tagged with official PNGFA tags and the scale information has been entered into the official PNGFA Log Scaling Record Sheet. The tags are provided by Société Générale de Surveillance (SGS). The tag includes a 10-digit code, with the first digit representing the type of timber harvest license, the second and third digits representing the code of province the log originated from, and the fourth and fifth digits representing the number of the license. The last five digits represent the serial number of each log generated in the SGS system (Figure 2.2.2).

2.3 Log exports

An important element of the Government's management of timber exports is an independent export log monitoring system. This is described in Box 2.3.1 and is a key part of the procedures for exporting logs. The complete steps required for the export of logs are set out in the PNGFA document 'Procedures for

Exporting Logs 1996'.² The 22 steps of 'Procedures for Exporting Logs 1996' are described in Box 2.3.2.



Figure 2.2.2 PNG official log tag

Source: Amos (2013)

² The Procedures can be downloaded from <http://www.fiapng.com/Procedures%20for%20Exporting%20Logs.pdf>.

Box 2.3.2 Procedure for exporting logs 1996

Step 1: Exporter to ensure all logs are identified by log tags

The exporter must ensure that log tags are attached to all logs that have been scaled at the log landing in the forest, following the process outlined in the PNGFA publication 'Directions for the Identification, Scaling and Reporting on Logs Harvested from Natural Forest Logging Operations'. The log tags identify the project and the log with a unique number in both readable and barcode form. Each tag has two tear-off sheets which are removed at the time of shipment – one for the SGS Inspector and the other for the exporter.

Step 2: Export price endorsement by the PNGFA

At the time the exporter negotiates a sale of logs, she/he is required to obtain PNGFA Head Office (Marketing Branch) endorsement of the negotiated log prices before a sales contract is finalised. The exporter must notify the PNGFA of the proposed sale and prices, and request formal endorsement (a format for the application form is provided).

Step 3: Exporter to finalise sale contract

Once the log exporter has received the PNGFA's price endorsement, she/he can finalise the *sales contract*, and must submit a copy of the *contract* to the PNGFA together with the application for a *log export licence*.

Step 4: Exporter to apply for a Log Export License

Once the log exporter has received the *price endorsement* and completed the *sale contract*, s/he applies for a *log export license* to the PNGFA Head Office (Marketing Branch) using Form 1 of Exports (Control and Valuation) Ordinance 1973.

Step 5: PNGFA processes log export licence application

The PNGFA forwards the *log export licence* application to the Department of Foreign Affairs and Trade, who issues the *log export licence* to the exporter. This is a formal requirement under the Department's Exports (Control and Valuation) Ordinance 1973.

Step 6: Issuance of log export permit by PNGFA

Once the application for a *log export licence* has been endorsed by the PNGFA and forwarded to the Department of Foreign Affairs and Trade, the PNGFA will recommend the issuance of the required *log export permit* by the Minister for Forests, arrange the necessary documentation and forward the *log export permit* to the exporter as soon as it is signed.

Step 7: Exporter to ensure appropriate clause in the letter of credit

The log exporter is required to ensure that the log buyer has included in the *letter of credit* a clause requiring a *SGS security label* to be affixed to the final settlement invoice.

Step 8: Exporter to inform SGS of impending shipment

At the time of applying for a *log export license*, all log exporters are required to notify SGS of all impending log shipments by submitting an information sheet. The exporter must provide SGS with a minimum notice of 10 working days prior to the ship loading.

Step 9: Log preparation by exporter

The exporter must present the logs intended for export in a manner ready for inspection by SGS.

Step 10: SGS to arrange pre-shipment inspection

SGS will make arrangements to undertake the pre-shipment inspection immediately prior to ship loading.

Step 11: Exporter to prepare a statement of logs to be exported plus a summary

The *statement of logs to be exported* lists all the logs to be included in the export shipment and presents for each log the details of species identification, length measurement, average diameter, the calculated net volume (which equals the gross volume where there is no defect allowance), and where there is a defect allowance the defect volume.

Log exporters are required to ensure that royalty payments have been made on all logs that are included in the *statement of logs to be exported*. The exporter must provide a hard copy of the *statement of logs to be exported* to the SGS Inspector on her/his arrival. The exporter must also provide the log details on a computer diskette.

Step 12: Pre-shipment inspection by SGS

SGS will check:

--Broad consistency of volumes for each species/species groups between a *summary of the statement of logs to be exported* and the details of the composition of the permitted shipment as shown on the *log export licence*.

--All of the logs destined for the shipment for correct species identification against the *statement of logs to be exported*.

--A 10% random sample of the consignment of logs to be exported for correct scaling.

Species identification must be 100% correct, and the total volume of the 10% sample must be within +/- 3.0% of the total of the individual log volumes for the sample logs read from the Statement Of Logs To Be Exported. When there is a discrepancy of greater than +/- 10% by volume between the volume of one or more of the species (Group 1) or species groupings (Group 2, 3 and 4) actually loaded on the ship (as detailed in the *SGS inspection report*), and the permitted volumes as stated in the *log export licence*, the PNGFA Boarding Officer may hold up the final clearance of the ship at the Declared Customs Port. Examples are provided of acceptable exceptions (e.g. more heavy logs than anticipated resulting

in the ship's Captain ordering a lower loading limit for safety reasons). Regardless, when such an inconsistency occurs, the PNGFA Boarding Officer is required to advise the PNGFA Head Office of the variations and seek its permission to accept these.

Where the results of the pre-shipment inspection do not meet PNGFA criteria, SGS will issue a *discrepancy notice*, copied to the PNGFA Project Supervisor, for which corrective action will be specified. Appendix 9 in Procedures for Exporting Logs set out the corrective actions prescribed by the PNGFA.

Step 13: Inspection liaison between exporter and SGS

The Camp Manager (manager of the logging site) should discuss the inspection results with the SGS Inspector daily and must be advised on log rejection and replacement requested by buyers.

Step 14: PNGFA to give permission to start ship loading

The PNGFA Project Inspector approves the commencement of ship loading, but only once corrective actions associated with any *discrepancy notices* are completed.

Step 15: Tally of actual logs loaded by SGS

Once the SGS Inspector has received a copy of the PNGFA's written permission to commence ship loading, SGS will commence log tallying procedures. During ship loading operations SGS will tally the logs loaded on board the ship by drawing log tags as logs are moved off the wharf/beach and prepare loading tallies/species and species group summaries.

Step 16: Production of the SGS inspection report

Once ship loading has been completed, SGS will produce an *inspection report* which will present the official verification of what actually has been loaded. The information therein is used for preparation of *Export Entry for Customs* (which is the basis for calculation of log export taxes) and the *commercial invoice*. It is also used by SGS to calculate the value to be entered on the *security label*. SGS produced the *inspection report* in triplicate and provides 1 copy to the exporter, 1 to the PNGFA officer responsible for final ship clearance (in association with Customs), and retains the other copy.

Final ship clearance can only take place at *declared customs ports*, which include most provincial capitals. The PNGFA has designated a Forestry Boarding Officer (usually the Provincial Forestry Officer) for each *declared customs ports*. A ship cannot receive final clearance without a copy of the *inspection report*.

Step 17: Exporter to prepare shipping documents for vessel clearance

The exporter prepares her/his shipping documents. At the time of vessel clearance, both the PNGFA and Customs must receive copies of shipping and commercial documents. The PNGFA Boarding Officer uses the *inspection report* to check that the exporter's data is

correct.

Step 18: PNGFA boarding officer to check consistency of volumes actually loaded with log export licence

The PNGFA Boarding Officer will check the consistency of the volumes actually loaded (as detailed in the *inspection report*) with the *log export licence*. Where there is a discrepancy in the volume by species (Group 1) or species group (Groups 2, 3 and 4) greater than the +/- 10% by volume permitted, the Boarding Officer is to take action as specified in Appendix 9 of Procedures for Exporting Logs.

Step 19: Exporter sends documents to SGS Port Moresby Office

The exporter must send the following documents to the SGS Port Moresby Office: letter of credit, commercial invoice, bill of lading, ship's timesheet, export entry.

Step 20: SGS to attach a security label to the commercial invoice

Based on SGS's *inspection report* and the export prices approved by the PNGFA, SGS will enter onto the label the value of the shipment, the *log export licence* number, and the volume loaded by species and species group and affix the label to the exporter's *commercial invoice*. The exporter will then be able to use the labelled invoice to negotiate payment for the shipment. This ensures that the exporter is paid according to the volume and species inspected by SGS and the prices approved by the PNGFA.

Step 21: Exporter to collect *commercial invoice* from SGS

Step 22: SGS to produce a full post-shipment report

Box 2.3.1 PNG independent export log monitoring system

Since 1994, the Government has contracted Société Générale de Surveillance (SGS) PNG Pty as an agent of the PNGFA to support the log export monitoring and control procedures. The roles of SGS are:

- Providing log tags (Figure 2.2.2) to be affixed to the end of each log by producers at the time of scaling at the log landing;
- Conducting pre-shipment log inspections to check species identification and log scaling;
- Monitoring ship loading to verify the species and volumes actually loaded;
- Verifying commercial invoices before they can be presented against a letter of credit.

a) Ship's clearance

The PNGFA Loading Officer, Customs, the Exporter and the Ship Master are all responsible for signing the ship's clearance. Customs is mainly concerned with ensuring that the export tax is paid. This consists of a 28% tax of the free on board (FOB) value and a PGK 8/m³ development levy. Table 2.3.1 lists the documents required for clearance for a shipment of logs. The exporter must send a copy of the *bill of lading* and the *commercial invoice* to SGS, which it keeps on its database.

Table 2.3.1 Documents required for ship clearance

| Document | Issued by |
|------------------------------|----------------------------------|
| Log Tally Sheet | |
| Copy of Price Endorsement | PNGFA |
| Copy of Export Permit | PNGFA |
| Copy of Export License | Department of Trade and Industry |
| Copy of the Letter of Credit | Consignee's bank |
| Copy of Customs Duty | |
| Copy of Bill of Lading | Shipmaster |
| Copy of Export Summary | |

24 Other laws, regulations and international conventions affecting the forest sector

Other than the Forestry Act and the controls on the movement and export of timber described above, there are many other laws, regulations and international conventions affecting forestry, timber processing and timber exports (see Appendix 1). Their subject matter is wide ranging and includes regulation of transportation, licensing of processing operations, labour rights, worker health and safety, etc.

3. ASSESSMENT OF LEGALITY RISKS

3.1 Definition of legality risk

There is a great deal of disagreement on the extent of illegalities in the forest sector in PNG, making it difficult for timber buyers to understand whether and what legality risks may be associated with PNG timber. This disagreement is mostly due to the different vested interests of various actors and groups in the country, but also partly due to the lack of a formal agreed definition of legal timber. There is “confusion between what constitutes illegal activity, non-compliance and sustainable logging” (ITTO, 2007, p. viii).

In this reference document, legality risk is broadly understood as the risk of *significant* and / or *persistent* failures to comply with elements of any laws, regulations, guidelines or international conventions that the country is a signatory to throughout the entire supply chain of timber, starting with the acquisition of timber rights and the authorising of harvesting, through to timber being authorised for export.

An occasional failure to fully comply with the entire legal framework can be expected in a forestry operation because of the complexity of the laws, regulations and guidelines, which is why legality risk in this guidance is defined in terms of *significant* and / or *persistent* failures in legal compliance.

3.2 The extent of legality risks

Timber buyers should be wary of any statement by Government officials that all wood products leaving PNG are legal. Such statements have been made on the basis that export timber has been verified through the independent export log monitoring system as originating from legally authorised forestry operations. However, timber from legally authorised operations can still carry significant legality risks. Evidence that illegalities are widespread in the forestry sector can be found in a series of reports that were commissioned by the Government between 2000 and 2005 under agreements with the World Bank.³ These reports point out major failures by government agencies to properly carry out their responsibilities during timber rights acquisition processes, failures of the logging companies to fully comply with regulations in the conduct of forestry operations, and failure of the timber permit holders to fully comply with project agreements (Forest Trends, 2006, p. 2). There is no evidence to suggest that the general level of legal compliance in forestry in PNG has changed in any fundamental way since these reports were written.

3.3 Types of legality risks

Timber buyers should assess legality risks

3 These are: Review of Forest Harvesting Project Being Developed towards a Timber Permit or Timber Authority (2000-2001); Review of the forest revenue system (2001-2002); Independent review of disputed timber permits and permit extensions (2003); Towards sustainable timber production - A review of existing logging projects (2003-2004); Compliance audit (2004-2005).



Cloudy Bay Sustainable Forestry Ltd. wood processing plant at 9 Mile

for each of their suppliers. This section provides a description of the overall legality risks for PNG timber, which buyers should keep in mind when undertaking their risk assessments. The major legality risks are associated with timber from authorised logging operations, rather than timber smuggling (Box 3.3.1).

a) Failure to follow the required processes in the acquisition of timber rights

Failure to follow the required processes in the acquisition of timber rights is a major problem in PNG. Before a logging project or forest clearance can take place under any process in which the State acquires timber rights from the customary landowners, the landowners must give their prior informed consent for the project. To be able to give such consent, the customary landowners must

Box 3.3.1 Timber smuggling – not a major risk

Timber smuggling, i.e. timber harvesting without the required authorisations and export of this timber by evading laws, is not considered a major legality risk for PNG export timber. There is little reporting of timber smuggling in the media. It would be difficult to organise large-scale smuggling of timber without at least some people in the area noticing it taking place and the media reporting on it. There is a small risk that timber could be harvested outside a concession area and then be “legalised” when it is scaled at the log pond. This is because the export log monitoring system only enables traceability of the log back to the harvesting block, not to the stump. It should be noted that the SGS log export monitoring system was never intended to provide assurance that export timber is fully legal.

first organise themselves as an incorporated land group (ILG). An ILG represents the customary landowners and has the authority to organise and agree to development of the land and resources. ILG formation is sometimes facilitated by the National Forestry Service and sometimes by logging companies and agricultural developers. For logging projects, the PNGFA is responsible for ensuring that the ILG members are the legitimate landowners. However, ILG formation processes are not always correctly followed and some legitimate landowners may be omitted. In some cases, logging projects have even started without ILG certificates having been issued (Bird et al. 2007a, p. 2). Another problem is that Government agencies do not always ensure that all landowners have the information they need to give informed consent for a logging project. Awareness raising is difficult because the PNGFA officers themselves are sometimes working with many different language groups (PNG has over 800 distinct languages) across many thousands of hectares, including areas difficult to access, with inadequate time to conduct thorough awareness raising activities (ibid.). The outcome is that a logging project can start without all landowners having given their approval and with approval having been given by landowners who do not have a good understanding of the proposed project. These issues are of particular concern for TRPs that were issued many years ago and are still active.

b) Inadequate compliance with regulations and guidelines in the conduct of forestry operations

Inadequate compliance with regulations and guidelines, such as the Key Standards for Selective Logging and Logging Code

of Practice can be a significant problem at logging sites. These non-compliances occur because the logging companies may not take sufficient care to follow the regulations, and because the PNGFA project supervisors stationed at the logging sites may not always be able to carefully check on the logging. The PNGFA project supervisors are responsible for monitoring logging over large areas and have to rely on the logging companies for transportation. This can cause difficulties for them to carefully monitor the operations. Also, the project supervisors themselves may not be well trained on the Logging Code of Practice.

c) Failure of the timber permit holder to fully comply with project agreements

A timber permit holder may be required to construct and provide various types of infrastructure as part of the project agreement. The infrastructure might include the construction of roads and bridges, sawmills, schools, community health centres, etc. Due to lack of enforcement of the project agreement, the infrastructure is not always constructed to national standards and sometimes not built at all (Bird et al., 2007b, p. 48).

d) Failure to follow due process in the issuance of Special Agriculture Business Leases

Special agriculture business leases (SABLs) are intended to promote agricultural development and enable developers to acquire land rights for this purpose. Natural forests on land under SABLs may be clear felled and the timber exported. In general, timber harvested from SABLs can be considered very high risk because of the repeated failure of government agencies to carry out their mandated responsibilities.

For a SABL to be issued over customary land, the customary landowners must first lease their land to the State, which then leases the land to a leasee for development purposes. The leases are granted by the Department of Lands and Physical Planning, after which approval for the proposed activity must be given by the Department of Agriculture and Livestock. If forest clearance is planned under a SABL, developers must acquire a forest clearance authority from the PNGFA.

Between 2003 and 2011 a total of 72 SABLs were issued over 5.1 million hectares of customary land (Winn, 2012, p. 3). Most of this transfer of rights from the customary owners to developers has taken place in a period of about five years (Papua New Guinea Today, 2013). The duration of rights transfer is mostly for 99 years. About 2.3 million ha of primary and secondary forests are under SABLs, and forest clearance authorities have been issued over 878,764 ha (PNGFA, 2013).

A major legality problem is the failure of government agencies to ensure that the landowners gave free prior informed consent for the leases. In August 2011, the Government set up a Commission of Inquiry to investigate the legal authority and procedures involved in the issuing of the SABLs. It found that only 4 of the 42 SABLs it investigated had obtained proper landowner consent, with the remainder being secured through corrupt means (Fox, 2013). The Commission found widespread abuse and fraud, failure and incompetence of government officials to ensure compliance, accountability and transparency from the application stage to registration, processing, approval and granting of the SABLs (Tau, 2013).

e) Transfer pricing

Transfer pricing is a way for companies to evade tax by under-declaring values of export consignments or by overstating tax deductible values of their imports (Bird, Wells, van Helden, & Turia, 2007c, p. 27). Transfer pricing appears to be a significant problem for PNG, but is difficult to detect. In the 1980s nearly all forestry companies were found to be practicing transfer pricing (Barnett, 1989). A recent analysis of logging company financial and tax records in PNG concludes that massive transfer pricing seems to be taking place in the country's forest industry, leading to lost tax revenue that may exceed US \$100 million per year (Mousseau, 2016, p. 5).

f) Other risks

There are potentially a variety of other legality risks that have been reported by media or discussed in various reports. These include foreigners working without the required visas, physical abuse of landowners opposing logging, inadequate working conditions of employees in logging operations, etc. (ACF & CELCOR, 2006, p. 3).

4. RISK MITIGATION

The following risk mitigation strategies are proposed for buyers to consider when sourcing timber from PNG.

4.1 Strategy 1: Target timber suppliers that have 3rd party legality verification or sustainability certification, or are in the process of acquiring such verification/certification

Given the legality risks described in Section 4, 3rd party certification of the complete supply chain, starting with forest management certification followed

by certification of the chain-of-custody, is the most effective means to mitigate potential legality risks when buying timber from PNG. Two types of ‘certification’ standards are being used in PNG. The first is certification of ‘sustainability,’ which certifies forest management that is not only legal but also sustainable. Clear felling of natural forest could not be certified against a sustainability standard because while it may be legal, it is not sustainable. The second is certification of legality, which is usually referred to as ‘legality verification.’ It aims to demonstrate legal compliance, but does not make the claim of sustainability.

Buyers of PNG export timber could either use sustainability certification or legality verification to mitigate legality risks. However, the extent to which legality risks are mitigated depends in part on the scope of the standard. For example, in PNG the Timber Legality Standard, which is



FSC certified sawnwood, Cloudy Bay Sustainable Forestry Ltd.

being developed by the PNGFA, currently only considers the legal obligations of the timber enterprises and does not consider whether the government departments have properly fulfilled their duties when acquiring the timber rights from the landowners. Therefore, unless the Timber Legality Standard is strengthened from its current draft form (as of October 2015), it cannot support a comprehensive claim of legality. Buyers can do an Internet search using key words (e.g. the title of the standard) to find out whether any concerns may have been raised about a particular standard. Key forestry stakeholders could also be contacted for their views (see Section 5).

The certification standards that are currently being used or are under development in PNG are described below.

a) Forest Stewardship Council (FSC) standards

The FSC was founded in the early 1990s as the World's first forest certification scheme that operates at a global level, i.e. forests of any type in any country can be certified under the scheme. A number of FSC certificates have been issued to forestry operations and wood processors in PNG. The FSC certifications in PNG have been conducted by SGS, Woodmark, and SmartWood. The types of certificates issued are chain-of-custody certificates, 'controlled wood' certificates, and forest management certificates.

FSC chain-of-custody standard (FSC-STD-40-004 V2-1 EN)

The FSC chain-of-custody standard specifies the management and production requirements for chain-of-custody control with respect to sourcing, labelling (where

applicable) and sale of products as FSC certified. FSC Chain of Custody certification verifies that FSC certified material is identified or kept segregated from non-certified or non-controlled material throughout the product chain.

FSC controlled wood standard

The FSC controlled wood standard aims to provide assurance that timber has been sourced in a controlled manner to avoid timber that is illegally harvested, harvested in violation of traditional and civil rights, harvested in forest management units in which high conservation values are threatened by management activities, harvested in areas in which forests are being converted to plantations or non-forest use, or harvested from forests in which genetically modified trees are planted.⁴ The standard was developed to allow mixing of FSC certified and uncertified but otherwise 'controlled' wood materials.

There are two processes for controlled wood recognition, both of which are being applied in PNG: (i) FSC Controlled Wood standard for forest management enterprises (FSC-STD-30-010 (Version 2-0) EN); (ii) FSC standard for company evaluation of FSC Controlled Wood (FSC-STD-40-005 V2-1 EN). The second standard enables companies to supply FSC Controlled Wood to FSC certified chain-of-custody companies for the purpose of mixing the wood with FSC certified wood materials.

FSC National Forest Management Standard for PNG

PNG is the only developing country in

⁴ <https://ic.fsc.org/controlled-wood-standards.174.htm>, accessed 05 June 2013.

the Asia-Pacific region to have an FSC endorsed forest management standard. This was developed by the PNG Forest Stewardship Council National Standards Working Group. Version 1.1 (dated May 2010) of the FSC National Forest Management Standards for PNG is currently being reviewed.

b) SGS Timber Legality and Traceability Verification programme

The Timber Legality and Traceability Verification (TLTV) programme was developed by SGS to provide assurance that timber has been legally acquired, produced or sold by a timber business. Since 2010 SGS has offered the TLTV service in two steps: Verification of Legal Origin, which identifies the forestry operation as legally authorised, and Verification of Legal Compliance, which verifies compliance with the laws

governing forestry. Due to lack of demand, SGS decided to stop providing its TLTV service, though current certificates will remain active through to their expiry.

c) PNGFA Timber Legality Standard

The draft Timber Legality Standard (TLS) was developed as part of a package of outputs under an International Tropical Timber Organisation (ITTO) funded project managed by the PNGFA. The PNGFA is currently finalising the standard and working on the system to offer this standard for legality verification.

d) Rainforest Alliance Standard for VLC of FMEs in PNG

The Rainforest Alliance is a non-governmental organisation that has a relatively long history of involvement in forest certification. The Rainforest Alliance Standard for Verification of Legal Compliance



Logging concession, New Britain

(VLC) for Forest Management Enterprises (FME) in Papua New Guinea is dated 24 October 2013 (VER-26).⁵

e) Which companies hold which certificates ?

Appendix 3 lists the verified/certified timber businesses in PNG as of 2013. In addition to referring to this table, timber buyers could contact the SGS office in Port Moresby for consultation on which companies are certified or are progressing towards certification. SGS is not required to collect this information, but being based in the country and having certification expertise it has very good knowledge of which companies hold which certificates. See Section 5 for the contact details of the SGS PNG Office, FSC, Rainforest Alliance and the PNGFA Timber Legality Standard.

Unfortunately, only about 7% of PNG's export timber is certified and the total certified area is less than 400,000 ha. However, a growing number of companies are taking steps to acquire certification. If buyers of PNG export timber find that their preferred supplier does not have certification, they should ask the supplier whether they are aiming to acquire certification and whether they have taken any steps to do so. For example, a supplier may be able to show that it requested a certification body to audit its forest management or chain-of-custody, or that such an audit has taken place and that it is now working on filling gaps that were identified.

⁵ See http://www.rainforest-alliance.org/sites/default/files/site-documents/forestry/documents/VER-26_RA_VLC_Standard_for_FMEs_PNG_24Oct13.pdf.

4.2 Strategy 2: Measures when 3rd party certification has not been acquired by the supplier

If a preferred supplier has not acquired certification and is not taking steps to acquire certification, and when other suppliers with certification are not available, what should the timber buyer do? Several measures are described below that the buyer can use to mitigate risks in this situation. These measures can assist in mitigating some risks, but not all the risks identified above; therefore, these should be considered only as interim measures and the buyer should encourage the supplier to make efforts to acquire certification.

a) Checks to avoid all clearly illegal and high risk timber

Buyers should avoid clearly illegal and high risk timber, such as species banned from export (Table 4.2.1) and logs from unauthorised or suspended operations, as well as avoid relationships with timber businesses that have been prosecuted for serious illegal activities.

The following checks should be made:

- Check that the timber is not from a business whose activities have been suspended as a result of administrative or judiciary action initiated by either the Government or a third party;
- Check that the timber is not from a business that has been found involved in significant illegal or criminal conduct;
- Check that the timber business holds active authorisations to harvest timber (timber permits,

timber authorities, licenses, local forest area agreements, forest clearance authorities, or logging and marketing agreements for logging contractors);

- Check that the timber is not from forest clearance authorities granted under SABLs. Avoid such timber unless considerable proof of legal compliance can be provided.

Species information can be found in an attachment to the log export license, and this can be cross-checked with the three-digit species code that the logging company must paint on both ends of each log.

Species listed in appendixes of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) can only be exported with a CITES permit issued by the Ministry of Environmental Protection. PNG CITES-listed species can be searched for and viewed online at <http://checklist.cites.org> (see Table 4.2.1).

The PNG REDD+ & Forest Monitoring Web-Portal (<http://178.33.8.126/portal/>), a geographic information systems interface that allows visualisation of spatial information on logging concessions, protected areas, mining licenses, etc., is also a useful reference.

b) Check key documents for authorisation, planning and control of harvesting and for export

In addition to undertaking the checks to avoid clearly illegal and high risk timber, timber buyers should undertake a key document check as part of their legality risk mitigation strategy. Table 4.2.2

provides a generic list of key documents.

A basic check would focus on:

- 1) Timber export permit, and tree species information in the permit;
- 2) Key timber legality documents and their series numbers, including forest management concession, timber harvesting permit, project agreement, environmental protection permit and forest harvest plan;
- 3) Name and address of PNG timber producer and exporter, and port of export;
- 4) Commercial invoice; and
- 5) Bill of Lading.

c) Site visit

A visit to the concession area to observe operations and hold discussions with staff of the timber enterprise should be organised for operations that are not certified. It will be impossible to check on all aspects of legality during this visit, but some useful information can be gathered. The visit provides an opportunity for face-to-face discussion with the PNGFA project supervisors. They can be questioned about any non-compliance issues they have reported on and how the logging company has responded. They can also be questioned about any landowner issues that have arisen and how they have been handled. If landowner issues have arisen, it is desirable that the landowners are questioned directly about these.

Table 4.2.1 Species banned from export in log form or requiring a CITES export permit

| Common name | Abbreviation | Botanical name |
|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Kauri Pine | AGA | Agathis |
| Hoop Pine | ARH | Auracaria cunninghamii |
| Klinkii Pine | ARK | Auracaria hunsteinii |
| Celery-Top Pine | CLP | Phyllocladus hypophyllus |
| Cordia | COR | Cordia dichotoma |
| Dacrydium | DAC | Dacrydium nidulum |
| Ebony | EBO | Diospyros ferrea |
| Kerosene wood | KEW | Cordia Subcordata |
| Libocedrus | LIB | Libocedrus pauanus |
| Podocarp | POD | Podocarpus sp. |
| Brown Podocarp | POB | Decussocarpus |
| Highland Podocarp | POH | Dacrycarpus imbricatus |
| Rosewood | ROS | Pterocarpus indicus |
| Balsa | BAL | Ochroma lagopus |
| Blackbean | BLB | |
| Species listed in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) appendixes found in PNG. | | |
| Ramin | <i>Gonystylus spp</i> (species found in PNG is <i>G. macrophyllus</i>). <i>Gonystylus spp</i> is listed in CITES Appendix II. This means that international trade can only be authorized by the granting of a CITES export permit. | |

Source: (PNGFA, 1996, Appendix 2)

Table 4.2.2 Key documents to be checked for legality risk mitigation

| Key document | Issued by | Location |
|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------------------------|
| Right to participate in commercial activities | | |
| Business Registration | Investment Promotion Authority | Timber business |
| Registration as a Forest Industry Participant. | PNGFA | List of Forest Industry Participants kept by PNGFA Head Office |
| Certificate Permitting Foreign Enterprise to carry out business activity | Investment Promotion Authority | Timber business |
| Concession right | | |
| Forest Management Agreement (FMA) | Minister of Forests | PNGFA Head Office, Timber business |
| Or | | |
| Timber Rights Purchase (TRP) agreement | | PNGFA Head Office, Timber business |
| Or | | |
| Local Forest Area (LFA) agreement | Minister of Forests | PNGFA Head Office, Timber business |
| Authorisation to harvest timber | | |
| Timber Permit (for FMA or TRP) | Minister of Forests | PNGFA Head Office |
| Or | | |
| Timber Authority | Chairman of the Provincial Forestry Committee | PNGFA Head Office, Timber business |
| Or | | |
| Timber Licence | National Forest Board | PNGFA Head Office, Timber business |
| Or | | |
| Forest Clearance Authority | Minister of Forests | PNGFA Head Office, Business |
| Agreements | | |
| Project Agreement | National Forest Board | Timber business |
| Logging and Marketing Agreement (only if Timber Permit holder sub-contracts logging to a logging company) | | Timber permit holder, Logging company |
| Environmental permits | | |

| | | |
|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------------|
| Environmental Plan | Minister for Environment and Conservation | DEC Head Office, Timber business |
| Environmental Management and Monitoring Program, with endorsement | DEC | Timber business |
| Environmental Impact Statement (only required for Level 1 FMAs where annual production exceeds 70,000m ³) | DEC | Timber business |
| Waste Management Plan, with endorsement | DEC | Timber business |
| Endorsed harvesting plans | | |
| 5 year logging plan | PNGFA Managing Director | Timber business, Provincial Forest Office |
| Annual logging plan | PNGFA Managing Director | Timber business, Provincial Forest Office |
| Supplementary agreements for logging operations | | |
| Agreements for use of land or log pond, use of airstrip, use of base camp, supply of gravel for roading, etc. | | Timber business |
| Timber processing | | |
| Forest Industry Licence for sawmills | | Timber business |
| License for treatment plants | | Timber business |
| Wood exports | | |
| Inspection Report (only for logs) | SGS | SGS Office Port Moresby, Timber business, Provincial Forest Office |
| Export Licence | Industrial and Commercial Bureau | Timber business, Provincial Forest Office |
| Export Permit | PNGFA | Timber business, Provincial Forest Office |
| Commercial invoice | | Timber business |
| Phytosanitary Certificates | National Agriculture Quarantine and Inspection Authority | |
| Customs declaration materials for export | Customs | |



Kit house, Cloudy Bay Sustainable Forestry Ltd.

5. FOR MORE INFORMATION

The following organisations can be approached for information and advice useful for assessing and mitigating the legality risks of PNG export timber.

| Organisation | Contact details | Information / knowledge |
|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| PNG Forestry Authority | Postal address: The Managing Director National Forest Service P O Box 5055 Boroko, NCD Telephone: (675) 3277841 Fax:(675) 3254433 Email: info_general@pngfa.gov.pg | FIP registration, licensing and permitting of logging, project agreement, logging plans |
| Department of Environment and Conservation | Street address: Level 1, Bemobile Building, Waigani Dr., Port Moresby, NCD Telephone: (675) 301 4500 Website: http://www.dec.gov.pg | Environmental plans, environmental management and monitoring programmes, environmental impact statements, waste management plans |
| SGS PNG Limited | Street address: SGS PNG Ltd PNG Forest Authority Building Frangipani Street, Hohola Port Moresby, NCD Telephone: 675 323 1433 / Mob. : 675 7200 5521 E-mail : Bruce.Telfer@sgs.com | Inspection reports of timber exports, general information on certification |
| PNG Forest Industries Association | Postal address: The Executive Officer Forest Industries Association P.O. Box 229, Waigani NCD | Certification status of its members |
| Papua New Guinea Eco-Forestry Forum | Postal address: P.O. Box 3217 Boroko, NCD Email: teff@global.net.pg | Litigation against logging companies, certification of community-based forestry |
| Center for Environmental Law and Community Rights (CELCOR) | Street address: Suite 6B, Level 2, Garden City Shopping Center, Boroko, NCD Telephone: (675) 323 4509 Fax: (675) 311 2106 Email: infor@celcor.org.pg | Litigation against logging companies |

| | | |
|------------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| PNG Forest Certification Inc | Steven Magil National Coordinator Email: smagil.pngfcinc@gmail.com | Information on FSC standards and FSC certificate holders in PNG |
| FLEGT project | Coordinator-FLEGT Project PNG Forest Authority Telephone: (675) 327-7996 Email: tbukon@pngfa.gov.pg | Information on PNG Timber Legality Standard |
| Rainforest Alliance | Chisato Tomimura Email: ctomimura@ra.org | Information on Rainforest Alliance Standard for VLC of FMEs |

6. CONCLUSION

Securing supplies of export timber from PNG that carry a low legality risk is difficult, mostly because of lapses in enforcement of forestry controls. The most straightforward solution for timber buyers is to only handle timber that has been legally verified or certified as sustainable under a credible third-party scheme. For timber that is not verified/certified as legal or sustainable, the buyer can undertake a key document check and site inspection to reduce legality risks. In this case, if the buyer finds no evidence of legal non-compliance, he/she should request the supplier to take steps towards verification/certification and provide evidence of this. If the supplier is not willing to make this effort, the buyer should find other suppliers.

Appendix 1 PNG laws, regulations and international conventions affecting forestry, wood processing and wood exports

| |
|-----------------------------------------------------------------------------------------------|
| Companies Act |
| Conservation Areas Act (1978) |
| Convention on International Trade in Endangered Species of Wild Fauna & Flora (international) |
| Customs Act 1951 |
| Customs Excise Act 1956 |
| Customs Excise Tariff Act 1956 |
| Customs Regulations 1951 |
| Electricity Industry Act 2002 |
| Environment (Fees and Charges) Regulation 2002 |
| Environment (Permits and Transitional) Regulation 2002 |
| Environment (Prescribed Activities) Regulation 2002 |
| Environment (Procedures) 2002 |
| Environment (Water Quality Criteria) Regulation 2002 |
| Environment Act 2002 |
| Environment and Protected Areas Policy (2012) |
| Forestry (Budget Amendment) Bill 2007 |
| Forestry (Budget Amendment) Bill 2007 |
| Forestry [Timber Permit Validation] Bill 2007 |
| Forestry Act 1991 and Amendments 2000, 2005, 2007 and 2010 |
| Forestry Regulations 1998 |
| Forestry Regulations 2001 |
| Goods and Services Tax Act 2003 |
| Goods and Services Tax Regulation 2005 |
| Guidelines for Issuing Timber Authorities |
| Import Export Tariff 2012 |
| Income Tax (Rates) Act 1975 and 1976 |
| Income Tax (salary or Wages) (Rates) Act 1979 |
| Income Tax Act 1959 |
| Income Tax Regulation 1959 |
| Industrial Organisations Act and Regulations |
| Industrial Safety, Health and Welfare Act and Regulations |

| |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Labour and Employment Act and Regulations |
| Land Dispute Settlement Act |
| Land Groups Incorporation Act (1974) and Amendment 2009 |
| Land Registration (Customary Land) (Amendment) Act 2009a |
| Landowner Company Associations Act |
| Lands and Physical Planning Act (1988) |
| Licencing of Heavy Vehicles Act 1977 |
| Licencing of Heavy Vehicles Regulations 1977 |
| Marine Pollution Bills 2009 |
| Merchant Shipping Act 1975 |
| Merchant Shipping Regulations 2009 |
| Motor Traffic Act 1950 |
| Motor Traffic Regulation 1967 |
| NAQIA Act and Regulations |
| National Forest Plan |
| National Minimum Wages and Allowances as from 29 March 2006 |
| National Parks Act (1984) |
| Operations under Timber Permit: November 1995 |
| Planning, Monitoring and Control Procedures for Natural Forest Logging Operations under Timber Permit: November 1995 |
| PNG Logging Code of Practice: April 1996 |
| Procedures for Exporting Logs: April 1996 |
| Procedures for the Identification, Scaling and Reporting (including Royalty Self-Assessment) on Logs Harvested from Natural Forest Logging Operations: September 1996 |
| Public Health Act |
| Quarantine Act and Regulations |
| Revised Waste Management and Assessment Procedures |
| Superannuation Act 2000 |
| Valuer General's List for Crop Compensation |
| Worker's Compensation Act and Regulations |

Source: PNG Timber Legality Standard National Monitoring Form, Version 1.1, Sept. 2012.

Appendix 2 Current and expired timber permits in PNG

| Project Name | Type | Term (years) | Expiry Date | Gross Area (ha) | Net Area (ha) | Remarks |
|-------------------|------|--------------|--------------|-----------------|---------------|-----------------------|
| Western | | | | | | |
| Wimare (Oriomo) | TRP | 40 | 05-Mar-2002 | 24,289 | 16,605 | Expired |
| Wawoi Guavi Blk 1 | TRP | 40 | 14-Aug-2021 | 35,000 | 35,000 | Current |
| Wawoi Guavi Blk 2 | TRP | 40 | 09-Dec-2025 | 180,000 | 180,000 | Current |
| Wawoi Guavi Blk 3 | TRP | 40 | 16-Aug-2029 | 206,301 | 206,301 | Current |
| Makapa | TRP | 40 | 02-Dec-2031 | 301,494 | 301,494 | Current |
| Semabo | FMA | 50 | 14-Feb-2046 | 53,000 | 25,800 | Current |
| East Awin | FMA | 50 | 26-Sep-2046 | 201,596 | 151,197 | Court Battle |
| Tapila Wipin | FMA | 50 | 19-Dec-2046 | 243,609 | 158,553 | Current |
| | | | | 1,245,289 | 1,074,950 | |
| Gulf | | | | | | |
| Kikori Area A | TRP | 40 | 30-Oct-1992 | 1,741 | 1,741 | Expired |
| Kikori Area B | TRP | 40 | 01-Dec-1993 | 1,255 | 1,255 | Expired |
| Sirebi | TRP | 40 | 15-Dec-1993 | 891 | 891 | Expired |
| Eia Era | TRP | 40 | 05-Apr-1995 | 3,240 | 3,240 | Expired |
| Pie Era | TRP | 40 | 27-Nov-2004 | 34,800 | 34,800 | Expired |
| Iowa River | TRP | 40 | 26- Mar-2005 | 5,265 | 5,265 | Expired |
| Taure Meporo | TRP | 20 | 11-Sep-1010 | 95,000 | 95,000 | Expired |
| Vailala | TRP | 40 | 30-Jun-2025 | 13,140 | 13,140 | Current |
| Turama | TRP | 40 | 03-Mar-2028 | 187,733 | 187,733 | Current |
| Vailala Block 1 | TRP | 40 | 10-Apr-2029 | 88,630 | 88,630 | Current |
| East Kikori | TRP | 40 | 11-Sep-2030 | 83,800 | 83,800 | Current |
| Turama Block 1 | FMA | 50 | 28-May-2045 | 539,400 | 143,586 | Current (Turama ext) |
| Kikori Block 2 | FMA | 50 | 28-May-2045 | 486,634 | 211,024 | Current (Turama ext) |
| Baimuru Block 3 | FMA | 50 | 28-May-2045 | 438,300 | 320,383 | Current (Turama ext) |
| Vailala Block 2 | FMA | 50 | 17-Dec-2045 | 105,400 | 73,780 | Current |
| Vailala Block 3 | FMA | 50 | 17-Dec-2045 | 200,100 | 140,434 | Current |
| | | | | 2,285,329 | 1,404,702 | |
| Central | | | | | | |
| Veburi | TRP | 20 | 27-Aug-1989 | 618 | 618 | Expired |

| | | | | | | |
|---------------------------|-----|-----|-------------|---------|---------|---------|
| West Gadaisu | TRP | 40 | 14-Dec-2009 | 55,120 | 55,120 | Expired |
| Anemasora | TRP | 10 | 10-Apr-1999 | 1,800 | 1,800 | Expired |
| Ganai | TRP | 30 | 01-Nov-2006 | 12,000 | 12,000 | Expired |
| Ome Ome | TRP | 15 | 19-May-2006 | 25,000 | 25,000 | Expired |
| Edevu | TRP | 20 | 02-Aug-2009 | 26,850 | 26,850 | Expired |
| Iva | TRP | 40 | 31-Dec-2011 | 4,612 | 4,612 | Expired |
| Inika | TRP | 40 | 31-Dec-2011 | 8,851 | 8,851 | Expired |
| North Vanapa | TRP | 40 | 11-Aug-2022 | 78,422 | 78,422 | Current |
| Bonua Magarida | TRP | 40 | 29-Jul-2027 | 64,904 | 64,904 | Current |
| Gorohu | TRP | 40 | 01-Aug-2028 | 23,641 | 23,641 | Current |
| Ormand Lako | TRP | 40 | 08-Nov-2028 | 20,275 | 20,275 | Current |
| Lako Imila | LFA | N/A | N/A | 45,000 | 45,000 | Current |
| Marshall Lagoon | FMA | 10 | 31-Mar-2018 | 17,790 | 14,000 | Current |
| Varagadi Plantation | FMA | 50 | 13-Feb-2046 | 6,500 | 1,280 | Current |
| Cloudy Bay | FMA | 50 | 05-Oct-2047 | 148,900 | 94,013 | Current |
| | | | | 540,283 | 476,386 | |
| Milne Bay | | | | | | |
| Woodlark Island | TRP | | | 30,973 | 30,973 | Expired |
| Good Enough Island | TRP | 10 | 17-Aug-1994 | 1,863 | 1,732 | Expired |
| West Gurney | TRP | 10 | 03-Feb-1998 | 22,673 | 21,069 | Expired |
| Modewa Gara | TRP | 40 | 08-Nov-1998 | 23,919 | 23,000 | Expired |
| Sagarai Gadaisu | TRP | 40 | 30-Jun-2006 | 118,850 | 118,850 | Expired |
| Awarai | TRP | 40 | 20-May-2006 | 118,850 | 2,342 | Expired |
| East Fergusonson | TRP | 40 | 29-Jul-2027 | 31,340 | 31,254 | Expired |
| East Collingwood | FMA | 50 | 05-Apr-2048 | 80,700 | 52,289 | Current |
| Ulabo Plantation | | | | 1,680 | 1,680 | Current |
| | | | | 314,529 | 283,189 | |
| Oro | | | | | | |
| Girua Haijo | TRP | 5 | 26-Nov-1984 | 1,920 | 1,920 | Expired |
| Saiho | TRP | 20 | 17-Mar-1986 | 17,167 | 17,167 | Expired |
| Girua Era | TRP | 10 | 22-Jul-1996 | 9,600 | 9,600 | Expired |
| Kumusi Ext | TRP | 40 | 12-Jun-2009 | 44,780 | 44,780 | Expired |
| Saiho Ext | TRP | 40 | 19-Mar-2010 | 3,726 | 3,726 | Expired |
| Embi Hanau | TRP | 15 | 01-Jul-2005 | 19,040 | 19,040 | Expired |
| Vema Gaepa | LFA | N/A | N/A | 39,930 | 39,930 | Current |
| Ioma Block 4 | TRP | 40 | 30-Jan-2012 | 29,620 | 29,620 | Expired |
| Ioma Block 5 | FMA | 50 | 24-Apr-2047 | 221,000 | 46,000 | Current |
| | | | | 386,783 | 211,783 | |
| Southern Highlands | | | | | | |

| | | | | | | |
|--------------------------|-----|----|--------------|---------|---------|---------------------------|
| Mt. Giluwe 1A | TRP | 40 | 18-Jun-2009 | 6,640 | 6,640 | Expired |
| Mt. Giluwe 1E | TRP | 40 | 18-Jun-2009 | 13,270 | 13,270 | Expired |
| Mt. Giluwe 1F | TRP | 40 | 18-Jun-2009 | 1,740 | 1,740 | Expired |
| Kalgabunbu | TRP | 40 | 26-Jun-2009 | 360 | 360 | Expired |
| Akalereba | TRP | 40 | 26-Jun-2009 | 570 | 570 | Expired |
| Mt.Giluwe 1B | TRP | 40 | 15-Aug-2009 | 4,330 | 4,330 | Expired |
| Mt.Giluwe 1D | TRP | 40 | 26-Sep-2009 | 7,490 | 7,490 | Expired |
| Mt.Giluwe 1C | TRP | 40 | 21-Dec-2009 | 3,600 | 3,600 | Expired |
| Koia Wekomini | TRP | 20 | 01-Sep-2008 | 630 | 630 | Expired |
| Rongo Mondana | TRP | 40 | 15-Jun-2011 | 611 | 611 | Expired |
| East Pangia | FMA | 50 | 03-Mar-2054 | 98,750 | 74,062 | Current |
| | | | | 137,991 | 113,303 | |
| Eastern Highlands | | | | | | |
| Barola | TRP | - | - | 5 | 5 | Expired |
| Marafunga | TRP | 40 | 07-May-1999 | 369 | 369 | Expired |
| Marafunga Mundo | TRP | 30 | 01-May-1993 | 867 | 867 | Expired |
| Marafunga Korfena | TRP | 30 | 01-Apr-1993 | 194 | 194 | Expired |
| Marafunga Nomba | TRP | 30 | 01-May-1993 | 413 | 413 | Expired |
| Barapa Aforompa | TRP | 20 | 20-Dec-1985 | 313 | 313 | Expired |
| Binamarien | TRP | 20 | 10-Jun-1985 | 119 | 119 | Expired |
| Omauru | TRP | 20 | 11-Jun-1985 | 12 | 12 | Expired |
| Frigano | TRP | 20 | 01-Jun 1988 | 1,402 | 1,402 | Expired |
| Marafunga Ext 2 | TRP | 20 | 10-Aug-1990 | 895 | 895 | Expired |
| | | | | 4,589 | 4,589 | |
| Chimbu | | | | | | |
| | | | | | | |
| Western Highlands | | | | | | |
| Toli-Jibang (Kimil) | TRP | 40 | 15-Arp-1997 | 446 | 446 | Expired |
| Milaga | TRP | 40 | 16- Oct-1991 | 34 | 34 | Expired |
| Kum No.2 | TRP | 40 | 14-Aug-2000 | 502 | 502 | Expired |
| Kigen | TRP | 40 | 18-Sep-1993 | 327 | 327 | Expired |
| Kuna River | TRP | 40 | 20-Nov-2003 | 1,452 | 1,452 | Expired |
| Nebilyer River (Tomba) | TRP | 40 | 14-Oct-2004 | 2,187 | 2,187 | Expired |
| Moiwa | TRP | 40 | 19-Oct-2007 | 26,700 | 26,700 | (Jimi River TRP) Ex-pired |
| Kumun | TRP | 40 | 20-Oct-2007 | 4,850 | 4,850 | Expired |
| Mage | TRP | 40 | 20-Oct-2007 | 6,820 | 6,820 | Same |
| Milma | TRP | 40 | 22-Oct-2007 | 2,750 | 2,750 | Same |

| | | | | | | |
|-------------------|-----|-----|-------------|---------|---------|------------------------------------------|
| Ambusakui | TRP | 40 | 22-Oct-2007 | 1,080 | 1,080 | Same |
| Tsendiap | TRP | 40 | 23-Oct-2007 | 3,550 | 3,550 | Same |
| Ginji | TRP | 40 | 23-Oct-2007 | 6,610 | 6,610 | Same |
| Palgei | TRP | 40 | 24-Oct-2007 | 7,230 | 7,230 | Same |
| Kitingnambuga | TRP | 40 | 24-Oct-2007 | 4,460 | 4,460 | (Jimi River TRP) Expired |
| Mabugei | TRP | 40 | 24-Oct-2007 | 12,640 | 12,640 | Same |
| Kinint | TRP | 40 | 03-Nov-2007 | 2,800 | 2,800 | Same |
| | | | | 84,438 | 84,438 | |
| Enga | | | | | | |
| Kai Dolan | TRP | 20 | 12-Jan-1985 | 85 | 85 | Expired |
| Meriamanda | TRP | 40 | 13-Dec-1999 | 716 | 716 | Expired |
| Kiaimanda | TRP | 40 | 20-Apr-2000 | 218 | 218 | Expired |
| Domisau | TRP | 40 | 08-Nov-2007 | 10,930 | 10,930 | (Part of Jimi River Timber Area) Expired |
| Waripa | TRP | 20 | 17-Dec-2007 | 30,960 | 30,960 | Same |
| Meriamanda Ext | TRP | 20 | 26-Jun-2009 | 320 | 320 | Expired |
| Pogera | TRP | 20 | 26-Jun-2009 | 276 | 276 | Expired |
| | | | | 43,568 | 43,568 | |
| West Sepik | | | | | | |
| Durantembil | TRP | 40 | 13-Dec-1997 | 448 | 448 | Expired |
| Musu Saberjin | TRP | 40 | 01-Mar-2004 | 1,539 | 1,539 | Expired |
| Warimo | TRP | 40 | 28-Jun-2006 | 11,178 | 11,178 | Expired |
| Vanimo Block 6 | TRP | 40 | 07-Feb-2007 | 53,743 | 53,743 | Expired |
| Vanimo Block 1-5 | TRP | 40 | 31-Oct-2011 | 83,500 | 82,018 | Expired |
| Bewani | LFA | N/A | N/A | 38,500 | 38,500 | Current |
| Pegi Pulan | LFA | N/A | N/A | 10,000 | 10,000 | 1 year resource left |
| South West Wape | FMA | 50 | 04-Mar-2047 | 116,800 | 116,800 | (Aitape Lumi Consolidated) Current |
| Aitape East Coast | FMA | 50 | 05-Oct-2047 | 96,890 | 73,644 | Same |
| Wes Romei Tadjji | FMA | 50 | 08-Dec-2055 | 197,100 | 148,075 | Same |
| Amanab Block 3&4 | FMA | 50 | 05-Oct-2047 | 118,920 | 101,082 | Current |
| Amanab Block 1&2 | FMA | 50 | 14-Feb-2049 | 95,498 | 81,323 | Current |
| Amanab Block 5&6 | FMA | 50 | 02-Dec-2053 | 236,521 | 226,440 | Current |
| Imonda | FMA | 50 | 07-Dec-2060 | 40,245 | 20,271 | Current |
| | | | | 950,474 | 965,061 | |

| East Sepik | | | | | | |
|---------------------------|-----|-----|-------------|---------|---------|---------------------|
| Saloingagao | TRP | 40 | 14-Aug-2001 | 587 | 587 | Expired |
| Arin-Rainibo | TRP | 40 | 30-Jun-2002 | 3,570 | 3,570 | Expired |
| Angoram (Marimberg Hills) | TRP | 40 | - | 25,313 | 25,313 | Expired |
| Lower Sepik | LFA | N/A | N/A | 39,978 | 39,978 | Current |
| Hawain | LFA | N/A | N/A | 40,000 | 40,000 | Current |
| April Salumei | FMA | 50 | 19-Dec-2046 | 521,500 | 150,620 | REDD+ Pilot Project |
| | | | | 630,948 | 260,068 | |
| Madang | | | | | | |
| Barum | TRP | 10 | 16-Jul-1997 | 1,687 | 1,687 | Expired |
| Far North Coast Blk 3 | TRP | 10 | 02-Aug-1999 | 3,800 | 3,800 | Expired |
| Gum | TRP | 30 | 04-Aug-1999 | 4,960 | 4,960 | Expired |
| Naru | TRP | 30 | 14-Oct-2001 | 15,800 | 15,800 | Expired |
| North Coast | TRP | 30 | 26-Oct-2001 | 14,990 | 14,990 | Expired |
| Gogol | TRP | 40 | 20-May-2003 | 52,256 | 52,256 | Expired |
| Kumil | TRP | 20 | 04-Jul-2004 | 55,940 | 55,940 | Expired |
| Far North Coast | TRP | 30 | 11-Oct-2009 | 9,950 | 9,950 | Expired |
| Sogeram | TRP | 30 | 29-Dec-2017 | 56,480 | 56,480 | Current |
| Rai Coast | TRP | 26 | 23-Aug-2029 | 75,000 | 75,000 | Current |
| Josephstaal | FMA | 50 | 13-Feb-2046 | 95,500 | 66,885 | Current |
| Ramu Blk 1 | FMA | 50 | 23-Jun-2054 | 158,000 | 112,328 | Under dispute |
| | | | | 544,372 | 470,076 | |
| Morobe | | | | | | |
| Bukaua | TRP | 20 | 25-Aug-1988 | 2,104 | 2,104 | Expired |
| Buharu | TRP | 20 | 17-Aug-1988 | 3,614 | 3,614 | Expired |
| Lukamor Wasalum | TRP | 20 | 17-Nov-1988 | 1,012 | 1,012 | Expired |
| Sang | TRP | 15 | 07-Sep-1984 | 985 | 985 | Expired |
| Gabensis Lengu | TRP | 20 | 10-Sep-1989 | 6,877 | 6,877 | Expired |
| Buhem Bugeng | TRP | 20 | 06-Nov-1993 | 19,650 | 19,650 | Expired |
| Bugeng Mongi | TRP | 20 | 22-Nov-1993 | 18,540 | 18,540 | Expired |
| Trans Bulolo | TRP | 10 | 27-Nov-1984 | 5,080 | 5,080 | Expired |
| Gumi | TRP | 10 | 30-Jun-1985 | 3,080 | 3,080 | Expired |
| Cromwell | TRP | 10 | 07-Sep-1989 | 5,038 | 5,038 | Expired |
| Oomis Block 10 | TRP | 10 | 10-Oct-1989 | 2,764 | 2,764 | Expired |
| Gnalangbungun | TRP | 15 | 18-Dec-1995 | 5,220 | 5,220 | Expired |
| Labu Butu | TRP | 10 | 26-Jan-1991 | 10,000 | 10,000 | Expired |
| Labu Miti | TRP | 10 | 14-Feb 1985 | 2,084 | 2,084 | Expired |

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|-------------------------|-----|----|-------------|---------|---------|---------|
| Sio Sigawa | TRP | 10 | 26-Jun-1997 | 1,900 | 1,900 | Expired |
| Wau & Heads Hump | TRP | 5 | 17-May-1995 | 2,477 | 2,477 | Expired |
| Kui Busi | TRP | 10 | 18-Jan-1998 | 12,425 | 12,425 | Expired |
| Oomsis 11 | TRP | 40 | 24-Jun-1999 | 182 | 182 | Expired |
| Maiama A | TRP | 10 | 01-Jul-2000 | 5,140 | 5,140 | Expired |
| Kui Ext | TRP | 10 | 24-Jun-2001 | 40,000 | 40,000 | Expired |
| Maima B | TRP | 30 | 12-Apr-2003 | 9,980 | 9,980 | Expired |
| Oomsis Block 10A | TRP | 15 | 24-May2005 | 6,870 | 6,870 | Expired |
| Morobe Coast | TRP | 15 | 01-JUL-2005 | 44,493 | 44,490 | Expired |
| Watut West | TRP | 15 | 21-Jun-2007 | 33,440 | 33,440 | Expired |
| Were Were | TRP | 40 | 31-Dec-2014 | 3,054 | 3,054 | Expired |
| Wau Area 4 Blk A | TRP | 40 | 31-Oct-2015 | 15,400 | 15,400 | Expired |
| Bunsil Umboi Area 1 | TRP | 40 | 29-Dec-2016 | 8,936 | 8,936 | Current |
| Kowai Umboi Area 2 | TRP | 40 | 30-Dec-2017 | 16,924 | 16,924 | Current |
| Kaimanga Umboi Area 3 | TRP | 40 | 01-Jan-2018 | 22,925 | 22,925 | Current |
| Mongi Busiga | FMA | 50 | 26-Sep-2045 | 32,800 | 24,300 | Current |
| Buhem Mongi | FMA | 50 | 24-Apr-2047 | 38,100 | 29,345 | Current |
| Watut Ongawafa | FMA | 50 | 22-Mar-2056 | 60,860 | 45,645 | Current |
| | | | | 441,951 | 251,329 | |
| West New Britain | | | | | | |
| Ivule Malaulau | TRP | 10 | 13-May-1984 | 4,350 | 4,350 | Expired |
| Rottock Bay | TRP | 20 | 05-Aug-1994 | 20,640 | 20,640 | Expired |
| Sulu Range | TRP | 10 | 03-Mar-1987 | 3,600 | 3,600 | Expired |
| Mami 1 | TRP | 40 | 16-Jun-1999 | 10,360 | 10,360 | Expired |
| Witori 1 | TRP | 40 | 17-Jun-1999 | 4,730 | 4,730 | Expired |
| Kako 1 | TRP | 40 | 30-Sep-1999 | 1,940 | 1,940 | Expired |
| Uletevasa 1 | TRP | 40 | 11-Jan-2000 | 2,040 | 2,040 | Expired |
| Malalimi 1 | TRP | 40 | 14-Jan-2000 | 4,780 | 4,780 | Expired |
| Galae 1 | TRP | 40 | 19-Jan-2000 | 32,780 | 32,780 | Expired |
| Mu'u (Tarobi Pt) | TRP | 40 | 04-Apr-2000 | 3,420 | 3,420 | Expired |
| Wangore | TRP | 40 | 25-Sep-2000 | 8,500 | 8,500 | Expired |
| Ibana | TRP | 40 | 09-Jun-2001 | 4,735 | 4,735 | Expired |
| North Ulamona | TRP | 40 | 12-Nov-2003 | 1,860 | 1,860 | Expired |
| Mosa 2 | TRP | 40 | 10-Jun-2004 | 2,750 | 2,750 | Expired |
| Keveloho 2 | TRP | 40 | 15-Jun-2004 | 4,370 | 4,370 | Expired |
| Toa | TRP | 40 | 15-Jun-2004 | 1,700 | 1,700 | Expired |
| Malum 2 | TRP | 40 | 15-Jun-2004 | 2,910 | 2,910 | Expired |
| Bunga 2 | TRP | 40 | 15-Jun-2004 | 2,350 | 2,350 | Expired |
| Hondelaulimi 2 | TRP | 40 | 15-Jun-2004 | 2,530 | 2,530 | Expired |

| | | | | | | |
|-----------------------|-----|-----|-------------|---------|---------|---------|
| Kisang 2 | TRP | 40 | 15-Jun-2004 | 8,620 | 8,620 | Expired |
| Bola 2 | TRP | 40 | 15-Jun-2004 | 7,320 | 7,320 | Expired |
| South Bagum | TRP | 40 | 29-Jun-2005 | 7,402 | 7,402 | Expired |
| Fulleborn Ext | TRP | 40 | 21-Mar-2007 | 20,640 | 20,640 | Expired |
| Bulu | TRP | 40 | 21-May-2008 | 19,830 | 19,830 | Expired |
| Ulamona Ext 3 | TRP | 40 | 12-Nov-2008 | 620 | 620 | Expired |
| Ibana East 3 | TRP | 40 | 13-Nov-2008 | 6,840 | 6,840 | Expired |
| Madedu 3 | TRP | 40 | 15-Nov-2008 | 13,560 | 13,560 | Expired |
| Extended Mengen 3 | TRP | 40 | 19-Nov-2008 | 33,180 | 33,180 | Expired |
| Gula Gula 3 | TRP | 40 | 25-Nov-2008 | 6,430 | 6,430 | Expired |
| Aliai 3 | TRP | 40 | 01-Dec-2008 | 5,260 | 5,260 | Expired |
| Alolo | TRP | 40 | 12-Oct-2009 | 2,350 | 2,350 | Expired |
| Kau'Ulu | TRP | 40 | 12-Oct-2009 | 2,390 | 2,390 | Expired |
| Sisimi | TRP | 40 | 12-Oct-2009 | 1,620 | 1,620 | Expired |
| Bango | TRP | 40 | 16-Dec-2009 | 13,680 | 13,680 | Expired |
| Hagry (Maututu) | TRP | 40 | 11-Aug-2009 | 15,780 | 15,780 | Expired |
| Ania Kapiura | TRP | 40 | 20-Oct-2014 | 260,210 | 188,072 | Expired |
| Kapuluk | TRP | 40 | 19-Nov-2011 | 106,238 | 54,250 | Expired |
| Kapuluk Extension | TRP | 40 | 20-May-2015 | 115,692 | 115,692 | Expired |
| West Arawe (Blk1) | TRP | 25 | 30-Jan-2011 | 68,735 | 68,181 | Expired |
| Central Arawe (Blk 2) | TRP | 25 | 30-Jan-2012 | 36,500 | 36,500 | Expired |
| East Arawe | TRP | 25 | 19-May-2016 | 61,000 | 61,000 | Expired |
| Mosa Leim | TRP | 25 | 05-Nov-2031 | 20,980 | 20,980 | Current |
| Atuvo (Akarip) | LFA | N/A | N/A | 4,548 | 4,548 | Current |
| Pulie Anu | LFA | N/A | N/A | 40,000 | 40,000 | Current |
| Lolo Blk 1 | LFA | N/A | N/A | 39,500 | 39,500 | Current |
| Lolo Blk 2 | LFA | N/A | N/A | 40,000 | 40,000 | Current |
| Passismanua Blk 1 | LFA | N/A | N/A | 40,000 | 40,000 | Current |
| Aria Vanu Blk 3 | LFA | N/A | N/A | 39,650 | 39,650 | Current |
| Anu Alimbit | LFA | N/A | N/A | 32,800 | 32,800 | Current |
| Alimbit Andru | LFA | N/A | N/A | 39,930 | 39,930 | Current |
| Aria Vanu Bkl 1 | LFA | N/A | N/A | 39,650 | 39,650 | Current |
| Pasismanua Inland Ext | LFA | N/A | N/A | 34,840 | 32,677 | Current |
| Akarip Autuvo Ext | LFA | N/A | N/A | 40,000 | 40,000 | Current |
| Awio Amgen | LFA | N/A | N/A | 37,980 | 37,980 | Current |
| Lolo Blk 2 Ext | LFA | N/A | N/A | 23,000 | 23,000 | Current |
| Andrew Johanna | LFA | N/A | N/A | 40,000 | 40,000 | Current |

| | | | | | | |
|-------------------------|-----|----|--------------|-----------|-----------|-------------------------------------|
| Rottock Bay | FMA | 50 | 03-Jan-2046 | 32,739 | 32,739 | (Rottock Bay Consolidated) Current |
| Agulu | FMA | 50 | 07-Jun-2049 | 56,643 | 48,147 | Same |
| Asirim | FMA | 50 | 08-Jun-2049 | 46,673 | 39,671 | Same |
| Asengseng | FMA | 50 | 13-Feb-2046 | 43,367 | 41,000 | (Asengseng Consolidated) Current |
| Aria Vanu Blk 2 | FMA | 50 | 05-Apr-2048 | 30,062 | 30,040 | Same |
| Vanu Tamu | FMA | 50 | 05-Apr-2048 | 44,152 | 43,610 | Same |
| Inland Rauto Miu | FMA | 50 | 25-Nov-2048 | 101,256 | 86,126 | Same |
| | | | | 1,802,003 | 1,641,610 | |
| East New Britain | | | | | | |
| Mandres Kalkal | TRP | 40 | 06-Jan-1991 | 11,330 | 11,330 | Expired |
| Cape Jacqinot | TRP | 40 | 20-Jan-1991 | 720 | 720 | Expired |
| Drima | TRP | 40 | 05-Nov-1991 | 4,000 | 4,000 | Expired |
| Berg Berg Remuit | TRP | 40 | 28-Jun-1992 | 2,900 | 2,900 | Expired |
| Warangoi | TRP | 40 | 01-Oct-1992 | 2,050 | 2,050 | Expired |
| Gaulim | TRP | 15 | 26-Mar-1989 | 7,400 | 7,400 | Expired |
| Matanakunai | TRP | 10 | 12-Aug-1984 | 800 | 800 | Expired |
| Sum Sum | TRP | 50 | 30-Mar-1991 | 1,519 | 1,519 | Expired |
| Seraji & Seraji Ext | TRP | - | 30- Oct-2010 | 18,700 | 18,700 | Expired |
| Pondo | TRP | - | " | 12,140 | 12,140 | Expired |
| Kamdaru | TRP | - | " | 1,010 | 1,010 | Expired |
| Merai | TRP | 10 | 20-Jan-1988 | 3,730 | 3,730 | Expired |
| Vudal | TRP | 20 | 30-Sep-1999 | 9,770 | 9,770 | Expired |
| Waterfall Bay | TRP | 20 | 31-Aug-2000 | 26,450 | 26,450 | Expired |
| Taraiwara | TRP | 10 | 17-Jul-2000 | 11,700 | 11,700 | Expired |
| Waterfall Bay Extension | TRP | 10 | 05-May-2002 | 15,860 | 15,860 | Expired |
| Gaulim Ext | TRP | 15 | 20-Apr-2003 | 8,150 | 8,150 | Expired |
| Gar | TRP | 15 | 14-Nov-2004 | 10,000 | 10,000 | Expired |
| Aghaghat Ext | TRP | 15 | 18-Nov-2005 | 4,400 | 4,400 | Expired |
| Mokolkol Ext | TRP | 30 | 20-Feb-2007 | 27,400 | 27,400 | Expired |
| Kaboku | TRP | 40 | 12-Aug-2007 | 4,110 | 4,110 | Expired |
| Makolkol | TRP | 40 | 02-Sep-2007 | 23,020 | 23,020 | Expired |
| Simbali | TRP | 40 | 05-Sep-2007 | 78,058 | 72,910 | Expired |
| Tamoip | TRP | 40 | 13-Sep-2007 | 8,891 | 8,891 | Expired |
| Loi River | TRP | 40 | 13-Sep-2007 | 16,280 | 16,280 | Expired |
| Aghaghat | TRP | 40 | 14-Sep-2007 | 4,872 | 4,872 | Expired |

| | | | | | | |
|---------------------|-----|-----|-------------|---------|---------|---------|
| Ramandu | TRP | 20 | 26-Nov-2005 | 23,800 | 13,800 | Expired |
| Sanbam Ext | TRP | 10 | 15-Dec-1999 | 9,100 | 9,100 | Expired |
| Dengnangi | TRP | 40 | 03-Jun-2008 | 32,370 | 32,370 | Expired |
| Simbali Ext | TRP | 15 | 22-Aug-1989 | 11,300 | 11,300 | Expired |
| Bergberg Ext | TRP | | 11-Oct-2010 | 5,000 | 5,000 | Expired |
| Inland Pomio | TRP | 40 | 30-Dec-2029 | 63,668 | 63,668 | Current |
| Cape Oford | TRP | 20 | 21-Jun-2012 | 45,901 | 33,760 | Expired |
| Tokai Matong | TRP | 40 | 09-Feb-2029 | 22,108 | 22,108 | Current |
| Nutuve | TRP | 40 | 01-Jul-2030 | 52,843 | 52,600 | Current |
| | | | | 581,350 | 553,818 | |
| New Ireland | | | | | | |
| Tsoi Umbigum | TRP | 40 | 06-May-1993 | 50 | 50 | Expired |
| Tsoi Kawilikiau | TRP | 40 | 13-May-1993 | 30 | 30 | Expired |
| Kamdaru Ext | TRP | 20 | 09-Nov-1993 | 1,190 | 1,190 | Expired |
| Watpi Rut Rut | TRP | 20 | 11-Nov-1993 | 1,600 | 1,600 | Expired |
| Nasko Extension Bua | TRP | 20 | 12-Nov-1993 | 3,450 | 3,450 | Expired |
| Kabaman Koko-kalang | TRP | 20 | 04-Dec-1993 | 2,070 | 2,070 | Expired |
| Siaman Danmas | TRP | 20 | 05-Dec-1993 | 620 | 620 | Expired |
| Mamirum | TRP | 15 | 12-Oct-1989 | 12,270 | 12,270 | Expired |
| Konos | TRP | 15 | 04-Feb-1990 | 8,890 | 8,890 | Expired |
| Pue | TRP | 15 | 10-Feb-1990 | 1,080 | 1,080 | Expired |
| Kabaman Ext | TRP | 20 | 10-Mar-1995 | 2,490 | 2,490 | Expired |
| Semalu | TRP | 15 | 31-Oct-1991 | 2,160 | 2,160 | Expired |
| King | TRP | 15 | 08-Mar-1992 | 4,770 | 4,770 | Expired |
| Emirau Island | TRP | In | 1970/s | 830 | 830 | Expired |
| Lenai | TRP | 10 | 26-Mar-1999 | 2,290 | 2,290 | Expired |
| Konogogo | TRP | 10 | 05-May-2002 | 1,315 | 1,315 | Expired |
| Mussau Island | TRP | 30 | 29-Feb-2004 | 35,736 | 35,736 | Expired |
| Kaut | TRP | 40 | 02-Jun-2009 | 17,600 | 17,600 | Expired |
| Ugana | LFA | N/A | 23-Mar-1996 | 9,015 | 9,015 | Expired |
| Anir | LFA | N/A | N/A | 41,000 | 41,000 | Expired |
| Tabar | LFA | N/A | N/A | 24,000 | 24,000 | Expired |
| Napanta Nabui | LFA | N/A | N/A | 13,000 | 13,000 | Expired |
| Suraul Rasirik | LFA | N/A | N/A | 34,000 | 34,000 | Expired |
| Nakmai | LFA | N/A | 31-Dec-1996 | 110,000 | 110,000 | Expired |
| Kait | LFA | N/A | N/A | 1,750 | 1,750 | Expired |
| Kanamai | LFA | 20 | N/A | 10,380 | 10,380 | Expired |
| Lak | TRP | 20 | 09-Oct-2009 | 80,000 | 80,000 | Expired |

| | | | | | | |
|---------------------|-----|-----|-------------|-------------------|------------------|--------------|
| Umbukul | TRP | 20 | 21-Jun-2012 | 26,050 | 26,050 | Expired |
| Central New Ireland | TRP | 40 | 14-Jun-2017 | 98,100 | 98,100 | Current |
| Danfu | TRP | 40 | 29-Aug-2019 | 59,565 | 59,565 | Current |
| Danfu Extension | TRP | 10 | 29-JUL-1997 | 25,400 | 25,400 | Current |
| | | | | 630,701 | 630,701 | |
| ARB | | | | | | |
| Kunua | TRP | 10 | 03-Feb-1998 | 23,845 | 23,845 | Expired |
| Wakunai | TRP | 40 | 30-Aug-1999 | 4,460 | 4,460 | Expired |
| Numa Numa | TRP | 40 | 04-May-2001 | 6,470 | 6,470 | Expired |
| Tonolei Blk 1 | TRP | 40 | 07-May-2002 | 8,530 | 8,530 | Expired |
| Tonolei Blk 2 | TRP | 40 | 07-May-2002 | 4,480 | 4,480 | Expired |
| Tonolei Blk 3 | TRP | 40 | 07-May-2002 | 6,710 | 6,710 | Expired |
| Tonolei Blk 4 | TRP | 40 | 07-May-2002 | 6,500 | 6,500 | Expired |
| Tonolei Blk 5 | TRP | 40 | 07-May-2002 | 4,140 | 4,140 | Expired |
| Tonolei Blk 6 | TRP | 40 | 07-May-2002 | 6,350 | 6,350 | Expired |
| Tonolei Blk 7 | TRP | 40 | 04-Jun-2002 | 6,760 | 6,760 | Expired |
| Tinputz | TRP | 40 | 31-Oct-2019 | 22,650 | 22,650 | Current |
| Manetai | TRP | 40 | 03-Feb-2038 | 24,070 | 24,070 | Current |
| | | | | 124,966 | 124,966 | |
| Manus | | | | | | |
| Derimbat | TRP | 20 | 08-Mar-1885 | 996 | 996 | Expired |
| Derimbat South | TRP | 20 | 27-May-1994 | 1,500 | 1,500 | Expired |
| Manus West Coast | TRP | 40 | 03-Feb-2028 | 32,667 | 32,667 | Current |
| West Coast | LFA | N/A | N/A | 19,067 | 19,067 | Current |
| Jaha | LFA | N/A | N/A | 10,111 | 10,111 | Current |
| Kali Bay | LFA | N/A | N/A | 8,753 | 8,753 | Current |
| | | | | 73,094 | 73,094 | |
| Jiwaka | | | | | | New Province |
| Hela | | | | | | New Province |
| TOTAL | | | | 10,953,897 | 8,667,631 | |

Source: PNGFA (2013). Note: Since this list was developed by PNGFA, some of the timber permits that were identified by PNGFA as “current” appear to have expired, i.e. their expiry date has passed. For these permits, we have written “expired” in italics in the Remarks column of the table.

Appendix 3 Certified timber businesses in PNG

| Timber business | Type of verification/certification | Validity/Status | Major wood products | Description |
|-------------------------------------------------------------------|------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Forest Management and Product Certification Service Ltd (FORCERT) | FSC CoC and FM (SLIMF) | From 09 Aug 2011. Certificates voluntarily terminated in 2014. May reapply in future. | Mixed species of sawn wood from natural forests | FORCERT holds FSC CoC and FM Group Certificates, which it has used to certify a number of community-based timber operations and timber yards, focusing on Aitape District, Bougainville, East New Britain, Madang, Morobe, Southern New Ireland and West New Britain. It employs a stepwise approach under which communities can start with FairTrade recognition for their timber production, then move to a FSC Pre-Certified status (equivalent to FSC controlled wood standards), and from there move on to acquiring full forest management certification. |
| Foundation for People and Community Development (FPCD) | FSC CoC and FM | May 2007 – 2012, Expired. May reapply in future. | Mixed species of sawn wood from natural forests | FPCD is a national NGO that supports local communities in Madang Province to manage their forests according to FSC principles and to market their certified timber. It holds a FSC CoC and FM group certificate under which several community-based forestry operations were certified. The certificates expired in 2012. |
| Cloudy Bay Sustainable Forestry Ltd | FSC CW (company standard) | 21 Oct 2011 – 20 Oct 2016 | Wood from natural forests, all processed (no log exports) | Cloudy Bay Sustainable Forestry Ltd, a subsidiary of PNG Sustainable Development Program Ltd., holds a license for 100% downstream processing and manages over 148,900 ha of forests in Abau District, 250 kilometres south east of Port Moresby. |
| | FSC CoC and FM | 31 May 2013 – 30 May 2018 | | |
| Open Bay Timber Ltd. (OBT) | FSC CW (forest management) | 11 Oct 2012 – 10 Oct 2017- | Logs and sawn wood | OBT first acquired Controlled Wood certification on 31 March 2008. It is a wholly-owned subsidiary of Kowa Lumber Co., Ltd., an importer, exporter and seller of timber, and itself a wholly-owned subsidiary of Sumitomo Forestry Co., Ltd. (headquartered in Tokyo). The certification covers 11,770 ha of <i>Eucalyptus deglupta</i> of the total 31,260 ha in East New Britain under OBT management. OBT's main market is the timber and furniture market in Viet Nam. |
| | FSC CoC and FM | 12 Sept 2011 – 11 Sept 2016 | | |

| | | | | |
|----------------------------------------|----------------------------|------------------------------------------|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Stettin Bay Lumber Company Ltd. (SBLC) | SGS TLTV (LO) | 24 Jan 2010 – 23 Jan 2012 | Logs and sawn wood from natural and planted forest | SBLC sells FSC certified <i>Eucalyptus deglupta</i> from its plantations, which cover about 10,000 ha in West New Britain, to furniture manufacturers in Viet Nam. Its Timber Permit for natural forest extends over parts of West and East New Britain provinces, and covers a total area of 434,500 ha. |
| | SGS TLTV (CoC) | 28 Feb 2011 – 27 Feb 2016 | | |
| | FSC CW (company standard) | 23 Aug 2011 – 22 Aug 2016 | | |
| | FSC CW (forest management) | | | |
| Saban Enterprises Ltd. (SEL) | SGS TLTV (CoC, LC) | 24 Nov 2008 – 23 Nov 2013 | Logs and sawn wood (mixed PNG hardwoods) | SEL, an affiliate company of the Rimbunan Hijau Group, is the contractor for the Sagarai-Gadaisu forestry concession. It owns and manages a sawmill at Alotau, which processes timber for domestic sales and export. SEL was the first company in PNG to acquire TLTV. The application was supported under an ITTO project from June 2007. |
| PNG Forest Products Ltd. | SGS TLTV (LO, LC) | 3 Feb 2010 – 2 Feb 2015 | Plantation pinewood products: plywood, sawn wood, round poles, furniture, etc. | PNG Forest Products evolved from Bulolo Gold Dredging Limited, which commenced operations in large scale alluvial mining in 1932. All of its wood products are manufactured from pine plantations in Bulolo and Wau. The main species are Hoop pine (<i>Araucaria cunninghamii</i>), Klinki pine (<i>Araucaria hunsteinii</i>) and Caribbean pine (<i>Pinus caribaea</i>). |
| PNG Tropical Hardwoods | SGS TLTV (LO) | 14 Feb 2011 – 13 Feb 2013 Expired | | The certificate covers 6,100 ha in Akamkus. |

Source: FSC Certificate Database (accessed 24 July 2013); Bruce Telfer - interviews 2012 and 2013; Cosmas Makamet - personnel communication, July 2013; Peter Dam - personnel communication, May 2016; Beresnev (2009); <http://www.forcert.org.pg/>, accessed 26 July 2013; <http://www.fpcc.org.pg/>, accessed 26 July 2013; <http://www.cloudybay.com.pg/>, accessed 26 July 2013; Sumitomo Forestry Co. Ltd. (2011); UNITECH Development Company Pty Ltd. (2003); <http://www.pngfp.com/index.php>, accessed 26 July 2013. Acronyms: FM = Forest Management, CoC = Chain of Custody, SLIMF = FSC Small and Low Intensity Forest Management standard, CW = Controlled Wood, LO = legal origin, LC = legal compliance.

Appendix 4 Forest Clearance Authorities by province and project

| PROVINCE/PROJECT | AREA (ha) | FCA No. | DATE ISSUED | CURRENT STATUS |
|-------------------------------------------------|---------------|-----------|-------------|---------------------------------------------|
| Western | | | | |
| Gre-Dringas Road Project | 2,400 (600km) | FCA 01-01 | 29/11/10 | Not operational |
| Central | | | | |
| Mekeo Hinterland Integrated Agriculture Project | 116,400 | FCA 03-01 | 29/06/2009 | Not operational. Under dispute |
| Abeda Integrated Agriculture Project | 11,700 | FCA 03-02 | 22/04/2010 | Active but currently under dispute |
| Yumi Agro-Forestry Development Project | 115,500 | FCA 03-03 | 03/05/2007 | Operations suspended due to non-compliance. |
| West Sepik | | | | |
| Aitape East Integrated Agriculture Project | 29,205 | FCA 10-01 | 07/03/2008 | Operational |
| Aitape West Integrated Agriculture Project | 47,626 | FCA 10-02 | 21/04/2008 | Operational |
| Bewani Oil Palm Development Project | 139,909 | FCA 10-03 | 26/03/2009 | Operational |
| Scotchiao Cocoa Estate Development Project | 6,114 | FCA 10-04 | 26/03/2009 | Operational |
| East Sepik | | | | |
| West Turubu Integrated Agriculture Project | 121,000 | FCA 11-01 | 26/03/2009 | Operational |
| Angoram (Marienberg) Integrated Ag Project | 25,600 | FCA 11-02 | 29/06/2009 | Operational |
| East New Britain | | | | |
| Illi Waswas Roadline | Undefined | FCA 15-01 | 05/03/2007 | No progressive report to date. |
| Illi Waswas Integrated Agriculture Project | 38,500 | FCA 15-02 | 05/03/2007 | Operations suspended. |
| Illi Standalone Agriculture Project | 10,400 | FCA 15-03 | 05/03/2007 | Expired. New application lodged. |

| | | | | |
|------------------------------------------------------|----------------|-----------|------------|----------------------------------|
| Inland Lassul Baining Integrated Agriculture Project | 30,830 | FCA 15-04 | 15/01/2008 | Operational |
| Suikol Makokol Integrated Agriculture Project | 52,000 | FCA 15-05 | 15/12/2009 | Operational |
| Mukus Mekoi Integrated Agriculture Project | 68,300 | FCA 15-06 | 07/10/2010 | Non-operational, pending inquiry |
| Sigta Mukus Integrated Rural Development Project | 43,430 | FCA 15-07 | 07/10/2007 | Operational |
| New Ireland | | | | |
| Danfu Integrated Agriculture Project | 24,850 | FCA 16-01 | 11/09/2009 | Operational |
| TOTAL | 878,764 | | | |

Source: PNGFA (circa 2012).

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